

March 27, 2024

Emily Yen Planning, Rule Development, and Implementation South Coast Air Quality Management District 21865 Copley Drive Diamond Bar, CA 91765

Re: Rule 1146.2 Second Preliminary Draft of Rule 1146.2

Dear Ms. Yen:

On behalf of Bradford White Corporation (BWC), we would like to thank you for the opportunity to comment on South Coast Air Quality Management District's (SCAQMD) Second Preliminary Draft of Rule 1146.2, dated February 20, 2024.

We have compiled our comments and questions to the Second Preliminary Draft of Rule 1146.2 below.

General

BWC has reviewed the Second Preliminary Draft of Rule 1146.2, and we appreciate staff's consideration of our comments and other stakeholders, as reflected in the current draft. In particular, alignment of the new construction compliance dates for Type 1 Water Heaters and Instantaneous Water Heaters rated 200,000 Btu/hr and under with the California Energy Code cycle, the inclusion of an exception process for utility delays and extending compliance dates for mobile homeowners. However, BWC has concerns regarding the reintroduction of labeling requirements, along with the newly introduced annual reporting requirements for equipment.

Product Labeling

The Second Preliminary Draft of Rule 1146.2 proposes to require manufacturers to affix labels to equipment identifying the Unit as "For installation and use in existing buildings only." In addition, the draft proposes a second labeling requirement for instantaneous water heaters that would take effect in 2029 labeling these products as "For Installation and Use in Mobile Homes Only." As stated in our previous letter dated January 19, 2024, and repeated below, we strongly believe the proposed labeling requirement, as written, is unnecessary to enforce the rule and will add significant burdens to compliance for manufacturers of regulated products:

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"SCAQMD currently maintains a qualified products list¹ for all manufacturer water heating and boiler models certified under Rule 1146.2. To enforce the proposed Zero NOx implementation dates, SCAQMD could simply modify their table to show models that are allowed in new construction and models that are only allowed in existing buildings. Secondly, new construction requires plans to be submitted to building jurisdictions to review, as well as Title 24 energy modeling. SCAQMD can work with building jurisdictions within their territory that review and approve project plans to enforce the use of Zero NOx water heating and boiler equipment. Lastly, new construction projects are permitted and require building inspectors to approve the construction. If a non-compliant product were to be installed, it could ultimately be flagged for removal by the building inspector."²

We understand that the intent of the labels is to aid the District's inspectors in verifying equipment in the field. However, as currently proposed, the labeling nomenclature will create market confusion outside of the SCAQMD territory. If the District maintains that a labeling requirement is necessary instead of utilizing its qualified products list, we strongly encourage the District to provide manufacturers and our wholesalers autonomy as to how we label our products. We request the District remove the specific language requirement and replace it with a more generic statement, such as "affected products must include a mechanism to verify local emissions limits." We would like to discuss this alternative in more detail with the District prior to implementation of the rule.

Product Reporting

BWC does not agree with the newly proposed annual reporting requirements for manufacturers. As a manufacturer, we have limited influence or knowledge on where a product will ultimately be installed after it is manufactured. Manufacturers have limited capability to control a product's final installation location. We are unclear as to why the District believes annual reporting of product sales will be necessary.

The phased, compliance schedule, as outlined in the proposed rule, clearly shows which product categories cannot be sold within the District after a specified date. We would like to request further discussion with the District regarding the reporting requirements and the purpose they will serve to enforce the proposed rule. Furthermore, if reporting is to be required, we ask that the District use the manufacture date of equipment, consistent how other regulatory bodies implement requirements, including the Bay Area Air Quality Management District³, and not the date of sale or installation.

In closing, we encourage SCAQMD to reconsider the labeling requirements altogether. However, if the District maintains labeling requirements, we strongly encourage revising the language, revising the reporting requirements to reduce compliance burdens on product manufacturers and adopt the manufacture date as the date of compliance. We welcome continued dialogue on these matters and would be pleased to have further, direct, conversations with District staff.

Please let me know if you have any questions or would like to schedule a meeting to discuss our comments further.

Respectfully Submitted,

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¹<u>Rule 1146.2 - Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters</u> (aqmd.gov)

² bradford-white-corporation-comment-letter---01-19-2024.pdf (aqmd.gov)

³ <u>20230315_rg0906-pdf.pdf (baaqmd.gov)</u>

Bradford White Corporation

Tom Gervais Senior Director, Regulatory Affairs

Cc: R.B. Carnevale; E. Truskoski; R. Simons; B. Hill; L. Prader; C. VanderRoest; M. Corbett; B. Wolfer

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