



South Coast Air Quality Management District



21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

SUBJECT: NOTICE OF COMPLETION OF A DRAFT SUBSEQUENT ENVIRONMENTAL ASSESSMENT AND OPPORTUNITY FOR PUBLIC COMMENT

PROJECT TITLE: PROPOSED AMENDED RULE 1111 – REDUCTION OF NOX EMISSIONS FROM NATURAL GAS-FIRED FURNACES, AND PROPOSED AMENDED RULE 1121 – REDUCTION OF NOX EMISSIONS FROM SMALL NATURAL GAS-FIRED WATER HEATERS

In accordance with the California Environmental Quality Act (CEQA), the South Coast Air Quality Management District (South Coast AQMD) is the Lead Agency and has prepared a Draft Subsequent Environmental Assessment (SEA) to analyze environmental impacts for the project identified above pursuant to its certified regulatory program (Public Resources Code Section 21080.5, CEQA Guidelines Section 15251(1), and codified in South Coast AQMD Rule 110). Pursuant to CEQA Guidelines Sections 15152, 15162, and 15385, the Draft SEA tiers off of the previously certified Final Program Environmental Impact Report (Final Program EIR) prepared for the 2022 Air Quality Management Plan (2022 AQMP) that was adopted on December 2, 2022.

This letter, the Notice of Completion (NOC), and the Draft SEA are not South Coast AQMD applications or forms requiring a response from you. Their purpose is simply to provide information to you on the proposed project. **No action on your part is necessary if the proposed project has no bearing on you or your organization.** The proposed project's description, location and potential adverse environmental impacts are summarized in the NOC. Information on how to obtain the Draft SEA and other relevant documents is also provided in the attached NOC.

The NOC has been filed for posting with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino Counties. The NOC and Draft SEA has also been electronically filed with the State Clearinghouse of the Governor's Office of Planning and Research to be posted on their CEQAnet Web Portal which, upon posting, may be accessed via the following weblink: <https://ceqanet.opr.ca.gov/search/recent>. In addition, the NOC, Draft SEA and other relevant documents have been electronically posted on the South Coast AQMD's webpage which can be accessed via the following weblink: <http://www.aqmd.gov/home/research/documents-reports/lead-agency-scaqmd-projects>.

Comments focusing on your area of expertise, your agency's area of jurisdiction, if applicable, or issues relative to the environmental analysis for the proposed project will be accepted during a 46-day public review and comment period beginning September 27, 2024 and ending at 5:00 p.m. on November 12, 2024. Please send any comments relative to the CEQA analysis in the Draft SEA to Jivar Afshar via email to jafshar@aqmd.gov, or by mail (c/o PRDI/CEQA) to 21865 Copley Dr, Diamond Bar, CA 91768-4178. Please include the name, phone number and email address of the contact person, and the organization name, if applicable. Questions regarding the proposed amended rule language should be directed to Peter Campbell at (909) 396-3185 or by email to pcampbell@aqmd.gov, or Jennifer Vinh at (909) 396-2148 or by email to jvinh@aqmd.gov.

The proposed project will be considered at the Governing Board Meeting (Public Hearing) on December 6, 2024 at 9:00 a.m. (subject to change). The Public Hearing agenda with details on how the public can participate will be posted at least 72 hours prior to the meeting on South Coast AQMD's website at: <http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>

NOTICE OF COMPLETION (NOC) OF A DRAFT SUBSEQUENT ENVIRONMENTAL ASSESSMENT (SEA) AND OPPORTUNITY FOR PUBLIC COMMENT

To: Governor's Office of Planning and Research – State Clearinghouse 1400 Tenth St, Suite 222 Sacramento, CA 95814-5502	From: South Coast Air Quality Management District (South Coast AQMD) 21865 Copley Drive Diamond Bar, CA 91765
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Project Title: Proposed Amended Rule (PAR) 1111 – Reduction of NOx Emissions from Natural Gas-Fired Furnaces, and PAR 1121 – Reduction of NOx Emissions from Small Natural Gas-Fired Water Heaters

