



May 18, 2026

California Air Resources Board
1001 I Street
Sacramento, CA 95812-2815

Subject: Noritz America Corporation Comments on CARB’s 2026 State Implementation Plan Revisions

To the Executive Officer and Members of the Board:

Noritz America Corporation, based in Southern California, is a subsidiary of Noritz Group, a global manufacturer of residential and commercial gas-fired instantaneous water heaters, residential gas-fired boiler products, and residential electric heat pump water heaters.

Noritz appreciates the opportunity to submit these comments in response to the California Air Resources Board’s (“CARB”) 2026 Extreme Ozone State Implementation Plan Revisions (April 17, 2026) (“SIP Revision”), specifically the proposed measure for Clean Space and Water Heater Standards, which was previously designated as the Zero-Emission Space and Water Heater Standards.

Noritz’s understanding is that starting in 2030, CARB is proposing to set limits on gas appliance sales as a percentage of the market, with that percentage declining over time, by means of zero-emission standards. SIP Revision at 16-17. Noritz America supports improving efficiency and reducing emissions, but it has concerns with the proposed measure, even as sketched out here at a high level.

First, Noritz has concerns that a proposal to cap the sales of gas-fired appliances is a limited gas ban that runs afoul of the Energy Policy and Conservation Act (“EPCA”), 42 U.S.C. §6291 *et seq.* No gas appliances are zero-emission, so any zero-emission standard is a *de facto* gas ban. And banning gas appliances concerns their energy use within the meaning of EPCA. *See* 42 U.S.C. §6297(c) (preempting any state regulation concerning the energy use of covered appliances). The Ninth Circuit held exactly that in *California Restaurant Ass’n v. City of Berkeley*, 89 F.4th 1094 (9th Cir. 2024), which found that Berkeley’s ban on gas piping in buildings was preempted because it prevented consumers from using gas appliances: “[A] regulation on ‘energy use’ fairly encompasses an ordinance that effectively eliminates the ‘use’ of an energy source.” *Id.* at 1101-02. Noritz is one of the plaintiffs in a lawsuit challenging the South Coast AQMD’s zero-NO_x appliance rules as preempted by EPCA under the *California Restaurant Ass’n* holding and reasoning. *See Rinnai America Corp., et al. v. South Coast Air Quality Management District*, No. 25-5129 (Ninth Circuit) (appeal pending; oral argument heard Feb. 5, 2026). Here, while the proposed measure is not a complete ban but rather a ban on an increasing percentage of gas appliance sales, this accomplishes the same result for the affected portion of the market and does not seem logically or practically distinct.

Second, Noritz is concerned that regulatory-driven shifts in behavior rather than market-driven shifts do not work well, and they often result in burdens and costs on manufacturing, distribution and

sales while at the same time imposing costs on consumers and depriving them of choice. Incentive-driven policies that do not mandate or ban a particular type of technology allow the market to shift when it makes sense economically to do so and allow consumers to make decisions based on their individual needs and circumstances. A fuel-neutral incentive approach also has the ability to respond to broader market changes or developments, such as the overall economy or events such as the COVID pandemic.

The details of any market sales cap program will make a big difference in this regard, as to whether it allows for flexibility for certain market segments or equipment, supports innovative technology such as hydrogen or dual-fuel equipment, and focuses on emissions not units. A key factor will also be the regulatory burden imposed on manufacturers and distributors; larger organizations can better absorb reporting requirements or complicated credit and penalty schemes, while smaller manufacturers like Noritz will be placed at a serious disadvantage. And as a practical matter, many manufacturers do not determine or control where their products are sold or what a customer wants. There are also likely to be concerns with reporting sensitive customer and market data that Noritz and other companies regard as confidential and proprietary.

On the other side of the balance, artificially limiting appliance availability (and potentially imposing fees or penalties) will raise costs for consumers and restrict their ability to choose appliances that suit their needs and preferences. Noritz, as a California company located in the Los Angeles area, is all too well aware of the affordability problems with housing and the cost of living. Mandating electric appliances and creating a scarcity of efficient and affordable gas appliances will exacerbate these problems, with particular impact on lower income or disadvantaged communities.

In conclusion, Noritz recommends that CARB reconsider its proposed SIP revision and change to a fuel-neutral approach that relies on market-based incentives, rather than a mandated regulatory-driven shift to electric appliances. The current proposal raises legal concerns through its partial ban of gas appliances and poses serious difficulties for manufacturers, distributors, and consumers alike. The concerns with regulatory burden and cost, uneven playing field, and consumer choice and housing affordability are real and need to be addressed. We appreciate CARB's consideration of these issues.

Regards,

Jay Hassel

President & CEO

Noritz America Corporation