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February 14, 2019

Catherine Rodriguez South Coast Air Quality Management District Stationary Source Committee 21865 Copley Drive Diamond Bar, California 91765 (submitted via email to <u>crodriguez@aqmd.gov</u>)

Re: Rule 1111 – Reduction of NOx Emissions from Natural-Gas Fired, Fan-Type Central Furnaces Implementation Considerations

Dear Ms. Rodriguez,

This letter is submitted in response to the South Coast Air Quality Management District (SCAQMD) Working Group meeting for implementation status of Rule 1111 - Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces held on February 6, 2019.

AHRI represents over 315 air-conditioning, heating, and refrigeration equipment manufacturers. Among our members are North America's largest, most innovative, and most efficient gas furnace manufacturers. These manufacturers have developed unique products for sale through distributors in your district, and your constituents are our clients.

We are writing to request that the South Coast Air Quality Management District recommend a six-month sell through period for ultra-low NOx gas furnaces to ensure that equipment that is acquired by distributors in your district is not needlessly stranded. Most equipment regulations are enforced by manufacture date because an equipment's date of manufacture never changes. Manufacture date is also clearly shown on the equipment nameplate. Regulations that are enforced by date of sales create uncertainty for distributors and manufacturers because a furnace may be compliant when purchased by the distributor, but fall out of compliance while sitting in inventory. Also, as shown during the staff presentation at the February 6th SCAQMD Working Group meeting for implementation status of Rule 1111 -Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces, the number of commercialized certified models currently only covers 63-percent of the market by staff analysis. During that meeting, manufacturers of the equipment expressed concern that that number may be inflated due to multiple brand names being registered to the same model. SCAQMD staff also does not expect the market to be 100-percent commercialized by the September 30th mitigation fee deadline. No solution has been provided to address the gap in products estimated by staff on September 30th. Ensuring that customers have access to a full range of products on October 1st is another compelling reason to permit a six-month sell through.

A sell through period, like the one adopted by the San Joaquin Air Pollution Control District, will ensure that equipment is not needlessly stranded and that consumer have access

to compliant equipment throughout the heating season. Harmonization with the San Joaquin Air Pollution Control District helps to develop economies of scale, which is a benefit to consumers. With 92-percent of rebate funding remaining, adequate funding is available in the mitigation fee fund to continue throughout a sell through period.

AHRI urges the Stationary Source Committee to align with the San Joaquin Air Pollution Control District and establish a six-month sell through period for ultra low-nox gas furnaces. If you have any questions regarding this submission, please do not hesitate to contact me.

Sincerely,

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Laura Petrillo-Groh, PE Lead Regulatory Advisor, Cooling Technology Direct: (703) 600-0335 Email: <u>LPetrillo-Groh@ahrinet.org</u>