

South Coast Air Quality Management District
Governing Board Members
21865 Copley Drive
Diamond Bar, California 91765

February 27, 2019

Rheem Manufacturing Company
5600 Old Greenwood Rd
Fort Smith, AR 72917

Re: South Coast Air Quality Management District Rule 1111

Rheem Manufacturing Company is a privately held manufacturer that produces residential and commercial water heaters and boilers, as well as heating, ventilating and air conditioning (HVAC) equipment. The company also produces and sells products under other brand names.

Rheem met the technical challenge of the 14ng/J emissions requirement and manufactured and provided compliant non-condensing furnace products meeting the original October 1, 2018. Rheem has already committed millions of dollars to begin manufacturing, commercialization and market training. For these reasons, Rheem advocates strongly for the current Rule 1111 and wishes to move forward as is.

It has come to our attention that other manufacturers are attempting to further extend the current mitigation period by proposing an additional terms. Rheem believes that this extension of the mitigation period offers no benefit to the district and penalizes those manufacturers that have already invested in their product lines. Further, an extension will delay the attainment of emission goals committed to by the authorization of Rule 1111. With less than 1 year left in the mitigation period (the first mitigation period ends September 30th, 2019), first to market manufacturers look to lose competitive advantage over those manufacturers who have chosen to disobey the air districts requests to comply with the stated Rule.

Further, this is one of many attempts of these non-compliant manufacturers to undermine the Rulings of SCAQMD. Including previous extensions and requests for an extended sell through periods. Currently SJVAPCD Rule 4905, and SCAQMD Rule 1111 are harmonized and have been in place long enough for each manufacture to either develop new technology or approach competing firms for licensed products.

Rheem recommends that the SCAQMD Governing Board uphold the current schedule in order to reach their air quality goals, and in order to not penalize those manufacturers who have made investments to develop compliant products.

Rheem appreciates the time of the Governing Board and looks forward to working with the district in the future.

Sincerely,



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Cc: Karen Meyers – Rheem Manufacturing Company