Project Location: The proposed project is located in the South Coast Air Quality Management District (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: PAR 1111 proposes to: 1) expand rule applicability to include previously unregulated wall furnaces, floor furnaces, and commercial furnaces with a rated heat input capacity up to 2,000,000 British Thermal Units per hour (Btu/hr); and 2) establish four categories for the applicable units, each with zero-emission limits for new installations based on future effective dates. PAR 1121 proposes to include zero-emission limits for new installations based on future effective dates. PAR 1111 and PAR 1121 also propose to: 1) differentiate the zero-emission compliance dates for units installed in new or existing buildings; 2) provide alternative compliance options for emergency replacement and installations requiring specific type of construction; 3) introduce labeling and reporting requirements; 4) provide an exemption from zero-emission requirements for mobile homes in a master-metered mobile home park; and 5) update and clarify rule language. Replacement of furnaces and water heaters are expected to occur at the end of the existing equipment’s useful life although some replacements could occur prior to the end of useful life with the availability of incentive funding. Upon full implementation, emission reductions of oxides of nitrogen (NOx) up to 7.7 tons per day by 2055 for PAR 1111, and 2.3 tons per day by 2045 for PAR 1121, are expected. The Draft SEA concluded that significant and unavoidable adverse environmental impacts may occur for the topics of air quality due to construction activities, and energy due to increase in electricity and natural gas demand (natural gas used in the short term to produce electricity until renewable energy resources can supply the electricity demand). No other significant adverse impacts were identified. Facilities and residences with equipment subject to the proposed project may be identified on lists compiled by the California Department of Toxic Substances Control per Government Code Section 65962.5. However, implementation of PAR 1111 and PAR 1121 is not expected to alter the status of the facilities and other locations on the lists.

Lead Agency: South Coast AQMD **Division:** Planning, Rule Development, and Implementation

The NOC, Draft SEA and all supporting documentation are available for public review from: 1) South Coast AQMD website at <http://www.aqmd.gov/home/research/documents-reports/lead-agency-scaqmd-projects>; 2) South Coast AQMD Public Information Center by email at PICrequests@aqmd.gov and by phone at (909) 396-2039; and 3) State Clearinghouse of the Governor’s Office of Planning and Research website at <https://ceqanet.opr.ca.gov/search/recent>.

The Draft SEA tiers off of the Final Program EIR for the 2022 AQMP which is available on South Coast AQMD’s website at: <https://www.aqmd.gov/home/research/documents-reports/lead-agency-scaqmd-projects/south-coast-aqmd-projects---year-2022>.

NOC of a Draft SEA for PARs 1111 and 1121 (concluded)

PARs 1111 and 1121 and all supporting documentation are available from South Coast AQMD's Website at: <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-1111-and-rule-1121>

The NOC is provided to the public through the following:

- Los Angeles Times (September 27, 2024)
 - South Coast AQMD Mailing List & Interested Parties
 - South Coast AQMD Website
 - South Coast AQMD Public Information Center
 - State Clearinghouse of the Governor's Office of Planning and Research Website
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Draft SEA Review Period (46 days): September 27, 2024 to November 12, 2024

Scheduled Public Meeting Date(s) (subject to change): The proposed project will be considered at the Governing Board Meeting (Public Hearing) on December 6, 2024 at 9:00 a.m. (subject to change). The Governing Board Meeting agenda with details on how the public can participate will be posted at least 72 hours prior to the meeting on South Coast AQMD's website at: <http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>.

Send CEQA Comments to: Jivar Afshar	Phone: (909) 396-2040	Email: jafshar@aqmd.gov
Direct Questions on PAR 1111 to: Peter Campbell	Phone: (909) 396-3185	Email: pcampbell@aqmd.gov
Direct Questions on PAR 1121 to: Jennifer Vinh	Phone: (909) 369-2148	Email: jvinh@aqmd.gov

Date: September 26, 2024

Signature:



Kevin Ni
Program Supervisor
Planning, Rule Development, and Implementation