

Comment Letter #105



October 18, 2022

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

Submitted via email to: AQMPteam@aqmd.gov

RE: Comments on Residential and Commercial Combustion Source Measures in Revised Draft 2022 Air Quality Management Plan (AQMP)

On behalf of the undersigned organizations, we appreciate the opportunity to comment on the residential and commercial combustion source measures in the Revised Draft 2022 AQMP.

General Comments

The South Coast remains in severe nonattainment for ozone, nitrogen oxide (NOx) and PM2.5. As the air regulator of the region, the District has an obligation to set adequate targets for reducing pollution to achieve attainment through the 2022 AQMP. Basin residents suffered more than 100 bad air days in 2022, and the Los Angeles Metro area continues to rank #1 in smog pollution in the country.

As the District has itself pointed out, residential and commercial buildings are a major source of NOx emissions. Reductions in this sector by deploying zero-NOx-emission appliances is necessary to attain the 70 ppb 8-hour ozone National Ambient Air Quality Standard (NAAQS) under the federal Clean Air Act. We reiterate our request that the 2022 AQMP explicitly call for zero-NOx-emissions technology solutions for residential and commercial building appliances.

With zero-emissions appliances readily available for many residential and commercial sources, the District should end low-emissions standards that only worsen air quality and contribute to ongoing NAAQS violations; instead, the District must focus on deploying zero-NOx-emissions

technology. Zero-NOx-emission standards should also be paired with incentives to help customer adoption for low-income households.

1. Zero-NOx-Emission Rules Should Be A Priority For Residential and Commercial Sources

We were disappointed to learn that the District is already signaling there could be exemptions, even before the new rules are final, for colder and remote areas, and off-ramps that would allow NOx-emitting gas appliances for decades to come. For example, it proposes for residential space heating to “allow low NOx technologies as a transitional alternative when installing a zero emission unit is determined to be infeasible.” Additionally, the District stated for both space heaters and water heaters that “the target of this regulatory approach is to implement zero emission technologies for 50 percent of the applicable sources and implement low NOx emission technologies in conjunction with a mitigation fee at the time of replacement for the rest 50 percent universe by 2037.” (See draft 2022 AQMP Appendix IV-A.)

The final rules must match the urgency California currently faces. Failing to require all feasible measures to achieve attainment is akin to admitting defeat at the outset.

To allay concerns about costs and feasibility, we echo prior comments that the District should prioritize and channel funding for zero-emissions technologies to environmental justice communities. In the coming years, there will be an influx of state funding for electric appliances, which has already allocated \$1.4 billion for equitable building decarbonization in this year’s state budget. This funding will be buttressed by tax credits and home appliance rebates from the federal government through the Inflation Reduction Act. The District should coordinate and collaborate with federal, state and local agencies to leverage this funding and finally solve the myriad air quality problems in the basin.

Since the 1970s, the District has failed to achieve attainment year after year. Zero-emissions technology is a fresh opportunity for the District to clean up the basin’s foul air quality by expanding its focus beyond traditional stationary facilities such as gas plants and factories.

Last, in response to prior comments, the District asserted that “natural gas units with lower NOx technology would only be allowed when zero emission units are deemed infeasible; such as installations in remote areas or colder climate zones.” We encourage the District to examine whether either infeasibility or colder climate zones will actually be an issue in 2029. The AQMP should make clear that it will only rely on low-emissions requirements under the most extreme exceptions, if at all.

2. The Air District Should Not Bifurcate Commercial Space and Water Heating Regulations from Residential Sources when it comes to Rule Development and Implementation

The Revised Draft AQMP, without explanation, would not regulate emissions for commercial appliances until 2031, two years after regulations for residential appliances. And in the AQMP, lower-NOx technologies are even more privileged for commercial space and water heating than they are for residential space and water heating, where they are contemplated as “transitional alternatives.” CARB, on the other hand, has committed to a 2030 rule for both residential and commercial space and water heaters, and [analysis](#) shows net cost beneficial pathways for commercial buildings in various climates zones today. Without evidence that zero-emissions space and water heaters will be less feasible for commercial than residential buildings, this bifurcation benefits businesses absent explanation by allowing their continued use of gas while California's residents transition to electric. Moreover, despite extreme nonattainment, the District is proposing less ambitious rules on the commercial side than the state's. The District should streamline regulations for space and water heating with a 2029 zero-emissions requirement across residential and commercial sectors, sending a clear market signal to manufacturers that zero-emissions technology in the commercial and residential sectors must be readily available simultaneously.

3. The District Must Adopt More Ambitious Compliance Dates

Given the fast approaching attainment deadlines for the South Coast and the specter of sanctions under the Clean Air Act, there is a compelling need to accelerate the timeline on the implementation dates for the space and water heating standards to show that the District is serious about achieving compliance. On September 22, 2022, the California Air Resources Board approved a State Implementation Plan that included a control measure for zero-emissions space and water heaters by 2030. Likewise, BAAQMD is completing its CEQA process to support a 2027 zero-emissions rule. The District, with worse air quality than both the bay area and the state as a whole, has little excuse to not follow suit with ambitious regulations that meet or surpass all other air agencies.

The District can ensure it meets the emissions reductions that it has previously identified in responses to comments by including earlier dates for zero-emissions requirements for new construction. Setting 2024 new construction requirements would follow dozens of municipalities who have passed reach codes requiring all-electric construction, and it would enable the District to sequence emissions reductions in a more accountable manner.

4. We Support the District's Emission Reduction Dates For Residential and Commercial Cooking Devices and Other Residential Combustion Sources

Cooking appliances and other residential combustion sources have major impacts on indoor air quality, even if space and water heating contribute 95 percent of emissions from residential buildings. Gas stoves contribute to elevated rates of asthma and other respiratory illnesses. Without electrifying the entire home, customers will not feel compelled to cease relying on gas. In so doing, the gas distribution system will continue to leak methane, releasing NO_x and PM_{2.5} into homes and the atmosphere. We applaud the District for proposing zero-emissions rules for cooking and other residential appliances, and we encourage the District to pursue zero-emission technologies and exclude low-NO_x cooking options. This policy is consistent with the CEC's Title 24 Building Code, which in 2022 included ventilation requirements for cooking appliances and dryers, and which in 2025 should move to all-electric construction. It also complements dozens of municipal reach codes across the state that are requiring all-electric new construction.

4. Mitigation Fees Should Be Utilized Only If There is Adequate Action for Zero-NO_x-Emission Deployment

The AQMP proposed mitigation fees for lower NO_x technology applications for other residential combustion sources. Such fees should not follow a pay-to-pollute framework, where continued gas combustion is enabled through permits and nominal fees. The District should first consider adequate action to deploy zero-NO_x-emission technologies to meet attainment, and then later consider mitigation fees. Collecting mitigation fees should not come at the expense of weaker regulatory action. Moreover, if mitigation fees are collected, and used to fund electrification efforts, they should be targeted to low-income and environmental justice communities.

Mitigation fees could also accompany earlier implementation dates, where they can motivate homeowners and commercial entities to meet later dates when there are more strict zero-emissions requirements. For example, we would be supportive of an earlier zero-emissions requirement, such as in 2025, with a mitigation fee for non-compliance, followed by a more strict 2029 zero-emissions requirement without exceptions.

Conclusion

We encourage the District to act decisively to remedy elevated ozone and NO_x pollution levels in the South Coast.

Thank you again for the opportunity to comment. We look forward to continuing to collaborate with you on this critical plan.

Sincerely,

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