

Proposed Amended Rule (PAR) 1111

NOx Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces

And Clean Air Furnace Rebate Program

Working Group Meeting

March 28, 2018

**SCAQMD Headquarters
Diamond Bar, California**

Agenda

- Rule 1111 overview
- Proposed labeling requirements
- Rule 1111 Clean Air Furnace Rebate Program
- Future activities and schedules

Rule 1111 Overview

- First adopted in 1978 and NOx emission limit (40 ng/J) established
- Applies to residential and commercial natural gas-fired fan-type central furnaces
- Regulates manufacturers, distributors, sellers, and installers of these units
- NOx emission limit lowered to 14 ng/J in 2009
- Delayed compliance date and added mitigation fee option in 2014
- Extended and increased mitigation fee option on March 2, 2018
- Implementing the Clean Air Furnace Rebate Program as a companion to Rule 1111 to incentivize consumers to purchase units certified to 14 ng/J
 - Selected Electric & Gas Industries Association (EGIA) on March 2, 2018 to implement the Rule 1111 rebate program

Labeling requirements

- At the March Public Hearing the Governing Board directed staff to include a labeling requirement for units that are subject to the mitigation fee alternate compliance option
- Labeling would better inform consumers that:
 - Non-compliant furnaces are subject to the mitigation fee
 - Compliant furnaces are eligible for a consumer rebate

Proposed Labeling Provision

- Proposed addition of new language to the rule as new paragraph (e)(3):

Any furnace that is for distribution or sale inside of the South Coast Air Quality Management District that is not certified to meet 14 ng/J certification limit shall have a label on the furnace and the shipping container that clearly displays the following, or other language as approved by the Executive Officer: **“This is NOT a low-NOx furnace and under SCAQMD Rule 1111 is subject to a mitigation fee of up to XXXX. This furnace is not eligible for the Clean Furnace Rebate Program. Check on REBATE WEBSITE for more information about furnaces that are eligible for the Clean Furnace Rebate Program.”**

Proposed Labeling Provision (cont.)

- Provision for “or other language as approved by the Executive Officer”
 - Provides the manufacturer an option to design a label meeting the applicable local requirements, but may also reference other air district requirements (i.e. San Joaquin Valley APCD)
 - Allows for dual labeling purpose

Clean Air Furnace Rebate Program

- Clean Air Furnace Rebate Program is a consumer rebate for furnaces that are certified to meet the 14 ng/J NO_x emission limit
- EGIA was selected through a competitive bidding process (RFP #P2018-05) to administer the Rebate program
- Current funding for consumer rebates:
 - \$3 million for the first 6,000 rebates (\$500/furnace)
 - Incremental portion of R1111 mitigation fee (\$300/condensing furnace; \$200/others)
- May seek additional funds based on program performance

Implementation of Clean Air Furnace Rebate Program

- EGIA and SCAQMD kickoff meeting on March 13, 2018
- Meet on a weekly basis discussing details of the implementation
- Expect to execute the contract by the end of March, and begin to receive applications by the end of April
- The program will be monitored with a “real-time” dashboard for staff review
- Provide update to the Stationary Source Committee on June 15, 2018
- May have Stakeholder Meeting to discuss the rebate program as the program progresses

Application Information for Clean Air Furnace Rebate Program

- On-line application process for rebate
- Consumer (name/address/phone/email)
- Product (manufacturer/furnace type/model/serial/BTU/AFUE)
- Installation (contractor/contractor address/contact/installation date/purchase date)
- Other (work order/ registration card)

Future Activities and Schedules for PAR 1111

- Public Consultation meeting – April 13, 2018
- Stationary Source Committee meeting – April 20, 2018
- Set Hearing – May 4, 2018
- Public Hearing – June 1, 2018

Rule Development Staff Contacts

- Yanrong Zhu
Air Quality Specialist
(909) 396-3289
yzhu1@aqmd.gov
- Gary Quinn, P.E.
Program Supervisor
(909) 396-3121
gquinn@aqmd.gov