

November 5, 2025

Peter Campbell
Planning, Rule Development, and Implementation
South Coast Air Quality Management District
21865 Copley Dr, Diamond Bar, California 91765

RE: HARDI Comment Letter – Proposed Amended Rule 1111

Dear Peter Campbell,

Heating, Air-conditioning, & Refrigeration Distributors International (HARDI) appreciates the opportunity to comment on the South Coast Air Quality Management District's (SCAQMD) Proposed Amended Rule (PAR) 1111. HARDI appreciates SCAQMD's action to provide the necessary extension under PAR 1111. However, **HARDI strongly urges SCAQMD to amend the PAR 1111 to remove the ultra-low NOx requirements for mobile home furnaces.** The mitigation fee is an unnecessary burden on a sector of housing that has no option but to pay it.

HARDI is a trade association comprised of more than 1,150 member companies, more than 550 of which are U.S.-based wholesale distribution companies. These include 26 wholesaler-distributor members in California, which serve HVACR contractors and technicians in the state. Over 80 percent of HARDI's distributor members are classified as small businesses that collectively employ more than 60,000 U.S. workers, representing an estimated 75 percent of the U.S. wholesale distribution market for HVACR equipment, supplies, and controls.

The SCAQMD is considering extending the deadline for mobile home furnaces to install noncompliant furnaces with a fee, rather than following the ultra-low NOx emissions requirement. Meaning, if adopted as is, until October 1, 2028, a household may install a 40 nanograms per Joule (ng/J) emission furnace and pay a mitigation fee instead of installing an ultra-low NOx emission (14ng/j) furnace. This compliance option is needed because no ultra-low NOx furnace is available for mobile homes. Forcing every mobile home household to have no choice but to pay the mitigation fee every time they purchase a furnace. This is not an alternative compliance "option"; it is a forced mitigation fee due to the lack of ultra-low NOx alternatives for mobile homes, and none are likely to ever be available.

Additionally, the typical mobile home household qualifies as low-income. The mitigation fee funds an electrification incentive program, which means that low-income families are financing the incentive program for other households within the SCAQMD jurisdiction. Furthermore, the funding for the incentive program does not benefit mobile home households, since electrifying their homes increases their cost of living more than installing a gas furnace would, even if that furnace isn't ultra-low NOx.

To demonstrate the utility cost difference beyond installation, we can look at the great tools that energy offices across the United States have developed. Using [Efficiency Maine](#)'s virtual residential heating system cost calculator, along with the approximate average rates for electricity (kWh) and natural gas (therm) in Los Angeles County, California (SCAQMD's largest county), we learn that if electric heat pump installations are performed, the cost of living for a household will increase. Specifically, the average annual cost for an electric ducted heat pump in Los Angeles County would be approximately \$3,745, compared to around \$1,880 for a natural gas furnace. That is an average monthly increase of approximately \$156 per month for the low-income household. However, this does not account for the inevitable rise in electricity prices that would result from the increased demand under the proposal. So we can assume the heat pump's annual consumption will grow even higher as more electrification is required before demand can be met for affordable electricity.

HARDI appreciates SCAQMD's recognition of the need to extend the mitigation fee deadline for mobile home furnaces. However, HARDI believes that, with the recognition that the mitigation fees are to be extended, comes the realization of the financial harm they place on low-income households living in mobile homes. Thus, HARDI believes the ultra-low NOx requirements for mobile home furnaces should be entirely removed. SCAQMD should not merely extend the mitigation fee for noncompliant ultra-low NOx furnaces. Extending the mitigation fee would continue to require low-income households to pay for others' electrification.

Sincerely,



Todd Titus
Director of State and Public Affairs
Heating, Air-conditioning, & Refrigeration Distributors International