



Proposed Amended Rule 1146.2 – Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters

Public Workshop

February 7, 2024, 9:00 AM (PST)

Join Zoom Meeting:

<https://scaqmd.zoom.us/j/96893878030>

Meeting ID: 968 9387 8030

Agenda

Background

Proposed Amended Rule 1146.2 (PAR 1146.2)
Rule Development

Preliminary Draft Rule Language

Socioeconomic Impacts

California Environmental Quality Act (CEQA)

Next Steps and Staff Contact



Rule 1146.2 Background

Applies to manufacturers, distributors, retailers, re-furbishers, installers, and operators

Reduces NOx emissions from large water heaters, small boilers, and process heaters less than or equal to 2 MMBtu/hr

- Exempts units subject to Rule 1121- Control of Nitrogen Oxides From Residential Type, Natural Gas-Fired Water Heaters, which are rated at less than 75,000 Btu/hr heat input
- Applicable units are mainly installed in commercial buildings
- Instantaneous (tankless) water heaters and pool/spa heaters are regulated by Rule 1146.2 due to the higher Btu ratings of those type of units
 - Mainly installed in residential buildings

Rule 1146.2 Applicability

Rule 1146.2 was adopted on January 9, 1998

Amended in May 2006 to lower NOx emission limit to 20 ppm

- For Type 1 units ($\leq 400,000$ Btu/hr) (effective 2012) and for Type 2 units ($> 400,000$ Btu/hr and $\leq 2,000,000$ Btu/hr) (effective 2010)
- Type 1 pool heaters ($\leq 400,000$ Btu/hr) remained at 55 ppm

Last amended in 2018 to address units operated by facilities in the REgional Clean Air Incentives Market (RECLAIM) program

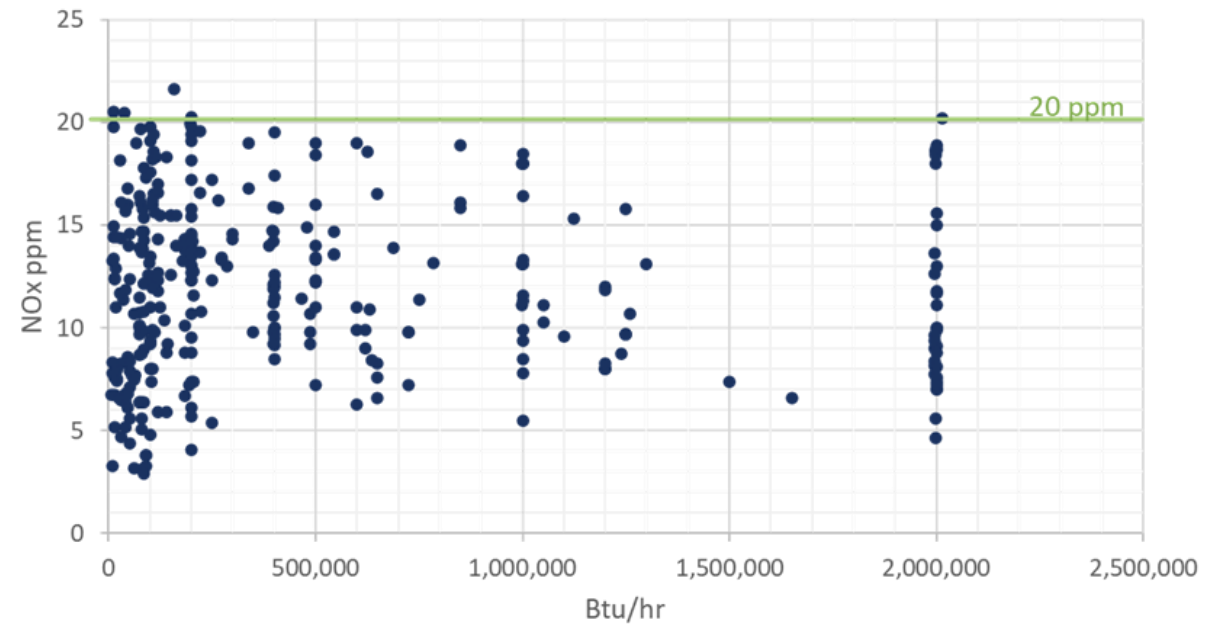
- Removed the exemption for RECLAIM facilities
- Required applicable new installations in RECLAIM and former RECLAIM facilities to meet the 20 ppmv NOx emission limits
- Committed staff to conduct a technology assessment by January 2022 to determine if more stringent retrofit standard should be required

Regulatory History

2021 Technology Assessment

- Staff conducted a technology assessment in 2021 and reported to the Stationary Source Committee in January 2022, suggesting to start a rulemaking process for lower NOx limit
- Staff reviewed 137 source tests conducted since 2017 to demonstrate compliance of 20 ppmv NOx limit, as shown in the figure
 - 39 units (28 percent of units) tested under 12 ppmv;
 - 21 units (15 percent of units) tested under 10 ppmv
 - 33 percent of certified pool heaters tested under 12 ppmv

