

RESOLUTION NO. 25-09

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A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA VERNE, CALIFORNIA, OPPOSING PROPOSED AMENDED RULES 1111 AND 1121 OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT RELATED TO REGULATION OF NATURAL GAS EMISSIONS DUE TO COSTS TO AFFECTED BUSINESS AND RESIDENTS

WHEREAS, the South Coast Air Quality District (SCAQMD) is a regional air pollution control agency representing Los Angeles, Orange, Riverside and San Bernardino counties with responsibility for regulating stationary sources of air pollution; and

WHEREAS, the SCAQMD is considering two rules that would have a significant impact on up to 17 million South Coast homeowners, renters and businesses: Rule 1111 would regulate air emissions from gas-powered central furnaces; and Rule 1121 would regulate air emissions from residential-type, natural gas-powered water heaters; and

WHEREAS, Rules 1111 and 1121 would impose high costs to consumers while providing limited measurable air quality benefits for the four-county SCAQMD service area; and

WHEREAS, the two rules would ban the use of natural gas-powered furnaces and water heaters in new construction, taking effect in 2026. These rules would phase out existing natural gas furnaces and water heaters in existing single-family homes, multi-family housing, and businesses in 2027; and

WHEREAS, housing affordability is and will remain a top public policy priority for all local governments for the foreseeable future, and local governments are being pressured to build more housing, specifically housing people can afford and maintain. Any regulations that increase these costs deserve scrutiny to ensure that the increased costs are met with an equal or more significant amount of benefit to the consumer; and

WHEREAS, unlike most SCAQMD rules that regulate large stationary sources of air pollution like oil refineries and warehouses, Rules 1111 and 1121 specifically target

1 individual homeowners, apartment buildings, and businesses large and small, meaning
2 that families and business owners will directly bear the costs of these two rules; and

3 **WHEREAS**, Rules 1111 and 1121 would require retrofitting homes, apartments,
4 and businesses with electrical panel upgrades, extensive new plumbing, and physical
5 renovations to accommodate compliant units; and

6 **WHEREAS**, on June 7, 2024, SCAQMD's Governing Board approved updates to
7 Rule 1146.2 that will require new and existing residential and commercial buildings to
8 transition to zero-emission (ZE) water heaters, to include natural gas-fired pool heaters,
9 larger water heaters, small commercial water heaters, boilers, and process heaters,
10 starting January 1, 2026; and

11 **WHEREAS**, for apartment owners, the cost to replace natural gas water heaters
12 and furnaces with all- electric units will be passed down to tenants, leading to rent
13 increases and placing additional financial pressure on renters; and

14 **WHEREAS**, updates to Rule 1146.2 will impact approximately 710,000 natural
15 gas-fired residential pool and spa heaters alone, which will lead to further economic
16 hardship to those pool owners; and

17 **WHEREAS**, for homeowners, and especially senior homeowners, of whom the
18 City has a higher percentage than other cities, the costs to retrofit homes could be
19 financially infeasible; and

20 **WHEREAS**, the City Council shares the commitment of SCAQMD to clean air and
21 water and other quality of life benefits that draw and retain residents and businesses;
22 however, the current version of Rules 1111 and 1121 will increase the cost of living in La
23 Verne and potentially impact job creation and business retention.

24 **NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL
25 OF THE CITY OF LA VERNE THAT:**

26 **SECTION 1.** Rules 1111 and 1121 will have a profound impact and impose
27 significant costs on thousands of La Verne homeowners and renters and hundreds of
28 businesses; and
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1 **SECTION 2.** The City Council requests more time to allow for a more robust public
 2 outreach process that ensures residents and businesses are properly informed and that
 3 questions regarding cost, technology, and the availability of potential incentives are able
 4 to be addressed; and

5 **SECTION 3.** The City Council of the City of La Verne opposes Proposed Amended
 6 Rules 1111 and 1121 and urges the SCAQMD to indefinitely delay or cease consideration
 7 of these two regulations.

8 **SECTION 4.** That the Mayor shall sign and the Deputy City Clerk shall certify to the
 9 passage and adoption of this resolution and thereupon the same shall take effect and be
 10 in force.

11 **PASSED, APPROVED, AND ADOPTED this 3rd day of February 2025.**

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 Tim Hepburn, Mayor

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17 ATTEST:

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 Debra Fritz, CMC Deputy City Clerk

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1 I hereby certify that the foregoing **Resolution No. 25-09** was introduced and adopted at
2 a regular meeting of the City Council of the City of La Verne held on the **3rd day of**
3 **February 2025**, by the following votes:

4 AYES: Kashifalghita, Lau, Johnson, and Hepburn.
5 NOES: None.
6 ABSENT: Crosby.
7 ABSTAIN: None.

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11 Debra Fritz, CMC Deputy City Clerk
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City of La Verne, City Council Agenda Report



**Approved on 2/3/25 at
the regular meeting of the
La Verne City Council.**

DATE: February 3, 2025
TO: Honorable Mayor and City Council
FROM: Ken Domer, City Manager
SUBJECT: **RESOLUTION OPPOSING SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT PROPOSED AMENDED RULES 1111 AND 1121 RELATED TO REGULATION OF AIR EMISSIONS FROM RESIDENTIAL AND BUSINESS NATURAL GAS FURNACES AND WATER HEATERS.**

SUMMARY

The South Coast Air Quality Management District (SCAQMD) will consider two Proposed Amended Rules (PARs), Rule 1111 and Rule 1121, regulating the emissions from residential and commercial furnaces and emissions from residential water heaters. The proposed amendments to the rules seek to transition to zero-emission space and water heating appliances, based on future effective dates, when existing appliances need to be replaced. The proposed Resolution seeks to oppose the two rules based on costs to transition and seeks additional time and assistance to affected residents and businesses.

