



January 21, 2026

California Air Resources Board
Building Decarbonization Program
Zero-Emission Space and Water Heater Standards Workshop
1001 I Street, Sacramento, CA 95814

Subject: Updated Regulatory Concept for Zero-Emission Space and Water Heater Standards

The California Restaurant Association (CRA) is the definitive voice of the state's food service industry, representing nearly 22,000 eating establishments. In this letter, we would like to provide comments regarding the California Air Resources Board's (CARB) updated regulatory concept for zero-emission space and water heater standards specific to the restaurant industry. CRA appreciates CARB's updated regulatory concept proposal, which we believe acknowledges the unintended consequences of enacting sweeping mandates regarding zero-emission heater sales.

As the state's second largest private employer, contributing to over 1.4 million jobs, it is vital that the unique challenges faced by the industry are recognized and accounted for, especially given the well-documented and ongoing affordability crisis for restaurant operations that are unique to California.

Requiring manufacturers and distributors to progressively phase out emissive space and water heaters will have major unintended consequences – including cost prohibitive retrofits, equity issues, and potential conflict with federal regulations.

As CARB noted, a large percentage of non-residential buildings require retrofits to utilize zero-emission heater technologies. By enacting these sales limits, CARB will constrain the market, making it less feasible and more difficult to acquire and repair "emissive" heaters that fit into current building layouts – essentially banning "emissive" heaters through market pressures and pushing consumers to purchase zero-emission units that require cost-prohibitive building retrofits. Consequently, it is commonplace for restaurant operators to rent their restaurant locations, and these retrofits would cost building owners; costs that would inevitably be passed down through raised rents when it comes time for restaurateurs to renew their leases. Either this, or restaurant owners would have to take on this cost themselves when performing tenant improvement projects.

While CARB stated there are incentive programs to help mitigate the upfront costs of equipment and retrofits, issues often time arise with these schemes. Funds run dry, are used up on very large developments, or require intimate knowledge of and resources to take advantage of them – something that is not a given for restaurant owners in disadvantaged communities, including those who are non-English speakers. This highlights the equity issues present with CARB's proposal. Altogether, forcing restaurateurs to deal with such a financial burden would compound the cost pressures they already face as they try to survive in the current economic climate.

Regarding potential conflict with federal regulations, the Ninth Circuit Court of Appeals found in *CRA v. Berkeley* that The City of Berkeley's ban on gas piping in new buildings was invalid because it had the effect of preventing the use of natural gas in appliances in buildings. Moreover, the court also found the federal Energy Policy & Conservation Act's (EPCA) preemption provision is not limited to regulation of the appliance itself but reaches regulations "concerning" energy use or energy efficiency.

Additionally, CRA respectfully requests that CARB staff clarifies whether the proposed regulatory framework will include plumbed and/or portable outdoor gas & propane heaters.

The CRA appreciates CARB's efforts to balance end-user impact with meeting California's nation-leading climate goals, and we look forward to collaborating with CARB going forward.

A handwritten signature in black ink, appearing to read "Matt Sutton". The signature is fluid and cursive, with the first name "Matt" being more prominent than the last name "Sutton".

Matt Sutton
Senior Vice President, Government Affairs & Public Policy
California Restaurant Association