

NOTICE OF DECISION

To: Office of the Secretary for Resources
General Counsel's Office
1416 9th Street, Suite 1311
Sacramento, CA 95814

From: SCAQMD
Planning, Rule Development & Area Sources
21865 Copley Drive
Diamond Bar, CA 91765

Subject: Filing of Notice of Decision in compliance with CEQA Guidelines Section 15252(b) and SCAQMD Rule 110(f)

Project Title: Final Subsequent Environmental Assessment (SEA) for Proposed Amended Rule 1111 - Reduction of NOx Emissions from Natural-Gas-Fire, Fan-Type Central Furnaces

Lead Agency: South Coast Air Quality Management District (SCAQMD)

SCH Number: 2017121067 **Date Certified:** March 2, 2018

SCAQMD Number: 140722JI/12012017RB

Contact Person: Ryan Bañuelos **Telephone Number:** (909) 396-3479

Project Location: The project applies to manufacturers, distributors and wholesalers, retailers and dealers, and installers of furnaces and requires manufacturers to certify that each furnace model offered for sale in the SCAQMD's jurisdiction complies with the oxides of nitrogen (NOx) emission limit using specific test methods approved by the SCAQMD and United States Environmental Protection Agency. The SCAQMD has jurisdiction over all of Orange County, the urban portions of Los Angeles and San Bernardino counties southwest of the San Bernardino and San Gabriel mountains, and nearly all of Riverside County, with the exception of communities near the state border.

Project Description: Rule 1111 was amended to increase the mitigation fee and extend the mitigation fee alternative compliance option because additional time is needed for manufacturers to develop and commercialize a range of natural-gas-fired fan-type furnaces that meet the NOx emission limit of 14 nanograms per Joule (ng/J). Rule 1111 was also amended to provide an exemption of rule applicability for natural gas furnaces installed with propane conversion kits for propane firing only, with a defined labeling requirement.

The air quality analysis for PAR 1111 in the Final SEA indicates that the operational air quality emissions associated with implementing PAR 1111 would exceed the SCAQMD's significant operational threshold for NOx (55 pounds per day). Thus, the operational air quality impacts from implementing PAR 1111 are considered to be significant. However, the NOx emission reductions will be eventually achieved because existing units will be replaced and upgraded over time.

This is to advise that the SCAQMD has certified the Final SEA and approved the above-described project, and has made the following determinations:

1. The Final SEA was prepared and certified pursuant to the SCAQMD's Certified Regulatory Program.
2. The Final SEA concluded that the project would have significant unavoidable air quality impacts during operation because the quantity of emission reductions foregone would exceed the SCAQMD's significance operational threshold for NOx.
3. Because the Final SEA concluded that the project would have a significant adverse operational air quality impact on the environment, mitigation measures are required. However, because no feasible mitigation measures have been identified that would eliminate or reduce the significant adverse operational air quality impacts for NOx emissions to less than significant levels, mitigation measures were not made a condition of approval of this project. Thus, a Mitigation Monitoring and Reporting Plan, pursuant to Public Resources Code Section 21081.6 and CEQA Guidelines Section 15097, was not required or adopted for this project.
4. Findings were made pursuant to CEQA Guidelines Section 15091.
5. A Statement of Overriding Considerations pursuant to CEQA Guidelines Section 15093 was adopted for this project.

The Final SEA, supporting documentation, and record of project approval may be examined at: SCAQMD, 21865 Copley Drive, Diamond Bar, CA 91765.

Date Received for
Filing

Signature: _____

Barbara Radlein

Program Supervisor, CEQA
Planning, Rule Development, and Area
Sources