



May 6, 2025

TO:

South Coast Air Quality Management District Board of Directors  
21865 Copley Drive  
Diamond Bar, CA 91765

**RE: Updated Comments – Proposed Amended Rules 1111 and 1121**

Dear Chair Delgado and Members of the Board,

The Association of California Cities – Orange County (ACC-OC) represents the regional policy needs of Orange County cities and special districts. Collectively, our members provide services to up to 3.2 million people and work across county borders on a multitude of public policy issues. On behalf of ACC-OC, I write to express our ongoing and deep concerns regarding the proposed amendments to AQMD Rules 1111 and 1121. After thoughtful deliberation and careful review of both the current rule language and the latest socioeconomic analyses, our organization must respectfully oppose the proposed amendments unless significant revisions are made.

**Lack of Economic Clarity and Consumer Protection:** We are particularly concerned about the absence of a clear and updated economic analysis that accurately reflects the financial burden these rules will place on consumers—especially seniors, renters, and low-income households. Despite reassurances, the socioeconomic analysis continues to rely on outdated interest rate assumptions (1%–3%), which fall short of current federal standards (3%–7%). Additionally, the rule framework and socioeconomic analysis does not fully account for the significant costs associated with retrofitting older homes and multifamily properties, such as panel upgrades and new electrical infrastructure.

Mitigation fees and transition costs will inevitably be passed onto consumers. Though rebates have been proposed, they are insufficient to cover the full needs of the south coast region's population or for those who cannot afford the upfront capital investment. In effect, the proposed rules limit true consumer choice, creating inequities among residents with differing financial means.

**Concerns Over Energy Redundancy and Grid Reliability:** We are also alarmed by the long-term implications of reducing natural gas usage without securing energy redundancy for emergency situations. Southern California's grid continues to face reliability challenges—evident during wildfire-related Public Safety Power Shutoffs (PSPS) and peak-demand brownouts. Natural gas

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remains a critical backup energy source that supports community resilience. The proposed elimination of this redundancy could expose vulnerable residents to dangerous power outages without a reliable contingency plan.

**Procedural and Policy Transparency:** The California Air Resources Board (CARB) recently withdrew the Bay Area AQMD's similar gas appliance phaseout rules from EPA consideration for State Implementation Plan (SIP) inclusion. We question whether South Coast AQMD can expect a different outcome and urge the District to clarify the federal trajectory of these proposed regulatory measures.

We further echo concerns about the insufficient public outreach conducted to date. Many residents and property owners—particularly in low-income communities—remain unaware of the rules' scope, cost implications, and long-term effects. More robust, targeted engagement is essential before any final decision is made.

**Limited Air Quality Benefits:** While the intent of Rules 1111 and 1121 is to contribute to regional air quality improvements, we remain concerned about the limited overall environmental gains relative to the substantial costs imposed on residents. Even with full rule implementation by 2060, the South Coast AQMD is projected to fall significantly short of meeting federal NOx emission standards. This is because mobile sources—such as ships, rail, and freight—remain the largest contributors to NOx emissions, and these are regulated at the federal level beyond AQMD's jurisdiction.

Imposing stringent mandates on residential and small commercial stationary sources may yield only marginal improvements in ambient NOx levels, especially in the absence of significant federal reforms to address dominant mobile emitters. A more balanced policy approach that acknowledges this disparity is essential to ensure environmental efforts are proportionate, effective, and equitable.

**Recommendations for a Revised Approach:** ACC-OC remains committed to supporting policies that improve regional air quality and public health. However, such progress must be balanced with practicality, resilience, and socioeconomic fairness. Therefore, we urge the Board to:

1. Delay further action on the proposed rules until a complete and updated socioeconomic benefit analysis—reflecting current interest rates and real-world retrofit costs across all housing sectors—is conducted.
2. Ensure meaningful consumer protections by securing firm, scalable incentive and rebate commitments for all income levels before implementation.
3. Retain energy redundancy by preserving true, indefinite consumer choice to natural gas appliances, which will be needed in emergency scenarios.

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4. Expand outreach to fully include underrepresented populations and housing stakeholders.
5. Consider a phased, incentive-based pilot program that supports voluntary adoption and infrastructure readiness before implementing broad mandates.

**Conclusion:** We strongly urge South Coast AQMD to amend its approach to prioritize flexibility, affordability, and community resilience. A more incentive-driven model that empowers consumer choice—not penalizes it—would go further in achieving both environmental and equity objectives.

Thank you for your attention to these critical concerns. ACC-OC stands ready to work collaboratively toward a solution that protects our environment, while safeguarding the economic and energy security of our communities.

Sincerely,

Hon. Jamey Federico  
President, ACC-OC  
Councilmember, City of Dana Point

cc:

ACC-OC Board of Directors  
Kris Murray, Executive Director, ACC-OC