



"Great Apartments Start Here!"

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Via Electronic Mail

Honorable Mayor Ara Najarian
the Members of the Glendale City Council
Council Chambers
613 East Broadway, 2nd Floor
Glendale, California 91206

Re: Heat Pump and Energy Efficiency Requirements – Agenda Item 8

Honorable Mayor Najarian and Members of the Glendale City Council:

The Apartment Association of Greater Los Angeles (AAGLA) represents rental housing providers throughout Los Angeles, Ventura and San Bernardino counties, including many in Glendale. More than 80% of our membership are mom-and-pop owners with 20 or fewer units. We have extensive experience with policies regarding cooling and heating technologies.

This issue has created a great deal of unnecessary confusion based upon a draft ordinance that does NOT match the report upon which it is based. The report by Frontier Energy, Inc. entitled "Custom Cost Effectiveness Analysis, City of Glendale Single Family Air Conditioner Replacement (AC to HP) Cost-Effectiveness Report" presumes that the **air conditioning system is being replaced by a heat pump** in ALL of the stated scenarios. In two scenario, it presumes that both the air conditioning system AND the furnace are being replaced by a heat pump. In one scenario, it presumes that the air conditioning system is being replaced AND the furnace is being used for backup heat only. In NONE of the scenarios is only the furnace being replaced by a heat pump. The resulting "cost effectiveness" data from the report is accurate only if one presumes that the **air conditioning system is being replaced by a heat pump**.

According to Section 3.2 Measure Details from the report, the following definitions apply (emphasis added).

1. **Dual Fuel Heat Pump (DFHP Existing Furnace): Replace existing ducted AC with an**



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electric heat pump and install controls to operate the **heat pump as the primary space conditioning source and** to use the existing gas furnace (78 AFUE) for backup heat when heating demands cannot be met by the heat pump.

2. **Heat Pump Space Heater (HPSP): Replace existing ducted AC and** natural gas furnace with an electric heat pump and air handler.
3. **High Efficiency HPSH: Replace existing ducted AC and** natural gas furnace with an electric heat pump and air handler.

In stark contrast, the draft ordinance presented requires that the furnace alone be replaced by a heat pump. As stated previously, it makes absolutely no sense to have a new heating system requirement tied to installing or replacing air conditioning as a cooling system. The draft ordinance is a colossal bastardization of the underlying Frontier Energy report (**AC to HP**) and cannot be used to justify the ordinance as written. Instead, the ordinance would have to be re-drafted, so that both air conditioning and gas furnaces must be replaced with heat pumps.

According to the staff report, it appears that the intent of the City is to undermine the use of natural gas furnaces. If natural gas is the intended target, then the City owes all parties transparency with an open and honest debate on the subject. The South Coast Air Quality Management District (SCAQMD) had already had several public discussions on this topic and it would benefit the City Council to review those discussions first before taking any steps towards requiring property owners to pay for either more expensive heat pumps (offset slightly by a temporary rebate program) or conduct additional energy efficiency activities as an indirect attempt to force replacement of gas furnaces.

While we appreciate that the City is offering either heat pumps or additional energy efficiency activities to meet the new heating mandate, it is still a mandate nonetheless that will result in additional costs to property owners, including mom-and-pop duplex owners as small businesses providing naturally occurring affordable housing to renters via duplexes. Small owners are still suffering from the years of unpaid rent due to COVID-19 and for duplex owners, the financial strain is far greater as a single non-paying renter makes up **50%** of all income for the property. This new heating requirement will only encourage more mom-and-pop owners to remove these affordable rentals from the market and sell the property for redevelopment as McMansions or other luxury housing. If the City decides to move forward with this Frankenstein policy, then we would urge the City Council to remove duplexes from it.

The use of natural gas is still far less expensive than electricity per unit of measure. As a result, mandating all-electric will significantly increase electricity use and put further strain on the electric grid. It will also substantially raise monthly electricity bills for property owners and renters of these properties. While the staff claims that these increased costs are eventually offset over the life of the

system, renters don't typically rent for such a long period of time.

Further, as the staff report states, this extra cost is intended as a "societal benefit to all utility billpayers." Thus, if this proposed policy does go forward than GWP should be required to pay the entire cost of both installation and operation of these new systems over their entire lifetime and for all property owners forced to adopt them under this ordinance for the lifetime of the ordinance. It is highly doubtful that GWP's ratepayers would want the City to make such a commitment. Thus, we encourage the City to conduct extensive outreach to all ratepayers before moving forward with the proposed ordinance.

As it is the property owners that would directly suffer the costs for the installations and usage of the systems, we would also strongly urge the City to conduct multiple outreach sessions in several languages to obtain input from property owners on how this will impact their ability to continue to pay their mortgage along with this new cost. As the staff report shows, NO outreach has been done whatsoever to property owners to date and this has been an issue only discussed by City employees and elected officials. As this will impact a majority of homeowners in the City, it is only fair to have open forums targeted to property owners the same as when increased utility costs are being considered.

In addition, despite the claims that this is to target GHG emissions, literally HALF of the policy issue is left unaddressed and is the actual mislabeling of this ordinance as related to cooling, specifically air conditioning. A heat pump can provide BOTH cooling and heating as attested to by the Frontier Energy report. By considering only the heating aspect, the City leaves half of the benefit without discussion, consideration or inclusion. In fact, most heat pumps are considered by homeowners for cooling purposes to replace existing air conditioning systems. A heat pump requires far less electricity to run than air conditioning and provides needed cooling. As the staff report also mentions, Glendale is in a temperate climate that has neither extremely cold or hot weather. Thus, it would be ideal for more widespread heat pump use, which is popular even in much hotter climates like Arizona.

Further, air conditioning contributes to global warming, uses huge amounts of expensive electricity (which may be based on non-renewable sources) and creates "heat islands" by dumping heat outside further raising outdoor temperatures in a vicious cycle. So, it is mindboggling that this ordinance comes forward discussing the installation or replacement of air conditioning and the use of heat pumps, yet provides no discussion or consideration of encouraging the use of heat pumps for **cooling, specifically to replace air conditioning**. So why has the city left out at least half of the equation, if not the larger half? We urge the City Council to take a wholistic view of heat pumps as cooling and heating devices before this issue moves forward.

Other technologies would also be far less expensive, equally effective at cooling and use far less electricity than either heat pumps or air conditioning, namely evaporator coolers (also known as



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swamp coolers). This technology is widely used in India, which has by far the highest number of high heat days every year. As such the City should also consider encouraging the use of evaporator coolers as an alternative to air conditioning for cooling.

As you can see, there are many factors and technologies for heating as well as cooling and each deserve full exploration and consideration. Also, any new requirements for heating should be tied directly to heating and the replacement or installation of furnaces. Similarly, any new requirements for cooling should be tied directly to the replacement or installation of air conditioning. The two should not be improperly and unnecessary tied together in this mishmash manner as it only creates more confusion, distrust and misunderstanding among all impacted parties. Again, we urge the City Council to reject the existing draft ordinance and start over with a detailed discussion respecting each category of heating and cooling and conducting extensive outreach to the community for their input.

Thank you for your time and consideration. Please feel free to reach out to me directly by telephone at (213) 384-4131; Ext. 309 or via electronic mail at janet@aagla.org.

Sincerely,

Janet M. Gagnon

Janet M. Gagnon, Esq.

CC: Daniel Yukelson, Executive Director, Apartment Association of Greater Los Angeles