



April 26, 2022

Chair Groom and Directors
Budget & Finance Committee
Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105

RE: Comments on Proposed Budget for Fiscal Year 2022-2023 & Amendments to Regulation 3, Fees

Dear Chair Groom and Directors:

On behalf of Sierra Club, SPUR, RMI, the BAAQMD Network, and Menlo Spark, we appreciate the opportunity to comment on the Bay Area Air Quality Management District's (Air District) proposed budget for Fiscal Year 2022-2023 and proposed amendments to Regulation 3, Fees.

We support the proposed budget and its inclusion of a 10.9% blended rate increase for permit fees. An increase in permit fees is warranted for building the staff capacity the Air District needs to support its mission, values, and goals; specifically, having additional capacity is critically important for engaging vulnerable communities within its jurisdiction and implementing solutions to reduce local air pollution.

One issue in particular that has our strong support and engagement is Regulation 9, Rules 4 & 6 regarding emissions from furnaces and water heaters. To ensure that the proposed rules produce equitable outcomes, the Air District must lead a broad, multi-stakeholder effort to secure an equitable transition to zero-emission space and water heating, and that ultimately requires sufficient staff capacity to execute in the best, most effective, and equitable manner.

Getting implementation right for these rules is critical. Among the Bay Area's 2.8 million households, 22% are low-income, and 17%—totaling about 470,000 households—are both low-income and rent-burdened. Zero-emission appliances can equitably provide significant

benefits in terms of affordability, quality of life, and public health to vulnerable communities that need these benefits the most, especially as extreme weather worsened by climate change intensifies existing vulnerabilities and inequities present in low-income and environmental justice communities.

With the building sector being a major contributor to air pollution and climate change, phasing out fossil gas use can play a key role in helping Bay Area cities and the State in achieving their clean air and climate goals. Most importantly, with sufficient resources, the Bay Area's implementation process can be a model for a broader statewide effort to transition toward zero-emission appliances in a manner that advances energy democracy for communities that need these resources the most, and which can spur economic development that will create good-paying jobs and careers.

We support the budget proposal with a 10.9% blended rate and the associated personnel increase. We look forward to continuing to collaborate with you on this important rule and others.

Sincerely,

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