NOTICE OF EXEMPTION FROM THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

To: County Clerks for the Counties of Los Angeles, Orange, Riverside, and San Bernardino; and Governor's Office of Planning and Research – State Clearinghouse	**From:** South Coast Air Quality Management District 21865 Copley Drive 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 proposed project is located within the South Coast Air Quality Management District's (South Coast AQMD) jurisdiction, which includes 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 portion of the Salton Sea Air Basin and the non-Palo Verde, Riverside County portion of the Mojave Desert Air Basin.

Description of Nature, Purpose, and Beneficiaries of Project: Rule 1111 is designed to reduce emissions of nitrogen oxides (NOx) from residential and commercial gas-fired fan-type space heating furnaces and includes an alternate compliance option that allows the manufacturer to pay a per-unit mitigation fee, in lieu of meeting the lower NOx emission limit, for up to 36 months after the applicable compliance date. Proposed Amended Rule 1111 (PAR 1111) extends the end date of the mitigation fee alternate compliance option for mobile home furnaces from September 30, 2023 to September 30, 2025, and allows manufacturers of mobile home furnaces to comply by paying the mitigation fee for 40 nanogram per Joule (ng/J) NOx units with recordkeeping and reporting requirements for two more years. The proposed project does not change the requirements for the mitigation fee or the recordkeeping and reporting requirements. The extension will benefit mobile home manufacturers by providing more time to develop cleaner technologies for mobile home space heating purposes so that mobile homeowners will have mobile home furnaces which are commercially available and compliant for future installations. A delay in achieving approximately 0.016 ton per day (equivalent to 32 pounds per day) of NOx emission reductions will be expected to occur as a result of the extended compliance date for mobile home furnaces. The South Coast AQMD will continue to evaluate the feasibility of zero-emission technologies for future rule amendments to Rule 1111 which may be able to achieve additional NOx emission reductions over the long-term.

Public Agency Approving Project:	**Agency Carrying Out Project:**
South Coast Air Quality Management District	South Coast Air Quality Management District

Exempt Status: CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption

Reasons why project is exempt: South Coast AQMD, as Lead Agency, has reviewed the proposed project (PAR 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. Since the quantity of delayed NOx emission reductions are expected to be temporary and less than the South Coast AQMD air quality significance threshold for NOx, it can be seen with certainty that implementing the proposed project would not cause a significant adverse effect on the environment. Therefore, the proposed project is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption.

Date of Project Approval:
South Coast AQMD Governing Board Public Hearing: September 1, 2023

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Date Received for Filing: _____ **Signature:** _Kevin Ni_ _September 1, 2023_

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