

STATE CAPITOL  
P.O. BOX 942849  
SACRAMENTO, CA 94249-0072  
(916) 319-2072  
FAX (916) 319-2172

DISTRICT OFFICE  
4100 MACARTHUR BOULEVARD, SUITE 340  
NEWPORT BEACH, CA 92660  
(949) 798-7221

Assemblymember.Dixon@assembly.ca.gov  
<https://ad72.asmc.org/>



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May 16, 2025

Hon. Vanessa Delgado, Chair  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

Subject: Reconsideration of Rule 1146.2 and opposition to proposed Rules 1111 and 1121.

Dear Chair Delgado,

I respectfully write in opposition to the proposed Rules 1111 and 1121, and to urge the South Coast Air Quality Management District board to vote in opposition to the adoption of Rule 1111 and 1121, as well as to request that that the Board re-consider their prior adoption of Rule 1146.2.

Originally adopted in 1998, and subsequently amended in 2005, 2006, 2018 and 2022, Rule 1146.2 regulates the emissions of nitrogen (NOx) and carbon monoxide (co) for natural gas-fired large water heaters, small boilers and process heaters that have a rated heat input capacity of less than or equal to two million British thermal units (Btu) per hour, as well as require the adoption of zero-emission technologies at future dates for these products. The provisions of Rule 1146.2 are applicable to manufacturers, distributors, retailers, installers, refurbishers and operators and will affect approximately 1,070,000 units in the South Coast AQMD's jurisdiction. The most recent amendments to Rule 1146.2 in 2022 further increased the Oxides of Nitrogen (NOx) emissions threshold for natural gas-fired equipment and implemented the 2022 Air Quality Management Plan (AQMP) Control Measure C-CMB-01.

Similarly, as proposed, Rule 1111 and 1121 will require residents and businesses- more than 17 million people – to transition their furnaces and water heaters to electrical units and eliminate the use of natural gas. The proposed rules will go into effect for residents in less than two years.

The intent of both proposed rules is admirable, however, I believe the prioritization of an electrification mandate is both misguided and will have a number of negative consequences.

I am in complete support of efforts to improve air quality. However, these proposed rules have not shown that they will make any substantive improvements. Yet, the pain homeowners will feel to their pocketbooks as they are forced to construct spaces for bigger devices, rewire for new electronic design and pay for electricity- with appliances pulling an already unstable power

supply – will be significant. Water heaters and furnaces are not luxury items; they are necessities.

Californians are facing a housing shortage and housing affordability crisis; now is the wrong time to put new, expensive, rushed mandates in place. According to Cal Matters and 2022 census data, the value of the typical California home is now eleven times more than what the average household makes, compared to four times the average household's income in the 1960s. Furthermore, the increased cost of home ownership, which in California is nearly 2.5 times higher than the median national home, is exacerbated by rules such as 1111, 1121 and 1146.2. These increased costs have resulted in low homeownership rates, with California having the second lowest rate of homeownership of any state in the country. The housing shortage and housing affordability crisis is undeniable in California, and now is not the appropriate time to introduce further mandates which will make life more difficult for homeowners.

In addition, mandates such as those imposed by Rule 1111, 1121 and 1146.2 do not help the millions of Californians who are impacted by the current affordability crisis. In fact they make it worse. All across the state Californians are facing financial hardship on a daily basis, whether it is disproportionately high taxes, unnecessarily high prices for gas, which is \$1.70 more than the national average for a gallon and energy costs, which are 92% higher than the national average. Costly mandates are not the solution and will only further harm Californians.

Mandates such Rule 1146.2, and proposed rule 1111, 1121, also negatively impact renters in California. Orange County is already the 11<sup>th</sup> most competitive rental market in the nation and adding these rules as another unnecessary expense will not help. According to both Cal Matters and the PPIC, the state of California, when compared to the national average, has a higher rate of cost-burdened households, with over 50% of renters in the state spending 30% or more of their household income on housing.

I strongly believe that we must find solutions to improve quality in California. However, for the reasons listed above, I urge the South Coast Air Quality Management District to both re-consider their prior adoption of Rule 1146.2 and to oppose Rule 1111 and 1121 and address the challenges of air quality by pursuing improvements and incentives, not unproven bans and mandates.

If you have any questions, please contact my legislative director, Aaron Rice, at [Aaron.Rice@asm.ca.gov](mailto:Aaron.Rice@asm.ca.gov) or 916-584-4177.

Sincerely,



Assemblymember Diane Dixon  
Assembly District 72