RESOLUTION NO. 2025-013

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, EXPRESSING CONCERN REGARDING THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT'S PROPOSED AMENDMENTS TO RULES 1111 AND 1121, PHASING OUT GAS WATER HEATERS AND FURNACES

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 additional costs to consumers and while incentives exist, homeowners and renters may still face significant out-of-pocket expenses when transitioning to electric appliances; and

WHEREAS, Housing affordability throughout California is and will remain a top public policy priority for the City of Palm Desert for the foreseeable future. Local governments are being pressured to build more housing – specifically, housing that people can afford. Any regulations that increase these costs deserve careful scrutiny to ensure that the increased costs are met with an equal or greater amount of benefit to the consumer; and

WHEREAS, The SCAQMD's water heater and furnace mandates will impose a significant increase in electricity demand on California's electric grid. Transitioning to allelectric water heaters and furnaces means an increased demand on an electric grid that has not proven capable of consistently meeting existing demand. Water heaters and furnaces are essential elements in 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; and

WHEREAS, The incentive and rebate programs require easier access and use for homeowners and renters, greater coordination with cities is needed to have homeowners/renters access these incentives and rebates, and the proposed amendments need to be softened and relaxed to lessen the impact to homeowners and renters.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Palm Desert, California, as follows:

<u>SECTION 1.</u> Rules 1111 and 1121 will have a negative impact as proposed and impose significant costs on millions of Southern California homeowners, renters, and businesses who are already struggling with rising costs.

<u>SECTION 2.</u> The City of Palm Desert opposes Proposed Amended Rules 1111 and 1121 and urges the SCAQMD to delay consideration until the proposed amendments lessen the impact on properties and allow for streamlined eligibility of incentives and rebates before deciding to enact these amendments.

ADOPTED ON FEBRUARY 27, 2025.

JAN HARNIK MAYOR

ATTEST:

CITY CLERK

I, Anthony J. Mejia, City Clerk of the City of Palm Desert, hereby certify that Resolution No. 2025-013 is a full, true, and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Desert on February 27, 2025, by the following vote:

AYES: NESTANDE, PRADETTO, QUINTANILLA, TRUBEE, AND HARNIK

NOES: NONE ABSENT: NONE ABSTAIN: NONE RECUSED: NONE

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Palm Desert, California, on $\frac{3/3/2025}{}$.

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ANTHONY J. MEJIA

ANTHONY J. MEJIA CITY CLERK