



STAFF REPORT

CITY of YORBA LINDA

ADMINISTRATION DEPARTMENT

DATE: FEBRUARY 18, 2025

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: MARK PULONE, CITY MANAGER
PREPARED BY: GEOFF SPENCER, PRINCIPAL MANAGEMENT ANALYST

SUBJECT: UPDATE ON SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT'S PROPOSED AMENDED RULES 1111 AND 1121 BANNING NATURAL GAS-FIRED FURNACES AND WATER HEATERS

RECOMMENDATION

It is recommended that the City Council discuss the proposed amended rules, and at the Council's discretion, take a position.

BACKGROUND

The South Coast Air Quality Management District (AQMD) is the regulatory agency primarily responsible for controlling emissions from stationary sources of air pollution within its jurisdiction stretching through most of southern California. The Governing Board is proposing to amend two rules aiming to reduce emissions by banning residential gas-fired furnaces (Rule 1111) and water heaters (Rule 1121) in order to transition to zero-emission appliances. The rules would apply to new equipment installed after appliances are voluntarily replaced or existing appliances break beginning in 2029.

DISCUSSION

The proposed amended rules are a significant effort of AQMD's 2022 Air Quality Management Plan implementation which seeks to reduce nitrogen oxide (NOx) emissions by 67% over baseline levels by 2037. This is in response to the US Environmental Protection Agency's (EPA) ozone limits of 70 parts per billion established in 2016. When NOx mixes with sunlight and heat, ozone/smog is formed and can cause negative health impacts. In a flyer, AQMD estimates these rules will prevent 4,000 premature deaths and 16,000 cases of newly onset asthma.

According to information posted by AQMD, the intended goal of these proposed amended rules is to eliminate NOx emissions from residential heating appliances that burn natural gas and transition the region to using zero-NOx emission appliances. AQMD originally planned to hold a public hearing on December 6, 2024, to adopt the proposed amended rules but postponed the hearing until May 2, 2025, to perform more public outreach.

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However, several cities and other agencies have expressed concerns about the proposed amended rules based on several factors including the high cost of transitioning from gas-fired appliances to all-electric and the reliability of the electric grid to deliver enough power for the anticipated future demand. Additionally, some opponents are concerned about the potential loss of affordable multifamily housing units due to owners not being able to afford costly upgrades and being forced to sell units at market prices.

FISCAL IMPACT

None.

ALTERNATIVES

City Council's discretion.

ATTACHMENTS

1. Draft Opposition Letter
 2. AQMD PAR 1111/1121 Working Group #8 Presentation
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