Source Test Data: NOx ppmv at 3 percent Oxygen
from Certifications:





Implementing 2022 AQMP Control Measures

2022 Air Quality Management Plan (AQMP)

- Adopted December 2, 2022, and established path for meeting federal air pollution standards by 2037
- Established health-based cost-effectiveness threshold of \$325,000 per ton of NOx reduced (\$349,000 in 2022 dollars)
 - Neither considered a starting point for control costs, nor an absolute cap
- Seeking to require zero-emission technologies across all sectors, wherever feasible, to meet stringent standards

Control Measure C-CMB-01 in the 2022 AQMP aims to reduce NOx emissions from commercial building water heating sources

- Focus on requiring zero-emission units for installations in new and existing buildings
- PAR 1146.2 will implement Control Measure C-CMB-01



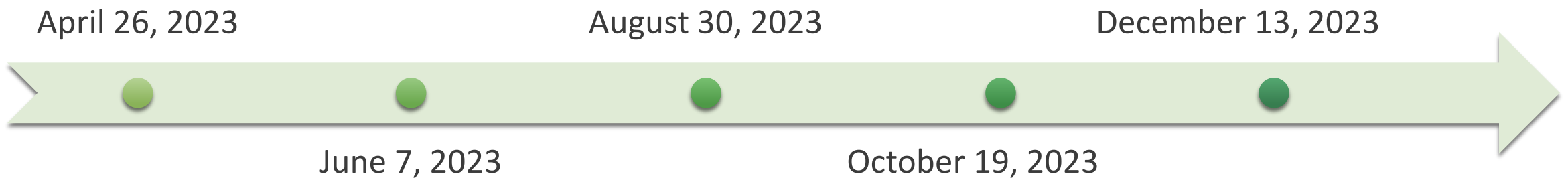
PAR 1146.2 Rule Development

Public Process

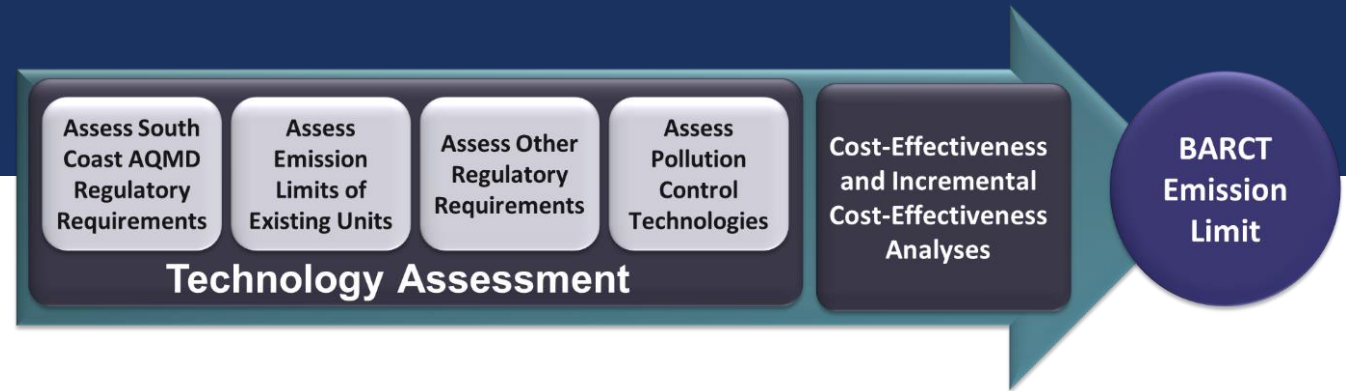
PAR 1146.2 was developed through a public process that began in the second quarter of 2023 and included a series of working group meetings, individual stakeholder meetings, and site visits to affected facilities

The working group is composed of representatives from manufacturers, trade organizations, permit stakeholders, businesses, environmental groups, public agencies, consultants, and other interested parties

Five working group meetings:



Rule Approach



Staff conducted a comprehensive Best Available Retrofit Control Technology (BARCT) assessment which included an analysis of the technical feasibility and cost-effectiveness of zero-emission NO_x technologies

Proposed amendments will be focused on:

- Further categorizing the applicable units based on their capacities and applications
- Proposing implementation dates based on zero-emission technologies readiness and cost-effectiveness for each category
- Allowing time for further technology development

Applicable Units Recategorization

- PAR 1146.2 defines additional categories for Type 1 and Type 2 units
 - Subcategories for High Temperature Units*, Type 1 Pool Heaters, and Instantaneous (Tankless) Water Heaters allow for different implementation dates for zero-emissions limits

Type 1 Unit
(less than or equal to 400 kBtu/hr)

Type 2 Unit (greater than 400 kBtu/hr and
up to and including 2 MMBtu/hr)

Rule 1146.2
Categories

Type 1 Unit

Type 1 High
Temperature
Unit*

Type 1 Pool
Heater

Instantaneous
(Tankless)
Water Heater
(Type 1 and Type 2)

Type 2 Unit

Type 2 High
Temperature
Unit*

PAR 1146.2
Categories

* High temperature units defined as units used to produce steam or to heat water above 190 degrees Fahrenheit

