



PROPOSED AMENDED RULE 1111

WORKING GROUP MEETING #2
JUNE 3, 2021, 10 AM (PST)

Zoom meeting: <https://scaqmd.zoom.us/j/91065534303>
Meeting ID: 910 6553 4303
Conference Call: (669) 900-6833

AGENDA

- Background
- Summary of Last Working Group Meeting
- Meeting With High Altitude Stakeholders
- Key Remaining Issues
- Summary of Proposal and Next Steps

BACKGROUND

- The compliance date for implementing 14 ng/J NO_x is October 1, 2021, for :
 - Condensing/non-condensing furnaces for high-altitude¹ installation
 - Weatherized furnaces
 - Mobile home furnaces
- Staff has been meeting with individual manufacturers regarding the availability of furnaces for the October 1, 2021 deadline
- Since the April 14, 2021 Working Group Meeting staff has:
 - Conducted a high-altitude stakeholder meeting on April 29, 2021
 - Follow-up meetings with manufacturers and distributors regarding high-altitude furnaces
 - Provided an implementation update to the Stationary Source Committee on May 21, 2021

¹ For elevations >4,200 feet above sea level

WORKING GROUP MEETING ON APRIL 14, 2021

- Provided update from discussion with manufacturers on availability of compliant furnaces for high altitude areas
- Provided update on availability of compliant weatherized furnaces
 - One manufacturer projects a potential delay for commercial weatherized furnaces
- Discussed that no manufacturers have developed a compliant 14 ng/J furnace for mobile homes
- Initial recommendations:
 - No further extension to high-altitude exemption
 - No further extension of weatherized furnace mitigation fee end date
 - Extend mitigation fee end date to September 30, 2023 for mobile home furnaces
- Staff committed to continue working with stakeholders regarding recommendations for Proposed Amended Rule 1111

MEETING WITH INSTALLERS IN THE MOUNTAIN COMMUNITIES

- On April 29, 2021, staff held a meeting with installers in mountain communities to further discuss the product availability for the high-altitude areas
- Installers commented that:
 - Distributors that they contacted do not have compliant products for high-altitude areas;
 - Compliant downflow furnace will not be available for above higher altitude areas¹; and
 - Staff should consider the need to regulate furnaces in the high-altitude areas due to the small emission reduction potential
- At the May 21, 2021 Stationary Source Committee meeting:
 - Installers commented that large size furnaces rated at 100,000 btu/hr are needed for high altitude but will not be provided by manufacturers
 - Supervisor Rutherford suggested that staff consider exempting furnaces in high altitude areas if the emission reductions are minor

¹ For elevations >5,400 feet above sea level

KEY REMAINING ISSUES

Weatherized
furnaces
implementation

Product availability
for high altitude
installation
(including large size
and downflow)

High altitude
installation
exemption

WEATHERIZED FURNACES IMPLEMENTATION

Added Mitigation Fee
Compliance Option to
October 2019

Extended Mitigation Fee
for all Furnace Categories

Extended Mitigation Fee 12
Months for Manufacturer
Delays Due to COVID-19

Compliance Date
for Weatherized
Furnaces

2014

2018

2020

Oct
2021

- The September 2020 rule amendment provided 12-month delay for implementing 14 ng/J NO_x for weather furnaces from October 1, 2020 to October 1, 2021
- All other manufacturers expect to meet the compliance date, exempt one manufacturer that projects a potential delay for commercial weatherized furnaces
 - Requested two-month delay at the May 21, 2021 Stationary Source Committee meeting
 - Extending the compliance date for one manufacturer is not fair to the manufacturers that have compliant furnaces
 - Staff is continuing to work with the manufacturer to identify potential compliance options
- Staff recommends no further extension of weatherized furnace mitigation fee end date

PRODUCT AVAILABILITY FOR HIGH ALTITUDE

Added 1-Year Exemption for High Altitude Furnaces to Allow Manufacturers to Conduct High Altitude Testing

2019

Extended Exemption 12 Months for Delays in Testing in High Altitude Areas Due to COVID-19

2020

Compliance Date for High Altitude Furnaces

Oct
2021

- Exemption for furnaces in high altitude installation ends October 1, 2021
- Four manufacturers will have compliant furnaces available by October 1, 2021, for elevations up to 7,500-7,800 feet
 - Three of them have all their certified compliant units capable for high-altitude with or without kits
- Special consideration may be needed for downflow and large size models, which received less priority for development due to their small markets

PRODUCT AVAILABILITY FOR HIGH ALTITUDE – STAFF RECOMMENDATION

High altitude installers comment:

- Distributors do not have compliant products for high-altitude areas, especially for downflow and large size furnaces

Product availability issues:

- Four manufacturers will have 85 to 100 percent of their certified units ready for high altitude installation
- No downflow for altitude higher than 5,400 ft
- Two manufacturers provide large size models (up to 100,000 btu/hr) for high altitude

Staff recommendation for downflow units:

- Consider an exemption for downflow furnaces – no compliant downflow units for high altitude areas

HIGH ALTITUDE INSTALLATION EXEMPTION

- Manufacturers invested time, money and resources in high altitude testing to address availability concerns raised two years ago
- All manufacturers have made progress and have variety of products at different elevations
- As with new technology, more models and product lines become available over time
- The niche exemption (e.g., downflow) could be addressed separately
- The emission reductions for high altitude area are minor for each year, however
 - A general exemption for the high-altitude community raises concerns with equity and compliance; and
 - The emission reductions forgone would be permanent and add up overtime, estimating 0.03 tons per day reduction forgone in 30 years, and 0.05 tons per day reduction forgone in 50 years
- Staff will continue the discussion with manufacturers, distributors, and installers to resolve communication disconnect
 - May consider extending the high-altitude exemption if the disconnect could not be resolved

MOBILE HOME FURNACE



- ❑ Mitigation period fee for mobile home furnaces ends October 1, 2021
- ❑ Discussed at previous meetings that no manufacturers have developed a compliant 14 ng/J furnace for mobile homes
- ❑ The manufacturers will need to:
 - ❑ Develop propane kits for compliant split systems to meet HUD requirement for propane compatibility; and
 - ❑ Meet the Department of Energy standards upcoming energy efficiency standards by January 1, 2023.
- ❑ Staff Recommendation:
 - ❑ Extend the mitigation fee to September 30, 2023

SUMMARY OF PROPOSAL AND NEXT STEPS

- ❑ Staff recommendations:
 - No further extension of weatherized furnace mitigation fee end date
 - Extend mitigation fee end date to September 30, 2023 for mobile home furnaces
 - No extension for high-altitude exemption
 - Provide exemption for high-altitude downflow furnaces
 - Will meet with manufacturers, distributors, and installers for any remaining issues
- ❑ Preliminary draft rule and staff report - June 2021
- ❑ Stationary Source Committee - June 18, 2021
- ❑ Public Workshop - July 2021
- ❑ Public hearing - September 3, 2021
- ❑ Continue to work with stakeholders through the rulemaking process

CONTACTS

Proposed Amended Rule 1111

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