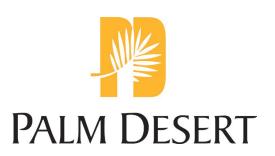
RESOLUTION OF CONCERN SOUTH COAST AQMD RULES 1111 AND 1121

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BACKGROUND

Purpose: Reduce Nox (nitrogen oxides primarily produced by burning fossil fuels) emissions by transitioning to zero-emission electric appliances.

Rule 1111: Expands scope to include more furnaces; sets deadlines for zero-emission installations.

Rule 1121: Requires zero-emission water heaters; different timelines for new vs. existing buildings

CONCERNS RAISED

- High Costs: Incentives exist, but homeowners/renters may face significant expenses.
- Grid Strain: Increased electricity demand, especially during peak times.
- Implementation Challenges: Need for infrastructure upgrades, trained installers, and public awareness.
- Consumer Choice & Feasibility: Some argue a full shift to electric may not be viable for all.

Rule Adoption Delayed & Incentives

- •Rule Adoption Delayed: Compliance may be pushed to 2029.
- •Expanded Incentives:
- •\$9M for single-family properties. (\$1500 per heat pump HVAC and \$1,000 per heat pump water heater)
- \$5 for Multi-family properties and small business (\$2100 per heat pump for Multi Family and \$4,000 per heat pump for small business)
- •\$2M for training, outreach, and support.

RECENT ADJUSTMENTS

- Rule Update: Focus shifts to manufacturers, mandate on consumer is removed.
- Manufacturer Targets: Zero-NOx sales targets introduced, but NOx-emitting appliances will still be available.
- Go Zero Program: 75% of funds go to overburdened communities applies to Palm Desert;
- Next Stationary Source Committee Meeting: March 21, 2024
- South Coast AQMD Board Meeting May 2, 2025

