

April 30, 2025

Michael Krause  
Assistant Deputy Executive Officer  
South Coast Air Quality Management District  
21865 Copley Dr.  
Diamond Bar, CA 91765

**RE: Proposed Amended Rules 1111 and 1121**

Dear Mr. Krause,

Southern California Edison (SCE) appreciates the opportunity to provide the following comments regarding the proposed amended rule (PAR) 1111 and PAR 1121. SCE supports PAR 1111 and PAR 1121 and urges South Coast AQMD to adopt them as soon as possible.

The latest PAR 1111 and 1121 would bring several benefits to California. First, these proposed amendments are expected to significantly reduce NOx emissions. Specifically, the PAR 1111 will decrease NOx emissions by 4.05 tons per day while PAR 1121 will achieve a NOx reduction of 2.07 tons per day on full implementation. If adopted, these amendments would both support meeting South Coast AQMD's NOx emissions reduction goal and mark significant progress towards California's Carbon Neutrality Goal by 2045. SCE commends the South Coast AQMD staff for its dedication in countless public meetings to listen attentively to concerns about the proposed zero NOx amendments, particularly with respect to affordability, consumer choice, impacts on grid stability, and technological readiness.

The introduction of the "Zero-NOx Manufacturer Alternative Compliance Option" underscores South Coast AQMD's commitment to transparency and inclusivity in the decision-making process. SCE recommends that SCAQMD provide clarification on the fees,<sup>1</sup> how they were developed, and their intended effect on driving the market toward greater adoption of Zero NOx appliances. This will help stakeholders better understand the potential impacts and the benefits of the collected fees for enhancing the "Go Zero" pilot incentive program.

The proposed amendments are also estimated to have relatively little impact on grid demand. SCE appreciates South Coast AQMD's engagement in the assessment of the potential impact of the proposed regulations on the electric grid. To understand these effects, SCE commissioned a publicly accessible study<sup>2</sup> that found that the contribution of the zero NOx rules to overall grid demand is projected to be relatively small, particularly when "alternative compliance options" are included in the rules.

The proposed amendments would support affordability, which is a key concern not only for South Coast AQMD but also for SCE. In SCE's white paper, *Countdown to 2045*,<sup>3</sup> SCE found that while increased

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<sup>1</sup> Specifically, SCE is referring to mitigation fees listed in PAR 1111 (f)(2)(F), PAR 1111 (f)(3)(A), PAR 1121 (f)(1)(F), and PAR 1121 (f)(2)(A).

<sup>2</sup> See Southern California Edison. (2025). Grid Impacts from South Coast AQMD Proposed Zero NOx Standards. Retrieved from <https://etcc-ca.com/reports/grid-impacts-south-coast-aqmd-proposed-zero-nox-standards>.

<sup>3</sup> See Southern California Edison. (2023). Countdown to 2045. Retrieved from [https://download.newsroom.edison.com/create\\_memory\\_file/?f\\_id=6508e6633d63325f2e763f1b&content\\_verified=True](https://download.newsroom.edison.com/create_memory_file/?f_id=6508e6633d63325f2e763f1b&content_verified=True)

electricity usage will raise electricity costs, the savings from reduced or eliminated gasoline and natural gas expenses will result in an overall projected decrease of approximately 40% in typical household energy costs by 2045. Considering that the average lifecycle of natural gas water heaters and furnaces is over 20 years, electrification of these appliances also means that low-income customers who can least afford to electrify are not left behind, especially as gas demand drops and the price of gas increases. As a result, total energy expenses are expected to become more affordable while achieving the carbon neutrality goal by 2045.

For overburdened communities,<sup>4</sup> the first cost can be a significant barrier to Zero NOx technology adoption. The "Go Zero" program by South Coast AQMD is a sensible initiative aimed at addressing affordability and supporting overburdened communities. SCE recognizes the importance of this program and appreciates the collaboration with South Coast AQMD to date. We look forward to continuing to enhance our collective outreach to low-income and overburdened communities. SCE has similar incentive programs with the same goal and notes that there are many ongoing and new initiatives focused on this issue. For example, the California Public Utilities Commission (CPUC) has proposed a pilot to increase the residential retrofit electrification allowance up to \$10,000 for targeted low-income/equity customers in the Building Decarbonization OIR.<sup>5</sup> SCE has been collaborating with South Coast AQMD staff members to remove market barriers, avoiding market confusion while advertising similar incentive programs and exchanging ideas to serve more customers with our resources.

We thank South Coast AQMD for considering our comments regarding the Proposed Amended Rules 1111 and 1121. SCE looks forward to supporting and collaborating on the implementation of the Zero NOx rules. We appreciate the efforts that South Coast AQMD has made to engage with the public and find a reasonable middle ground approach.

Sincerely,

*/s/ Rosalie Barcinas*

Rosalie Barcinas

she/her

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<sup>4</sup> Overburdened communities, also known as disadvantaged communities, are identified under SB 535 based on CalEnviroScreen. See South Coast AQMD. (2024, January 31). Proposal for Building Appliances Rebate Program. [Slide 8]. South Coast AQMD.

<sup>5</sup> See California Public Utilities Commission. (2025, March 26). Proposed Decision Fact Sheet: Building Decarbonization, Phase 4 Track A. California Public Utilities Commission. Retrieved from <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/building-decarb/bldg-decarb-pd-phase-4a-fact-sheet.pdf>