

EUNICE M. ULLOA
Mayor



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MARC LUCIO
Council Members

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Mayor Pro Tem

DR. LINDA REICH
City Manager

CITY of CHINO

January 7, 2025

Vanessa Delgado, Chair
South Coast Air Quality Management District Governing Board
21865 Copley Drive
Diamond Bar, CA 91765

RE: OPPOSITION TO PROPOSED RULES 1111 AND 1121

Dear Chair Delgado and Members of the Governing Board,

The City of Chino has recently become aware of two proposed rules being advanced by South Coast Air Quality Management District (SCAQMD) staff for your consideration. On behalf of our City, its residents, businesses, and property owners, we write to express our strong opposition to Proposed Amended Rules (PARs) 1111 and 1121, which would establish zero-Nox emissions limits for residential and commercial space heating and residential water heating.

While we appreciate the SCAQMD's commitment to improving air quality in our region, the proposed amendments present significant concerns for our community, including economic hardships, technological feasibility challenges, environmental trade-offs, and lack of adequate public engagement.

These proposed rules would ban the use of natural gas-powered furnaces and water heaters in new construction, taking effect in 2026, further elevating construction costs and housing prices, thereby putting homeownership even further out of reach for many Southern Californians.

These rules would phase out existing natural gas furnaces and water heaters in existing single-family homes, multi-family housing, and businesses in 2027. We have significant concerns regarding the scale of the mechanical, electrical, plumbing, and other requirements necessary to comply with retrofits of existing commercial buildings, single-family homes, and multifamily residential properties, as well as the dramatic cost implications to thousands of families who call Chino home. Rules 1111 and 1121 would impose \$20-plus billion in costs to consumers while providing minimal measurable air quality benefits for the four-county SCAQMD service area.

We believe that if the Governing Board adopts Rules 1111 and 1121, the high costs of compliance will force the owners of older multifamily properties to sell or redevelop their properties, subsequently resulting in a dramatic reduction in the availability of affordable housing in our City and across the region.



Vanessa Delgado
SCAQMD
January 7, 2025, p.2

Our City Council shares your commitment to clean air and water and other quality-of-life benefits that draw and retain the residents and business owners who live here. However, the current versions of PAR 1111 and 1121 will have significant, lasting consequences that negatively impact jobs, increase the cost of living in our region, and strain an already overburdened electric grid. Transitioning to all-electric water heaters and furnaces translates into increased demand on an electric grid that has not proven capable of consistently meeting existing demand. Water heaters and furnaces are essential to any house, apartment, or business. Millions of new electric water heaters and furnaces would draw power from the grid and raise the risk of power brownouts or outages. Removing natural gas from the energy options available to our residents and businesses for space and water heating is impractical, unsustainable, and puts our region at an economic disadvantage.

There has been limited public outreach and education surrounding these proposed rules. Despite multiple workshops, most of the region's residents, businesses, and property owners – those most directly affected – remain unaware of the proposed rules and their vast implications throughout the SCAQMD area. The magnitude of the far-reaching impacts of the proposed rules requires a robust and thorough outreach and education effort, stakeholder engagement, and the development of more balanced and cost-effective proposals.

We urge the SCAQMD Governing Board to delay consideration/adoption of PAR 1111/1121, currently scheduled for February 7, 2025, to allow District staff to better inform the millions of Southern California residents of these proposed rules and their costs, which are estimated to range from \$3,000 to \$21,500 per unit when electric panel upgrades are required. There are many unanswered questions regarding cost, equity, technology and infrastructure challenges, and the substantial gap between the actual costs of compliance and limited potential incentives that need to be addressed. Thank you for your consideration.

Respectfully,



Eunice Ulloa

Mayor

cc: Chino City Council Members