Universe and Baseline Emission Estimates

- PAR 1146.2 updated the previous Rule 1146.2 baseline emission estimate with estimates for the Type 1 Pool Heater universe and Instantaneous (Tankless) universe
 - Analysis during the 2006 rule amendment estimated around 40,000 Type 1 units and 20,000 Type 2 units
 - PAR 1146.2 will impact 773,000 units, with estimated emission reduction of 8.0 tons/day at full implementation
 - For context, the 2022 AQMP indicated a total of 351 tons/day of NOx emitted in 2018 (the base-year of the emissions inventory and modeling analysis in the plan)

Equipment Category	Estimated Universe	Baseline Emissions Estimate (tons/day)
Type 1 Units (not including Type 1 Pool Heaters or Instantaneous Water Heaters)	60,000	0.69
Type 2 Units (not including Instantaneous Water Heaters)		1.39
Type 1 Pool Heaters	413,000	5.66
Instantaneous (Tankless) Water Heaters	300,000	0.28
Total	<u>773,000</u>	<u>8.02</u>



PAR 1146.2 Proposal

PAR 1146.2 Proposal

PAR 1146.2 proposes to:

- Divide the applicable large water heaters, small boilers, and process heaters into six categories
- Require zero-emission (0 ppmv) NOx limits for new installations
- Establish different zero-emission compliance dates for units installed in new or existing buildings
- Establish future effective dates to allow time for the technology to mature, with longer timelines provided for the technologies that are not widely commercially available at this time
- Require existing units to meet zero-emission NOx limits at the end of unit age after the applicable effective compliance date
 - Units at residential or multifamily structures will have to meet zero-emission limits when appliance is replaced

Key Rule Updates Summary

- Updated rule structure for clarity
- Removed outdated language and subdivisions
- Added new definitions and provisions
- Updated emission limits to reflect BARCT assessment
- Clarified exemptions

Updated Rule Structure Overview

Current Rule 1146.2

- (a) Purpose and Applicability
- (b) Definitions
- (c) Requirements
- (d) Certification
- (e) Modification (Retrofit) Provisions and Demonstration of Compliance With Emission Limits
- (f) Identification of Compliant Units
- (g) Enforcement
- (h) Exemptions
- (i) Progress Reports



PAR 1146.2

- (a) Purpose
- (b) Applicability
- (c) Definitions
- (d) Requirements
- (e) Unit Age
- (f) Certification
- (g) Demonstrations of Compliance With Emission Limits
- (h) Identification and Verification of Compliant Units
- (i) Exemptions



Preliminary Draft Rule Language

Purpose (a) and Applicability (b)

- Separated Purpose and Applicability subdivisions
- Added “owners” to applicability
 - Operators are already applicable
- Removed “refurbishers” from applicability as a refurbisher could be any other applicable person specified by the rule

Key Language Updates

- (a) ~~Purpose and Applicability~~
- The purpose of this rule is to reduce Oxides of Nitrogen (NOx) emissions from natural gas-fired ~~w~~Water ~~h~~Heaters, ~~b~~Boilers, and ~~p~~Process ~~h~~Heaters as defined in this rule. ~~This rule applies to units that have a rated heat input capacity less than or equal to 2,000,000 BTU per hour. Type 1 Units as defined in this rule are typically, but not exclusively, large water heaters or smaller sized process heaters in the above range. Type 2 Units as defined in this rule are typically, but not exclusively, small boilers or larger sized process heaters in this range. Beginning January 1, 2000, the provisions of this rule are applicable to manufacturers, distributors, retailers, refurbishers, installers and operators of new units. Beginning July 1, 2002, the provisions of this rule are also applicable to operators of existing Type 2 Units.~~
- (b) Applicability
- The provisions of this rule are applicable to manufacturers, distributors, retailers, Resellers, installers, owners, and operators of Units that have a Rated Heat Input Capacity less than or equal to 2,000,000 British Thermal Units (BTU) per hour. The provisions of this rule are not applicable to manufacturers, distributors, retailers, Resellers, installers, owners, and operators of Units subject to the limits in South Coast AQMD Rule 1121 – Control of Nitrogen Oxides from Residential Type, Natural Gas-fired Water Heaters.

Definitions (c)

- Removed definitions not used in the rule
- Added new definitions
- Staff is proposing a change to the definition for “New Buildings”
 - Changes from the preliminary draft rule language shown in yellow highlight
 - Clarifies when a building is considered new, links to the Table 2 compliance dates

Key New Definitions

(3) EXISTING BUILDING means a building that is not a New Building as defined in this rule.

(7) HIGH TEMPERATURE UNIT means any Unit as defined in this rule that is used to produce steam or to heat water above 190 degrees Fahrenheit.

(10) MULTIFAMILY STRUCTURE means any structure which is used exclusively as a dwelling for more than four families, and where equipment subject to this rule is used by the owner or occupant of such a dwelling.

