



TESTIMONY OF NICOLE COLANTONIO  
SENIOR DIRECTOR, REGULATORY AFFAIRS

ON BEHALF OF  
THE AIR-CONDITIONING, HEATING, AND REFRIGERATION INSTITUTE

BEFORE THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT GOVERNING BOARD

HEARING ON PROPOSED AMENDED RULE 1111 – REDUCTION OF NOX EMISSIONS FROM  
NATURAL GAS-FIRED FURNACES (PAR 1111) AND PROPOSED AMENDED RULE 1121 –  
REDUCTION OF NOX EMISSIONS FROM RESIDENTIAL TYPE, NATURAL GAS-FIRED WATER  
HEATERS (PAR 1121)

JUNE 6, 2025

Good morning. My name is Nicole Colantonio, Senior Director of Regulatory Affairs for the Air-Conditioning, Heating, and Refrigeration Institute (AHRI). AHRI represents more than 90% of all space and water heating equipment manufacturers, in the US, all significantly impacted by proposed NOx requirements in PAR 1111 and PAR 1121.

We urge the South Coast Air Quality Management District (AQMD) Governing Board to not adopt PAR 1111 and PAR 1121 until our concerns are addressed.

Specifically detailed in AHRI's March 20<sup>th</sup> comments are concerns regarding mitigation fees. The percentage-based schedule in Table 3, *Zero-Emission Manufacturer (ZEM) Alternative Compliance Option Targets and Mitigation Fee Schedule*, of both PAR 1111 and PAR 1121 is unpredictable for industry and consumers. AHRI proposes replacing it with a clear flat fee that escalates by phase and requests transparency on how the fees were derived to avoid eroding product affordability.

We are also concerned with product labeling – AHRI does not support the requirement for a label on furnaces and water heaters to enforce PAR 1111 and PAR 1121. Manufacturers do not have a way of knowing where the equipment will ultimately be installed, as our members work through distributors and wholesalers, labelling specifically to a state air district is impractical and overly burdensome. South Coast AQMD maintains a database of equipment with NOx levels and an inspection agency therefore could look up equipment compliance.

Specific to PAR 1111, acceptable alternatives – Listing electric-resistance furnaces as a blanket zero-emission substitute risks winter grid strain and higher bills, particularly for low- and moderate-income families. Such units should only be allowed where already permitted by California Title 24.

Specific to PAR 1121 – AHRI supports retaining the third-draft Table 2, *Zero-Emission Limits and Compliance Schedule*, and removing NOx limits for existing mobile homes so customers are not penalized.

AHRI supports decarbonization efforts but again urges South Coast AQMD to not approve this revision of PAR 1111 and PAR 1121 until these issues have been addressed. Thank you for your time and for allowing me to testify here today. AHRI's full oral testimony has been submitted to staff.