

April 1, 2025

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

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

Dear Chair Delgado and Governing Board Members,

On behalf of the Orange County Business Council (OCBC), the leading voice of business in Orange County, we write to formally express our strong opposition to Proposed Amended Rules (PARs) 1111 and 1121. Our position is based on the revised language released on February 28, 2025, and the subsequent discussions at the hearings. While we acknowledge that the latest amendments take steps in the right direction, they fail to address several fundamental concerns that continue to affect consumers and businesses alike.

The proposed amendments to Rules 1111 and 1121 would impose significant costs on consumers. Both rules require consumers to either switch to "all-electric" space and water heaters, which come at a premium price, or face higher costs due to fees imposed on manufacturers of natural gas appliances. All-electric alternatives are thousands of dollars more expensive than natural gas options, placing a heavy financial burden on consumers.

These amendments are estimated to burden consumers with over \$300 million annually, or \$7.7 billion over the 25-year lifespan of these appliances. With California's cost of living at an all-time high, and many consumers already struggling to make ends meet, this is simply not the right time to impose additional, unnecessary costs. A more effective and consumer-friendly approach to reducing NOx emissions would involve imposing ultra-low NOx emission standards on natural gas appliances, which would improve air quality without imposing additional financial strain on Californians. OCBC supports market-driven solutions that include emission reduction credit banking, carbon labeling, and voluntary incentives for emissions reductions, which are all innovative alternatives that align with environmental goals without burdening consumers.

Moreover, the proposed amendments fail to account for the significant retrofit and infrastructure upgrade costs that homeowners of older properties will be forced to absorb to accommodate these new technologies. These expenses could reach tens of thousands of dollars, further deepening the financial strain on homeowners, renters, and business owners—many of whom are least equipped to bear such costs.

Our concerns are compounded by the strain these rules would place on California's already overburdened electrical grid. Not only is the grid reliant on nonrenewable energy sources like natural gas, but it is also ill-prepared to handle the substantial new demand that these rules would create. This could exacerbate public safety risks, as residents have already faced frequent blackouts and service interruptions. In fact, electric power lines have been responsible for six of the 20 most devastating wildfires in our region since 2015. Additionally, a number of residential and commercial projects are currently stalled due to insufficient electrical capacity.

Many Southern California families are already grappling with high living costs. Mandating costly appliance retrofits or replacements will only worsen these financial challenges, disproportionately impacting lower-income households who can least afford these expenses.

While we understand and support SCAQMD's efforts to improve air quality, the proposed amendments would impose a significant and unjustifiable burden on homeowners, renters, and small businesses.

We urge the Board to consider alternative approaches that strike a balance between improving air quality and ensuring the economic feasibility of these measures for all Californians.

Thank you for your time and consideration. We respectfully request that you reconsider these proposed amendments and explore more practical solutions.

Sincerely,



Amanda Walsh  
Vice President of Government Affairs

CC: Members of the Governing Board