RECOMMENDATION

That the City Council adopt a Resolution titled, "A RESOLUTION OF THE CITY COUNCIL, CITY OF LA VERNE, CALIFORNIA, OPPOSING PROPOSED AMENDED RULES 1111 AND 1121 OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT RELATED TO REGULATION OF NATURAL GAS EMISSIONS DUE TO COSTS TO AFFECTED BUSINESS AND RESIDENTS."

DISCUSSION

After being contacted by residents, Mayor Tim Hepburn requested that this item be placed for consideration by the City Council. Previously, on December XX, 2024, the City sent a letter to the South Coast Air Quality Management District (SCAQMD) expressing the City Council's opposition to the Proposed Amended Rules stating that while the City Council shares SCAQMD's commitment to improving air quality, the proposed amendments pose significant challenges and unintended consequences for our community.

One of the functions of SCAQMD is to promulgate rules that assist the region in attaining federal air quality standards. Rule 1111 regulates the emissions from residential and commercial furnaces and Rule 1121 regulates the emissions from residential water heaters. The proposed amendments to the rules seek to transition to zero-emission space and water heating appliances, based on future effective dates, when existing appliances need to be replaced.

There is strong concern over the two Proposed Amended Rules (PARS) due to the costs associated with implementing the regulations upon residents and business owners. Estimates

from a SCAQMD draft staff report on the PARS show replacement costs for space heaters ranging from \$18,500 to \$21,500 in an electric panel upgrade is needed. For water heater replacements, the cost to go electric ranges from approximately \$5,200 to \$8,200. At this time, SCAQMD has not released information on the proposed Go Zero Incentive Plan which is proposed to reimburse residents for the transition. It is important to note that as understood, the Go Zero Incentive Plan is a rebate program so residents would need to provide upfront funding. An example from a SCAQMD presentation shows the cost of a Heat Pump Water Heater at \$5,200 while the incentive rebated is only in the \$1,000 to \$2,000 range, though with longer-term fuel savings derived from the switch.

Previously, on June 7, 2024, SCAQMD's Governing Board approved updates to Rule 1146.2 that will require new and existing residential and commercial buildings to transition to zero-emission (ZE) water heaters, to include natural gas-fired pool heaters, larger water heaters, small commercial water heaters, boilers, and process heaters, starting January 1, 2026.

Concern expressed by industry and resident commenters in meetings held by SCAQMD include that the rules create significant burdens for consumers and will potentially cost billions of dollars to only slightly reduce overall nitrogen oxide (NOx) emissions within the South Coast Air Basin. Based on information contained in a preliminary staff report for the Proposed Amended Rules, that percentage is 10 tons per day out of the total 351 tons per day of NOx emitted by all sources within the basin. As such, there is concern that PARs 1111 and 1121 require significantly more public education and consideration before being promulgated by SCAQMD.

FISCAL ANALYSIS

The consideration and adoption of the Resolution does not have a City fiscal impact.

ENVIRONMENTAL ANALYSIS

Not applicable.

LEGAL REVIEW

The City Attorney has reviewed the proposed Resolution.

ATTACHMENTS

1. Reso No 25-XX SCAQMD Rules 1111 and 1121
2. Rule 1111 and 1121 Factsheet



South Coast AQMD is Conducting Rulemaking that Could Impact Your Home Water Heaters and Furnaces

The rules will reduce emissions from residential furnaces (Rule 1111) and water heaters (Rule 1121) by transitioning to zero-emission appliances.

How Will the Rules Impact You?

Rules will take effect in 2-5 years and will be required only when:

Appliances are voluntarily replaced



Existing appliances break



Will There be any Flexibility?

Exceptions will be allowed for:



Construction or utility upgrades delays



High-altitude areas



Owners of multifamily buildings





Considering other circumstances

Health Benefits

Once implemented, these rules will prevent:

 **4,000** premature deaths

 **16,000** cases of newly onset asthma

 **4,000** emergency room visits

Will Financial Assistance be Available?

South Coast AQMD is working on an incentive program to provide rebates for residents, building owners and small businesses.

More info →



Get Involved

Want to provide feedback on the rules or need more information? Join a working group meeting. More information can be found at: www.aqmd.gov/home/rules-compliance/rules. To receive future updates on rulemaking and incentives via email newsletter: Subscribe by checking the "Building Appliances" box located under Rule Updates: www.aqmd.gov/sign-up.



South Coast Air Quality Management District
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