

## **SUBJECT:**

## NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

## PROJECT TITLE: PROPOSED AMENDED RULE 1111 – REDUCTION OF NOX EMISSIONS FROM NATURAL-GAS-FIRED, FAN-TYPE CENTRAL FURNACES

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (SCAQMD) is the Lead Agency and has prepared a Notice of Exemption for the project identified above.

SCAQMD staff has reviewed the proposed project to amend Rule 1111 - Reduction of NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces pursuant to: 1) CEQA Guidelines Section 15002(k) - General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 - Review for Exemption, procedures for determining if a project is exempt from CEQA.

The project proposes to amend Rule 1111 to add a new consumer notification requirement, effective October 1, 2018, that will be applicable to any furnace that is made available for distribution or sale inside of the SCAQMD pursuant to an alternate compliance option in lieu of meeting the NOx emission limit of 14 nanograms per Joule (ng/J). The proposed amendments to Rule 1111 would require a manufacturer that distributes or publishes "Informative Materials," including the consumer brochure, technical specification sheet for the furnace, and the manufacturer's website promoting the furnace, to clearly display the following language: "*If installed in SCAQMD only: This furnace does not meet the SCAQMD Rule 1111 NOx emission limit (14 ng/J), and thus is subject to a mitigation fee of up to \$450. This furnace is not eligible for the Clean Air Furnace Rebate Program: www.CleanAirFurnaceRebate.com.*" Alternately, a manufacturer may use other language to comply with the proposed requirement provided that it is submitted to the Executive Officer by August 1, 2018 and approved by the Executive Officer no later than August 31, 2018.

SCAQMD staff has determined that it can be seen with certainty that there is no possibility that the proposed amendments to Rule 1111 may have a significant adverse effect on the environment. Therefore, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Activities Covered by General Rule. A Notice of Exemption has been prepared pursuant to CEQA Guidelines Section 15062 – Notice of Exemption. If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties.

Any questions regarding this Notice of Exemption should be sent to Ryan Bañuelos (c/o Planning, Rule Development and Area Sources) at the above address. Mr. Bañuelos can also be reached at (909) 396-3479. Ms. Yanrong Zhu is also available at (909) 396-2457 to answer any questions regarding the proposed amended rule.

Date: June

June 20, 2018

Signature:

Barbara Radlein Program Supervisor, CEQA Section Planning, Rules, and Area Sources

Reference: California Code of Regulations, Title 14

## NOTICE OF EXEMPTION

To:	County Clerks	From:	South Coast Air Quality Management District
	Counties of Los Angeles, Orange,		21865 Copley Drive
	Riverside, and San Bernardino		Diamond Bar, CA 91765

**Project Title:** Proposed Amended Rule 1111 – Reduction of NOx Emissions From Natural-Gas-Fired, Fan-Type Central Furnaces

**Project Location:** The SCAQMD has jurisdiction over the four-county South Coast Air Basin (all of Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino counties), and the Riverside County portions of the Salton Sea Air Basin (SSAB) and Mojave Desert Air Basin (MDAB). The SCAQMD's jurisdiction includes the federal nonattainment area known as the Coachella Valley Planning Area, which is a sub-region of Riverside County and the SSAB.

**Description of Nature, Purpose, and Beneficiaries of Project:** The project proposes to amend Rule 1111 to add a new consumer notification requirement, effective October 1, 2018, that will be applicable to any furnace that is made available for distribution or sale inside of the SCAQMD pursuant to an alternate compliance option in lieu of meeting the NOx emission limit of 14 nanograms per Joule (ng/J). The proposed amendments to Rule 1111 would require a manufacturer that distributes or publishes "Informative Materials," including the consumer brochure, technical specification sheet for the furnace, and the manufacturer's website promoting the furnace, to clearly display the following language: "If installed in SCAQMD only: This furnace does not meet the SCAQMD Rule 1111 NOx emission limit (14 ng/J), and thus is subject to a mitigation fee of up to \$450. This furnace is not eligible for the Clean Air Furnace Rebate Program: www.CleanAirFurnaceRebate.com.." Alternately, a manufacturer may use other language to comply with the proposed requirement provided that it is submitted to the Executive Officer by August 1, 2018 and approved by the Executive Officer no later than August 31, 2018.

Public Agency Approving Project:	Agency Carrying Out Project:
South Coast Air Quality Management District	South Coast Air Quality Management District
<b>Exempt Status:</b> CEQA Guidelines Section 15061(b)(3) –	Activities Covered by General Rule

**Reasons why project is exempt:** SCAQMD staff has reviewed the proposed amendments to Rule 1111 pursuant to: 1) CEQA Guidelines Section 15002(k) - General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 - Review for Exemption, procedures for determining if a project is exempt from CEQA. To comply with the proposed amendments to Rule 1111, original equipment manufacturers (OEMs) would be required to distribute or publish "Informative Materials" that include the above prescribed language or other language approved by the Executive Officer, for each furnace that qualifies for the alternate compliance option and does not meet the 14 ng/J NOx emission limit but is made available for sale or distribution inside of the SCAQMD. The proposed project is administrative in nature such that there would be no construction or operational activities that would create emissions impacts in order for OEMs to comply with the new requirements contained in the proposed amendments to Rule 1111. Therefore, SCAQMD staff has determined that it can be seen with certainty that there is no possibility that the proposed amendments to Rule 1111 may have a significant adverse effect on the environment. Therefore, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Activities Covered by General Rule.

**Date When Project Will Be Considered for Approval (subject to change):** SCAQMD Governing Board Hearing: July 6, 2018; SCAQMD Headquarters

<b>CEQA Contact Person:</b> Mr. Ryan Bañuelos	<b>Phone Number:</b> (909) 396-3479	Email: rbanuelos@aqmd.gov	<b>Fax:</b> (909) 396-3982
<b>Rule Contact Person:</b> Ms. Yanrong Zhu	<b>Phone Number:</b> (909) 396-3289	<b>Email:</b> <u>yzhu1@aqmd.gov</u>	<b>Fax:</b> (909) 396-3324

Date Received for Filing:	Signature:	(Signed Upon Board Approval)
		Barbara Radlein
		Program Supervisor, CEQA Section
		Planning, Rule Development & Area
		Sources