Change to New Definition

- Previous language in Preliminary PAR 1146.2 for new definition:

(11) NEW BUILDING means a building that has never been used or occupied for any purpose, or a building with a major alteration which changes the occupancy classification of a building.

- New changes:

(11) NEW BUILDING means a building that is newly constructed or a building with a major alteration which changes the occupancy classification of a building, and does not have a Unit installed prior to the applicable compliance date in Table 2.

Requirements (d)

Removed provisions with obsolete requirements

Rearranged some current provisions in requirement subdivision for a streamlined structure

Created Table 2 for zero-emission limits with future implementation dates

Paragraph (d)(1): Current Emission Limits

- Rearranged some current provisions in requirement subdivision
- Added current NOx and CO emission limits in table format for clarity

PAR 1146.2

(1) No person shall manufacture, supply, sell, offer for sale, or install, for use within the South Coast AQMD, any Unit unless the Unit is certified pursuant to subdivision (f) not to exceed the applicable NOx and CO emission limits specified in Table 1, prior to the compliance dates specified in Table 2.

Table 1 – NOx and CO Emission Limits

<u>Equipment Category</u>	<u>NOx Emission Limit*</u>	<u>CO Emission Limit*</u>
<u>Type 1 Units, excluding Pool Heaters</u>	<u>14 ng/J or 20 ppmv</u>	<u>N/A**</u>
<u>Type 1 Pool Heaters</u>	<u>40 ng/J or 55 ppmv</u>	<u>N/A**</u>
<u>Type 2 Units</u>	<u>14 ng/J or 20 ppmv</u>	<u>400 ppmv</u>

* Nanograms per Joule (ng/J) of NOx (calculated as NO₂) of Heat Output or the specified parts per million by volume (ppmv) of NOx or CO at 3 percent oxygen (O₂) correction, on a dry basis.

** Type 1 Units are not subject to a CO limit by Rule 1146.2, but may be subject to CO limits by other South Coast AQMD rules.

Paragraph (d)(2): Zero-Emission Limits

- PAR 1146.2 (d)(2) requires zero-emission limits as listed in Table 2
 - Six equipment categories
 - Future compliance date specified for each category
 - Early implementation for installations in new buildings
 - Equipment useful life referenced by other provisions

PAR 1146.2 (d)(2) and Table 2

(2) No person shall manufacture, supply, sell, offer for sale, or install, for use in the South Coast AQMD, any Unit subject to this rule, unless such Unit complies with the applicable NOx and CO emission limit and compliance date set forth in Table 2.

Table 2 – NOx and CO Emission Limits, Compliance Schedule, and Unit Useful Life

<u>Equipment Category</u>	<u>NOx and CO Emission Limits (ppmv)</u>	<u>Building Type</u>	<u>Compliance Date</u>	<u>Useful Life (years)</u>
<u>Type 1 Unit*</u>	0	<u>New</u>	<u>January 1, 2025</u>	15
		<u>Existing</u>	<u>January 1, 2029</u>	
<u>Instantaneous (Tankless) Water Heater</u>	0	<u>New</u>	<u>January 1, 2025</u>	25
		<u>Existing</u>	<u>January 1, 2029</u>	
<u>Type 1 Pool Heater</u>	0	<u>New</u>	<u>January 1, 2027</u>	15
		<u>Existing</u>	<u>January 1, 2031</u>	
<u>Type 2 Unit**</u>	0	<u>New</u>	<u>January 1, 2027</u>	25
		<u>Existing</u>	<u>January 1, 2031</u>	
<u>Type 1 High Temperature Unit</u>	0	<u>New</u>	<u>January 1, 2029</u>	25
		<u>Existing</u>	<u>January 1, 2033</u>	
<u>Type 2 High Temperature Unit</u>	0	<u>New</u>	<u>January 1, 2029</u>	25
		<u>Existing</u>	<u>January 1, 2033</u>	

* Referring to a Type 1 Unit that is not a High Temperature Unit, Type 1 Pool Heater, or Instantaneous Water Heater.

** Referring to a Type 2 Unit that is not a High Temperature Unit or Instantaneous Water Heater.

Paragraph (d)(3): Zero-Emission for Existing Units after Their Useful Age

- PAR 1146.2 requires units to be phased into the zero-emission technologies once reaching their useful age
 - Requirement applies after the Table 2 zero-emission compliance dates are in effect for the applicable category
- Units installed or used for residential or multifamily structures are exempted from this requirement pursuant to paragraph (i)(3)

PAR 1146.2 (d)(3)

(3) On and after the compliance dates in Table 2, an owner or operator of a Unit shall not operate a Unit which exceeds zero ppmv of NO_x once the Unit age determined pursuant to subdivision (e) is greater than or equal to the Useful Life in Table 2.

