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March 4, 2022

Chair Liane Randolph  
California Air Resources Board  
1001 I Street, Sacramento, California 95814  
P.O. Box 2815, Sacramento, CA 95812

**Re: 2022 State SIP Strategy**

Dear Honorable Chair Randolph

Rheem Manufacturing Company (Rheem) appreciates the opportunity to comment on the 2022 State Strategy for the State Implementation Plan (*2022 State SIP Strategy*).

Rheem is an industry leader in total heating, cooling, refrigeration and water heating solutions, headquartered in Atlanta, Georgia and with a manufacturing facility in Oxnard, California. Rheem also has U.S. based manufacturing facilities in Alabama, Arkansas, Connecticut, and North Carolina and distribution facilities throughout the U.S., Canada and around the world. Rheem is committed to a clean energy future and continues to bring to market products that advance the goals of emissions reduction at an affordable price to the homeowner, working cooperatively with environmental agencies and regulators.

As identified in the *2022 State SIP Strategy*, California improved air quality substantially over the past several decades, even as the U.S. Environmental Protection Agency (U.S. EPA) lowered ozone standards to the current protective level of 70 parts per billion (ppb). Improvements to California's air quality is uneven, as a growing share of emitting sources fall out of the state's regulatory authority. We share the state's view that the Federal government can do more to reduce significant sources of federally-regulated emissions in the freight, locomotive, interstate truck and ocean vessel segments. As detailed in the *2022 State SIP Strategy*, state regulatory programs to reduce NOx emissions will fail to achieve federally-mandated limits without concerted federal action.



INTEGRATED HOME COMFORT

As a strategy to reduce emissions from space and water heating in new and existing residential and commercial buildings, the *2022 State SIP Strategy* includes a Proposed Action to develop zero emission standards for space and water heaters sold in California beginning in 2030. This is an ambitious plan with significant potential effects on housing costs acknowledged in the Proposed Action. Considering that 90 percent of residential water heaters in California use natural gas as the heating source, any new zero emission appliance standards must recognize the energy performance characteristics of various water and space heating technologies of the installed base.

As the California Air Resources Board (CARB) develops a Proposed Action, Rheem looks forward to providing input on effective strategies to achieve California's air quality and climate goals. Initial consideration by CARB on a Proposed Action should consider the following policy strategies:

Prioritize zero emission appliance standards in the new construction residential segment in a timeframe that provides the sales channel (OEMs, Distributors and Contractors), adequate time for product availability and planning. With consideration of economic feasibility for California consumers.

Provide additional compliance pathways that include consumer options such as high-efficiency condensing water and space heaters and dual fuel heating systems, for retrofit in the existing residential and commercial building stock;

Program design flexibility recognizing continued gas use in limited and legacy applications;

Use future zero emission appliance standards to harmonize emission regulations from the nine separate air districts regulating NOX emissions from space and water heating;



Condition implementation of zero emission appliance standards to installation benchmarks from incentive programs targeted to heat pump technologies and labor force training;

Support in-state manufacturing of efficient gas and electric building system technologies through maintenance of gas infrastructure to serve industrial and manufacturing segments

Rheem appreciates the opportunity to comment on the *2022 State SIP Strategy* and how a clean air and climate strategy that includes reduced emissions from space and water heating in residential and commercial buildings can achieve California's energy and environmental goals.

Thank you for your consideration.

A handwritten signature in black ink that reads "Karen B. Meyers".

Karen Meyers  
Vice President, Government Affairs  
Rheem Manufacturing Company

