

BOARD MEETING DATE: April 5, 2024

AGENDA NO. 2

PROPOSAL: Set Public Hearings to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations:

May 3, 2024

A. Determine That Proposed Amendments to Regulation III – Fees Are Exempt from CEQA; Amend Regulation III – Fees; and Adopt Executive Officer’s Proposed Goals and Priority Objectives, and Proposed Budget for FY 2024-25

The Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2024-25 have been developed and are recommended for adoption. Proposed Amended Regulation III includes: an increase of most fees by the Consumer Price Index (CPI) of 3.5 percent; new or modified fees which are necessary to provide more specific cost recovery for regulatory actions taken by the agency including major incident response actions and to promote cleaner technologies, as well as a proposal to increase most permit related fees by 1.5 percent per year for two years beyond CPI; and administrative changes in Regulation III that include clarifications, deletions, insertions, or corrections of existing rule language, which have no fee impact. This action is to adopt the Resolution: 1) Determining that the proposed amendments to Regulation III – Fees are exempt from the California Environmental Quality Act; 2) Amending Regulation III - Fees; and 3) Adopting the Executive Officer’s Proposed Goals and Priority Objectives, and Proposed Budget for FY 2024-25. (To Be Reviewed: Special Board Meeting/Budget Workshop, April 12, 2024)

June 7, 2024

B. Determine That Proposed Amended Rule 1146.2 – Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters, Is a Later Activity Within Scope of Final Program Environmental Impact Report for 2022 AQMP Such That No New Environmental Document Will Be Required; and Amend Rule 1146.2

Proposed Amended Rule 1146.2 (PAR 1146.2) proposes to require zero-emission (0 ppmv) NO_x limits for new installations of applicable large water heaters, small boilers, and process heaters based on future effective dates depending on the commercial availability of zero-emission technologies. The future effective dates will allow time for the technology

to mature and commercialization of technologies. PAR 1146.2 also proposes zero-emission limits for existing units after the unit reaches a specific age, with an exemption on unit age for units installed at residential structures and small businesses and provides alternative compliance options and a low-use exemption to address challenges transitioning to zero-emission technologies. In addition, PAR 1146.2 clarifies and updates rule language. This action is to adopt the Resolution: 1) Determining that Proposed Amended Rule 1146.2 – Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters is a later activity within the scope of the Final Program Environmental Impact Report for the 2022 AQMP such that no new environmental document will be required; and 2) Amending Rule 1146.2. (Reviewed: Stationary Source Committee, March 15, 2024, and To Be Reviewed: April 19, 2024)

The complete text of the proposed amended rules, staff report and other supporting documents will be available from the South Coast AQMD's Public Information Center at (909) 396-2001, or Mr. Derrick Alatorre – Deputy Executive Officer/Public Advisor, South Coast AQMD, 21865 Copley Drive, Diamond Bar, CA 91765, (909) 396-2432, dalatorre@aqmd.gov and on the Internet (www.aqmd.gov) as of April 2, 2024 for Proposed Amended Regulation III and May 7, 2024 for PAR 1146.2.

RECOMMENDED ACTIONS:

Set public hearing May 3, 2024 to determine that the proposed amendments to Regulation III are exempt from CEQA, amend Regulation III, and adopt the Executive Officer's Proposed Goals and Priority Objectives and Proposed Budget for FY 2024-25; and set public hearing June 7, 2024 to determine that the proposed amendments to Rule 1146.2 is a later activity within the scope of the Final Program Environmental Impact Report for the 2022 AQMP such that no new environmental document will be required and amend Rule 1146.2.

Wayne Nastri
Executive Officer

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