Example 1: Existing Type 1 unit with a 2029 compliance date that is 18 years old (i.e., beyond its Useful Life) must be replaced with a zero-emission unit as of January 1, 2029

Example 2: Existing Type 1 unit with a 2029 compliance date that is 12 years old (i.e., before end of Useful Life) in 2029 is not subject to zero-emission requirement until 2032 when it reaches end of Useful Life

Paragraph (d)(4): Emission Demonstration at Unit Modification

- Paragraph (d)(4) of PAR 1146.2 is an existing Rule 1146.2 requirement that provides guidance for an owner or operator to demonstrate that a modified unit meets the NOx and CO emission limits in subdivision (d)
- Language is not new but is shown with underline because it was moved

PAR 1146.2 (d)(4)

- (4) The owner or operator of a Unit may modify a Unit and demonstrate it meets the NOx and CO emission limits in subdivision (d) by causing:
- (A) A Certified Retrofit Kit to be installed; or
 - (B) A source test to be conducted by an Independent Testing Laboratory according to the Protocol.

Paragraph (d)(5): Emission Limits at Burner Modification or Replacement

- Paragraph (d)(5) specifies the applicable emission limit when an owner or operator modifies or replaces a burner
 - Zero-emission limits in Table 2 will only apply when the modification/replacement occurs on and after the Table 2 compliance date and the unit has reached its useful life
 - Otherwise, Table 1 limits will apply

PAR 1146.2 (d)(5)

- (5) An owner or operator of a Unit that modifies or replaces a burner in the Unit shall comply with the following applicable emission limit:
- (A) In Table 1 if the modification or replacement occurs:
- (i) Prior to the applicable compliance dates in Table 2; or
 - (ii) Before the Unit reaches its useful life in Table 2; or
- (B) In Table 2 if the modification or replacement occurs:
- (i) On and after the applicable compliance dates in Table 2; and
 - (ii) When the Unit has reached its useful life in Table 2.

For example, Existing Type 1 Pool Heater unit that is 10 years old (i.e., before end of Useful Life) in 2032 (after 2031 compliance date in Table 2) can replace burners to comply with Table 1 limits (40 ng/J or 55 ppmv NO_x)

Paragraphs (d)(6) and (d)(7)

- Paragraph (d)(6): Type 2 Unit Manufactured Prior to January 1, 2010
 - Existing Rule 1146.2 (c)(11) requirement
 - Moved to PAR 1146.2 (d)(6)
- Paragraph (d)(7): Type 1 Unit Manufactured Prior to January 1, 2012
 - Existing Rule 1146.2 (c)(12) requirement
 - Moved to PAR 1146.2 (d)(7)
- Provisions are an existing backstop measure

PAR 1146.2 (d)(6) & (d)(7)

- (6) An owner or operator shall not operate any Type 2 Unit manufactured prior to January 1, 2010, in the South Coast AQMD which does not meet the NO_x emission limit of 30 ppmv (corrected at 3 percent O₂ correction, on a dry basis) or 0.037 pound NO_x per million BTU of heat input and no more than 400 ppm of carbon monoxide (at 3 percent O₂, dry).
- (7) An owner or operator shall not operate any Type 1 Unit manufactured prior to January 1, 2012, in the South Coast AQMD which does not meet the NO_x emission limit of 55 ppmv (corrected at 3 percent O₂ correction, on a dry basis).

Paragraph (d)(8)

- Paragraph (d)(8) is an existing requirement addressing recordkeeping for:
 - Instructions from manufacturers and/or distributors; and
 - Any maintenance activities

PAR 1146.2 (d)(8)

(8) The owner or operator of a Unit shall maintain on-site a copy of the manufacturer's and/or distributor's written instructions and retain a record of the maintenance activity for a period of not less than three years.

Paragraph (d)(9)

- Paragraph (d)(9) – RECLAIM and Former RECLAIM Pre-2010 Type 2 and Pre-2012 Type 1 Units
 - Addresses pre-2010 Type 2 units and pre-2012 Type 1 units in RECLAIM and former RECLAIM facilities
 - Mirrors the backstop measure for non-RECLAIM facilities, allows one year before effective date

PAR 1146.2 (d)(9)

- (9) Effective [One Year After Date of Rule Adoption], in lieu of paragraphs (d)(6) and (d)(7), an owner or operator of a RECLAIM Facility or Formal RECLAIM Facility shall not operate:
- (A) Type 2 Units manufactured prior to January 1, 2010, which do not meet the NOx emission limit of 30 ppmv (corrected at 3 percent O₂ correction, on a dry basis) or 0.037 pound NOx per million BTU of heat input and no more than 400 ppm of carbon monoxide (at 3 percent O₂, dry); or
- (B) Type 1 Units manufactured prior to January 1, 2012, which do not meet the NOx emission limit of 55 ppmv (corrected at 3 percent O₂ correction, on a dry basis).

Subdivision (e): Unit Age Determination

- Subdivision (e) provides guidance for an owner or operator to determine unit age

PAR 1146.2 (e)

(e) Unit Age

(1) For all Unit age determinations in this rule, an owner or operator of a Unit shall determine the Unit age as follows:

(A) Unit age shall be based on the original date of manufacture determined by:

(i) Invoice from purchase of Unit provided by manufacturer;

(ii) Original Unit manufacturer's identification or rating plate permanently affixed to the Unit; or

(iii) Any other method of determining Unit age that can be substantiated through written information as approved by the Executive Officer.

