Notice of Public Hearing and California Environmental Quality Act

Notice of Availability of a Draft Environmental Impact Report for Proposed Amendments to Regulation 9: Inorganic Gaseous Pollutants, Rule 4: Nitrogen Oxides from Fan Type Central Furnaces and Rule 6: Nitrogen Oxides Emissions from Natural Gas-Fired Boilers and Water Heaters

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SUBJECT: NOTICE OF PUBLIC HEARING AND CEQA NOTICE OF

AVAILABILITY OF A DRAFT ENVIRONMENTAL IMPACT REPORT

Notice is hereby given pursuant to California Public Resource Code, Sections 15206 and 15087 (c) that the Bay Area Air Quality Management District ("Air District") has prepared a Draft Environmental Impact Report (Draft EIR) for proposed amendments to both Regulation 9: Inorganic Gaseous Pollutants, Rule 4: Nitrogen Oxides from Fan Type Residential Central Furnaces (Rule 9-4) and Rule 6: Nitrogen Oxides Emissions from Natural Gas-Fired Boilers and Water Heaters (Rule 9-6) in accordance with California Environmental Quality Act (CEQA) requirements. Notice is also given that the Board of Directors of the Bay Area Air Quality Management District will conduct a public hearing on **March 15, 2023**, at the Air District Headquarters' Board Room, 375 Beale Street, San Francisco, California, at 9:00 a.m., or as soon thereafter as the matter may be heard, to consider the adoption of amendments to Rules 9-4 and 9-6 and certification of a Final Environmental Impact Report.

Project Title: Amendments to Rule 9-4 and Rule 9-6

State Clearinghouse Number: 2022050430

Project Location: The proposed amendments to Rules 9-4 and 9-6 would apply within the Bay Area AQMD, which includes all of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara counties, and the southern portions of Solano and Sonoma counties.

Project Description: Air District staff is proposing amendments to Rules 9-4 and 9-6 which govern appliance point of sale emissions standards.

Rule 9-4 applies to the natural gas-fired space-heating furnaces commonly found in single-family homes, and Rule 9-6 applies to natural gas-fired water heaters commonly found in residential and commercial applications. Space and water-heating appliances generate a large portion of nitrogen oxide (NO_X) emissions from sources in the Bay Area. NOx is formed during natural gas combustion when ambient nitrogen and oxygen combine at high temperatures. The proposed amendments would substantially reduce NO_X emissions from these appliances. The proposed amendments include a zero NOx standard for both space and water heating appliances that would apply when new appliances are sold and installed beginning in 2027. The proposed amendments also include the introduction of an ultra-low NOx standard to Rule 9-4 for furnaces starting in 2024, as well as additional updates to definitions, testing and certification requirements and other clarifications.

Significant Impacts: The Draft EIR for the proposed amendments to Rules 9-4 and 9-6 concluded that impacts associated with Utilities and Service Systems would be potentially significant and unavoidable under the assumption that the replacement of existing natural gasfired space and water heating appliances over time could result in increased energy demand beyond the existing grid capacity if these existing appliances are replaced with electric appliances. The Draft EIR also concluded that impacts associated with Noise would be potentially significant and unavoidable due to the potential operational noise impacts associated with certain zero NOx equipment.

The proposed amendments to Rules 9-4 and 9-6, Staff Report, and Draft EIR (State Clearinghouse Number 2022050430) are available at the Air District headquarters, on its website at https://www.baaqmd.gov/rules-and-compliance/rule-development/building-appliances, or by request. Requests for copies of the Staff Report or Draft EIR should be directed to Jennifer Elwell (jelwell@baaqmd.gov) at (415) 749-8732.

Comments relating to the proposed rules amendments and environmental analysis should also be addressed to Jennifer Elwell, Bay Area Air Quality Management District, 375 Beale Street, Suite 600, San Francisco, CA 94105. Comments may also be sent by e-mail to jelwell@baaqmd.gov. Comments on the proposed amendments to Rules 9-4 and 9-6 and Draft EIR will be accepted from **December 20, 2022, until February 6, 2023 at 5:00 p.m**. Verbal comments are welcome up to the day of, and during, the Public Hearing.

Sharon Landers Interim Executive Officer Bay Area Air Quality Management District