

Faye Thomas

From: FThomas@aqmd.gov
Subject: FW: [EXTERNAL] 1111/1121 Benefits Memo
Attachments: MEMO Bullets 1111_1121 .pdf

From: Yassi Kavezade <ykavezade@buildingdecarb.org>
Sent: Thursday, May 29, 2025 8:28 AM
To: Vanessa Delgado <vdelgado@aqmd.gov>; Sandra Hernandez (Del) <shernandez@aqmd.gov>
Subject: [EXTERNAL] 1111/1121 Benefits Memo

Dear Chair Delgado and Sandra,

As you know, the air quality crisis in the South Coast demands strong and decisive action. With 20 million residents depending on clean air standards, we cannot miss the opportunity to address residential water and space heaters- two significant contributors to NOx emissions.

Supporters of Rules 1111 and 1121 have diligently contributed to their development, which has already gone through a lengthy process and involved significant compromise. Implementing these rules is not just necessary; it's vital for achieving cleaner air and reaping substantial innovative benefits.

Please take a look at the memo I've attached highlighting how Rules 1111 and 1121 will drive job growth, promote health improvements, deliver cost savings, and, when combined with incentives, can help address equity concerns. Please feel free to reach out if you have any questions.

Sincerely,

Yassi Kavezade
California Associate Director, Policy and Campaigns
(949) 697-0494



[Website](#) | [LinkedIn](#) | [BlueSky](#)

To: South Coast Air Quality Management District (“South Coast AQMD”)

Date: 5/28/2025

Re:

The South Coast Air Quality Management District (“South Coast AQMD”) is set to vote on Proposed Rule 1111 and 1121 on June 6, 2025. The proposal is phased in over time and represents a moderate proposal to slowly shift our region to zero-emission HVAC and water heating while retaining everyone’s ability to buy a combustion appliance if they so desire. While the amendments are a compromise, the Governing Board should vote for this proposal for the following reasons:

- 1) **Extensive Public Process** – The South Coast AQMD staff have done more outreach on this regulation than any other in the agency’s history. The issues have been vetted fully and are ready to be voted on.
 - The amendments are the product of a robust **2-year** rulemaking with 8 public working group meetings.
 - The item has been heard in the Stationary Source Committee 6 times.
 - South Coast AQMD staff have done over 100 stakeholder outreach meetings, in addition to 3 public workshops and more than 40 presentations to cities, COGs, and other groups.
- 2) **Major Health Benefits** – This category of equipment represents the single largest category of emissions under the agency’s control.
 - Current gas-burning equipment in residential and commercial buildings produces nearly half of the health-harming nitrogen oxide (NOx) emissions that fall under the South Coast AQMD’s direct authority and responsibility to control (see [Figs. 3-3 and 3-4, and Table III-1-7](#)) – seven times more NOx pollution than the region’s power plants.
 - The staff have estimated that these rules will prevent **2,490 premature deaths**. The proposal’s health benefits are estimated to be **\$25.43 billion**. Our health cannot afford more delays in the rules’ adoption..
- 3) **Job Benefits From Zero-Emissions, Not Polluting Equipment** – The South Coast AQMD staff’s socioeconomic analysis has estimated that the only job creation from this rule stems from the zero-emission components of this rule. Continued reliance on NOx-emitting gas appliances creates no new jobs, according to the agency.
- 4) **Affordability** – The District’s new in-house Go Zero incentives will be focused on disadvantaged communities, with 75% of the initial \$20 million pilot phase allocated to overburdened communities (as defined by CalEnviroScreen). Higher incentive support is available for low-income households no matter what community they live in. ([See p. 7 here.](#)) The South Coast has identified upwards of \$100 million in additional funds for Go Zero following the pilot phase, and mitigation fees from manufacturer participation in

Rule 1111/1121's alternative compliance sales targets option will provide additional ongoing funding to sustain the program.

- Based on SCAQMD's upfront cost assumptions, [low-income households can save](#) between \$2,400 and \$4,200 upfront when choosing an air-source heat pump over a traditional furnace and AC system – even without federal incentive funding from the Inflation Reduction Act – thanks to other incentives available at the state, local, and utility level. Similarly, low-income households switching to heat pump water heaters from traditional gas units can save between \$2,125 and \$2,925.
 - State incentives for efficient electric heat pumps include [TECH Clean California](#) and [Golden State Rebates](#).
 - Many of the region's major utilities, such as SoCalEdison, LA Department of Water and Power, Anaheim Public Utilities, and Riverside Public Utilities, fund incentives for heat pump equipment for their customers.
 - Find rebates by zip codes on the [Switch is On website](#).
- Switching from NOx-emitting gas equipment to heat pumps also reduces utility bills for the average single-family home in California, with average bill savings of [\\$20](#) to [\\$30](#) per month. [RMI analysis](#) confirms these assessments.
- The Air District's own [socioeconomic impact assessment](#) finds that Rules 1111 and 1121 are expected to result in net savings, due primarily to the savings on recurring energy costs. (See [p. 10](#) here.)

5) **Choice** - These rules do not mandate anyone to buy zero-emission appliances. People who find that switching to zero-emission appliances is not affordable can choose to purchase new NOx-emitting gas appliances. The mitigation fee for each appliance – replaced no more than once per decade – is only \$50 for gas water heaters and \$100 for gas furnaces.