(B) The Unit shall be deemed at the end of its useful life as of January 1, 2024, for any Unit where the Unit age cannot be determined pursuant to subparagraph (e)(1)(A).

Paragraph (g)(2): Demonstrate Compliance for Exemption in Paragraph (i)(2)

- Paragraph (g)(2) includes requirements for the owner or operator of a unit that elects to comply with the low-use exemption in paragraph (i)(2)
- Demonstrate compliance based on annual fuel consumption or operating hours

PAR 1146.2

- (2) The owner or operator of a Unit that elects to comply with the exemption in paragraph (i)(2), shall:
 - (A) Demonstrate compliance with the annual fuel consumption determined using one of the following methods:
 - (i) Fuel usage recorded by a non-resettable totalizing fuel meter, corrected to Standard Conditions;
 - (ii) Fuel usage calculated by multiplying the number of hours recorded by a non-resettable totalizing time meter and the Rated Heat Input Capacity of the Unit; or
 - (iii) Monthly fuel billing statement or any other equivalent methodology to quantify the fuel usage that is approved by the Executive Officer;
 - (B) Calibrate the non-resettable totalizing fuel meter or non-resettable time meter according to the manufacturer's recommendation; and
 - (C) Use the higher heating value of 1,050 million BTU per million standard cubic feet for converting natural gas measured in volume to therm.

Paragraph (i)(2): Low Use Exemption

- Rule 1146.2 exempts Type 2 units that use less than 9,000 therms per year from any emission limit requirement
- PAR 1146.2 paragraph (i)(2) proposes a future effective phase out for this exemption
- On and after the effective dates in Table 2, those units will be subject to NOx and CO emission limits specified in subdivision (d)

PAR 1146.2

- (2) ~~Until the effective dates in Table 2, the NOx and CO provisions of paragraphs (e)(3), (e)(4), and (e)(5) emission limits in the rule shall not apply to:~~
- ~~(A) Any residential unit.~~
 - ~~(B) Units with a Rated Heat Input Capacity greater than 400,000 BTU per hour, but less than or equal to 2,000,000 BTU per hour, that are demonstrated to use less than 9,000 therms during every calendar year. Compliance with the exemption limit shall be demonstrated by a calculation based on the annual fuel consumption recorded by an in-line fuel meter or the annual operating hours recorded by a timer and using one of the following methods:~~
 - ~~(i) Annual therm usage recorded by fuel meter and corrected to standard pressure; or~~
 - ~~(ii) Amount of fuel (i.e., in thousand cubic feet of gas corrected to standard pressure) converted to therms using the higher heating value of the fuel; or~~
 - ~~(iii) Annual therm usage calculated by multiplying the number of hours fuel is burned by the rated heat input capacity of the unit converted to therms.~~

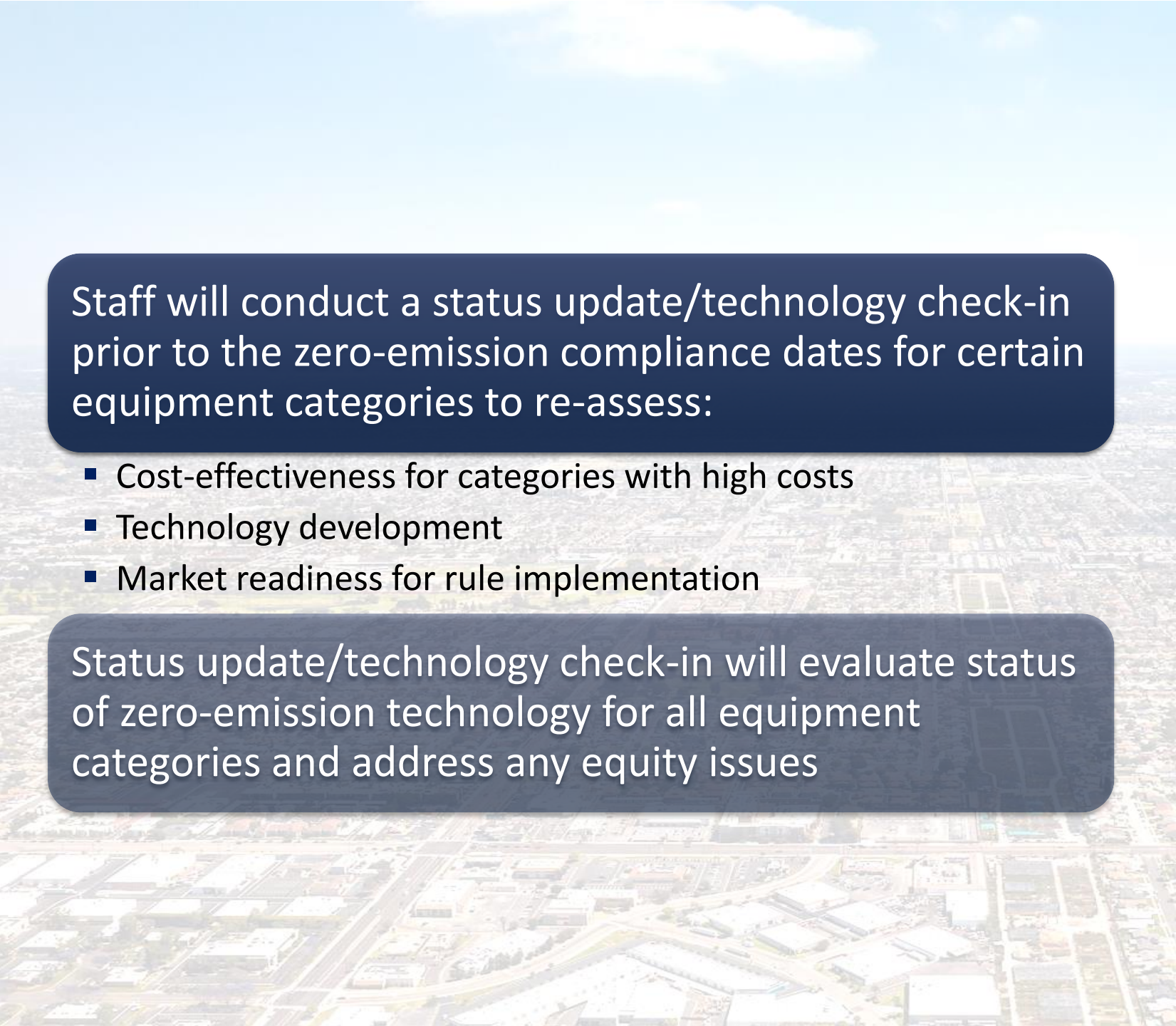
Paragraph (i)(3): Residential or Multifamily Structures

