



March 27, 2025

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

SUBJECT: OPPOSE – Proposed Amended Rules 1111 & 1121 - as released February 28

Dear Chair Delgado and Governing Board Members,

On behalf of the Valley Industry & Commerce Association (VICA), we write to express our strong opposition to Proposed Amended Rules (PAR) 1111 and 1121. Our concerns are based on the revised language released on February 28, 2025, and the negative impact these rules pose for the region's economic vitality.

While we understand and support efforts to improve air quality, the current amendments create disproportionate and unnecessary financial burdens for businesses and working families—particularly in the form of increased compliance costs, higher consumer prices, and costly retrofits.

The amended rules would either require consumers to switch to significantly more expensive "all-electric" space and water heaters or face increased costs passed down by manufacturers paying compliance fees to continue offering natural gas appliances. These policies ignore market realities and affordability challenges, placing businesses—especially small businesses and property owners—in an impossible position.

Projected to cost over \$300 million annually, or \$7.7 billion over 25 years, these rules will severely impact businesses that are already operating on thin margins. This is especially concerning in a region like Southern California, where commercial tenants and landlords are already grappling with high energy bills, inflationary pressures, and a challenging regulatory environment.

An alternative path—such as establishing ultra-low NOx emission standards for natural gas appliances—could achieve meaningful environmental outcomes without forcing costly technology shifts or disrupting established markets. This approach would also allow manufacturers and businesses to innovate within existing infrastructure, avoiding unnecessary grid strain and capital expenditures.

Moreover, the amendments fail to consider the massive retrofitting costs that would fall on commercial property owners, multifamily housing operators, and small businesses occupying older structures. These infrastructure changes could cost tens of thousands of dollars per building and pose significant logistical challenges in areas with outdated electrical systems or limited power access.

The additional burden on California's aging and overstressed electrical grid also raises major concerns. Many business developments are already delayed due to energy constraints, and these rules will only exacerbate the issue by accelerating demand without sufficient infrastructure investment. As we've seen, unreliable power supply leads to operational disruptions, safety hazards, and even contributes to catastrophic wildfires.

Southern California businesses are working hard to remain competitive in a high-cost environment. Saddling them with aggressive mandates that offer limited flexibility and significant expense undermines economic development, workforce stability, and our region's ability to grow sustainably.



VICA urges the Board to reconsider this one-size-fits-all regulatory approach and instead engage with stakeholders to develop pragmatic solutions that protect both the environment and our local economy.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stuart Waldman', is positioned below the word 'Sincerely,'.

Stuart Waldman
VICA President