BOARD MEETING DATE: August 7, 2020 AGENDA NO. 2

PROPOSAL: Set Public Hearing September 4, 2020 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations:

<u>Determine That Proposed Amendments to Rule 1111 – Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces, and Revisions to Clean Air Furnace Rebate Program Are Exempt from CEQA, Amend Rule 1111 and Approve Revisions to Clean Air Furnace Rebate Program</u>

Rule 1111 establishes a NOx emission limit of 14 ng/J for residential and commercial gas furnaces. Proposed Amended Rule 1111 will extend the compliance date from October 1, 2020 to September 30, 2021 for weatherized and high altitude furnaces. The proposed amendments would also include an exemption for gas-electric dual fuel systems with low-NOx furnaces (40 ng/J) installed at higher altitudes until September 30, 2022. Staff is also recommending modifications to the Clean Air Furnace Rebate program. This action is to adopt the Resolution: 1) Determining that the proposed amendments to Rule 1111 – Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces, and revisions to the Clean Air Furnace Rebate Program are exempt from the requirements of the California Environmental Quality Act; 2) Amending Rule 1111 – Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces; and 3) Revising the Clean Air Furnace Rebate program to incentivize installation of 14 ng/J furnaces and electric heat pumps. (Reviewed: Stationary Source Committee, June 19, 2020 and To Be Reviewed: August 21, 2020)

The complete text of the proposed amendments, staff report and other supporting documents will be available from the South Coast AQMD's publication request line at (909) 396-2001, or from: Ms. Fabian Wesson – Assistant Deputy Executive Officer/Public Advisor, South Coast AQMD, 21865 Copley Drive, Diamond Bar, CA 91765, (909) 396-2432, PICrequests@aqmd.gov and on the Internet (www.aqmd.gov) as of August 5, 2020.

RECOMMENDED ACTION:

Set Public Hearing September 4, 2020 to Amend Rule 1111 and Approve Revisions to the Clean Air Furnace Rebate Program.

Wayne Nastri Executive Officer