- The provisions of paragraphs (d)(3), (d)(4), (d)(5), (d)(6), (d)(7), and (d)(8) shall not apply to units installed or used for residential or multifamily structures

PAR 1146.2

(3) The provisions of paragraphs (d)(3), (d)(4), (d)(5), (d)(6), (d)(7), and (d)(8) shall not apply to Units installed or used for Residential or Multifamily Structures.

- Paragraph (d)(3): Zero-Emission for Existing Units after Their Useful Age
- Paragraph (d)(4): Emission Demonstration at Unit Modification
- Paragraph (d)(5): Emission Limits at Burner Modification or Replacement
- Paragraph (d)(6): Type 2 Unit Manufactured Prior to January 1, 2010
- Paragraph (d)(7): Type 1 Unit Manufactured Prior to January 1, 2012
- Paragraph (d)(8): Record of Maintenance Activity



Staff will conduct a status update/technology check-in prior to the zero-emission compliance dates for certain equipment categories to re-assess:

- Cost-effectiveness for categories with high costs
- Technology development
- Market readiness for rule implementation

Status update/technology check-in will evaluate status of zero-emission technology for all equipment categories and address any equity issues

Status Update/ Technology Check-In

The commitment of a status update/technology check-in will be included as part of the Resolution included with the Governing Board Package such as:

*“**BE IT FURTHER RESOLVED**, that the South Coast AQMD Governing Board directs staff to assess and report on the status of the zero-emission technologies for applicable categories by 2027 and conduct a status update/technology check-in if there are potential challenges complying with the zero-emission standard for any equipment category; and amend the requirements through the public process for applicable equipment categories if deemed appropriate”*

Status Update/
Technology Check-In
to be Included in the
Resolution



Socioeconomic Impacts

Socioeconomic Impact Assessment

- Health and Safety Code Section 40440.8
 - Requires socioeconomic impact assessment for proposed rule or rule amendment which “will significantly affect air quality or emissions limitations”
 - Socioeconomic impact assessment shall consider:
 - Type of affected industries
 - Range of probable costs, including costs to industry or business
 - Impact on employment and regional economy
- Health and Safety Code Section 40728.5
 - Requires the socioeconomic impact assessment to also conduct small businesses analysis

Socioeconomic Impact Assessment (*concluded*)

- Facilities impacted by PAR 1146.2 would incur costs in the following categories:
 - One-time capital costs
 - Heat Pump or other Zero-Emission Unit Capital Cost
 - Recurring operating and maintenance costs
 - The cost or cost saving of fuel switching from natural gas to electricity will be analyzed
- Direct cost will be used to model regional economic impacts



California Environmental Quality Act (CEQA)

California Environmental Quality Act (CEQA)

- PAR 1146.2 implements the 2022 AQMP Control Measure C-CMB-01 – Commercial Water Heating
- The Final Program Environmental Impact Report (EIR) for the 2022 AQMP evaluated Control Measure C-CMB-01 and identified potential impacts for the following environmental topic areas:
 - Air Quality and Greenhouse Gases occurring during construction and when producing/using more electricity during operation;
 - Energy due to potential increased demand for electricity;
 - Noise due to removing older water heaters and installing new equipment; and
 - Solid Waste due to generation of waste from construction activities and disposal of old equipment.

CEQA (*concluded*)

- CEQA Determination - No new environmental document will be required because:
 - PAR 1146.2 is a later activity within the scope of the program approved earlier (e.g., the 2022 AQMP) per CEQA Guidelines 15168 (c); and
 - The Final Program EIR for the 2022 AQMP adequately describes the activities associated with implementing PAR 1146.2 for the purposes of CEQA.



Next Steps and Staff Contact

Next Steps

Anticipated Schedule for Proposed Amended Rule 1146.2 (subject to change):

- Stationary Source Committee – February 16, 2024
- Public Comments Due – February 21, 2024
- Set Hearing – March 1, 2024
- Draft Rule Language and Other Supporting Documents Will Be Released – March 5, 2024
- Public Hearing – April 5, 2024 (subject to change)

Webpage for more information on Proposed Rules and Proposed Rule Amendments:

<https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules>

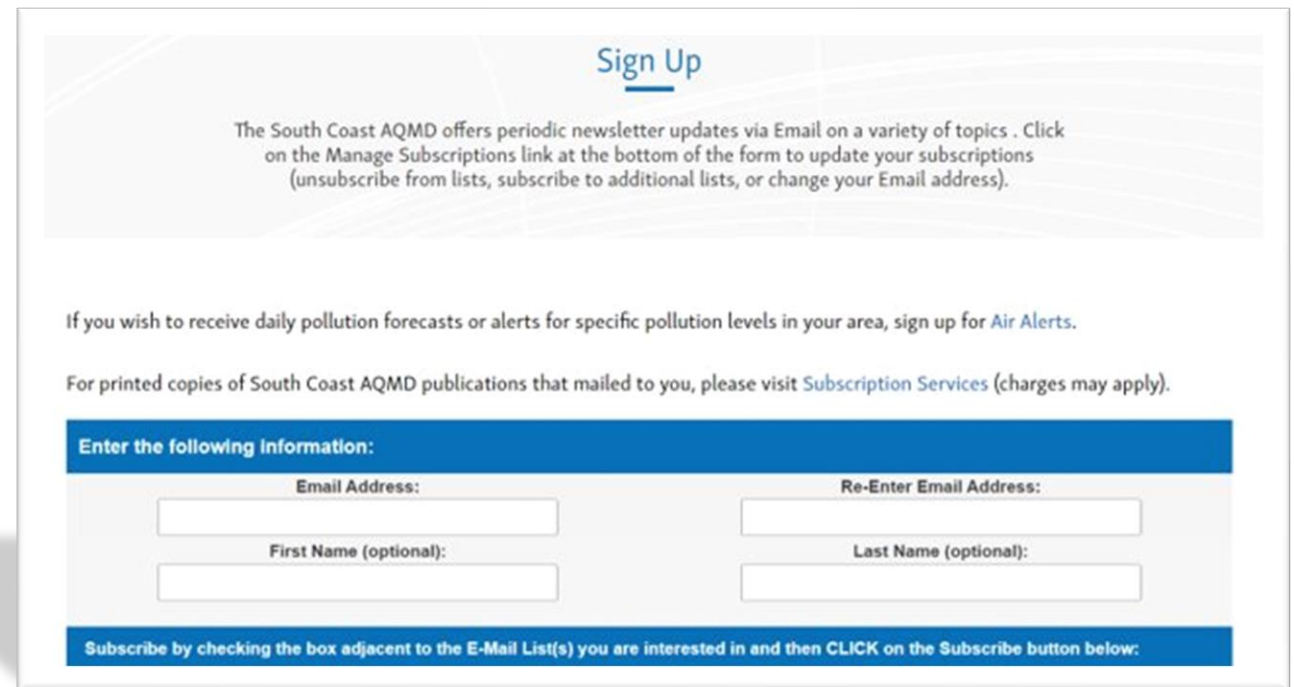
Webpage for more information on Building Appliances Rules:

<http://www.aqmd.gov/home/rules-compliance/residential-and-commercial-building-appliances>

Sign Up for Notifications

- To receive newsletter updates via email for notifications regarding the development of Rule 1146.2 and other forthcoming building appliances rules, please subscribe by checking the **Rule 1146.2** and **Building Appliances** check boxes located under Rule Updates:

<http://www.aqmd.gov/sign-up>



The screenshot shows a web form titled "Sign Up" for the South Coast AQMD. The form includes a header with the title "Sign Up" and a paragraph explaining that the agency offers periodic newsletter updates via email. Below this, there are two lines of text: "If you wish to receive daily pollution forecasts or alerts for specific pollution levels in your area, sign up for Air Alerts." and "For printed copies of South Coast AQMD publications that mailed to you, please visit Subscription Services (charges may apply)." The main form area is titled "Enter the following Information:" and contains four input fields: "Email Address:", "Re-Enter Email Address:", "First Name (optional):", and "Last Name (optional):". At the bottom of the form, there is a blue bar with the text "Subscribe by checking the box adjacent to the E-Mail List(s) you are interested in and then CLICK on the Subscribe button below:".

- To receive printed copies of South Coast AQMD publications via mail, please visit: <http://www.aqmd.gov/nav/contact/subscription-services>

Staff Contact – PAR 1146.2

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