

## PROPOSED AMENDMENT TO RULE 247

### NATURAL GAS-FIRED WATER HEATERS, SMALL BOILERS AND PROCESS HEATERS

#### STAFF REPORT

##### Background

The Placer County Air Pollution Control District Board adopted new Rule 247, Natural Gas-Fired Water Heaters, Small Boilers and Process Heaters on October 10, 2013. On November 13, 2013 the District received a comment letter from the Air-Conditioning, Heating, and Refrigeration Institute stating that the manufacturer's labeling requirement in the rule is going to create difficulty for the manufacturers. The Institute, on behalf of many manufacturers, requests that the marking requirement be amended to be more consistent with other districts like South Coast Air Quality Management District.

Rule 247 limits NOx emissions for new boilers and water heaters in the size range of 75,000 up to 5 million Btu per hour to 20 ppmv. The rule applies to the sale or installation of new equipment; existing equipment is not affected. The requirements of Rule 247 go into effect on January 1, 2015.

##### Discussion of Proposed Amendment

The Air-Conditioning, Heating, and Refrigeration Institute (AHRI) is a national association representing manufacturers of space heating, water heating, air conditioning and refrigeration equipment and components. AHRI's 300 member companies include the large majority of manufacturers of gas water heaters and boilers covered by Rule 247. The Institute states that they did review the District's proposed rule earlier this year but did not submit any comments since the proposed NOx limits were consistent with NOx rules already existing in some other California air districts. As member companies prepared to comply with Rule 247, they realized that the marking requirements of Rule 247 are not consistent with the marking requirements of corresponding equipment in the South Coast AQMD, their largest California market.

The equipment marking requirement of Rule 247 is:

**401 MANUFACTURER'S LABELING:** A manufacturer shall display the model number, the rated heat input capacity, and the certification status of the water heater, boiler or process heater on the rating plate of each unit. The manufacturer shall also display the model number, rated heat input capacity, and the certification status on the shipping container, if such packaging is used.

AHRI further states that the contents of the rating plate on gas-fired equipment are specified and essentially controlled by the nationally recognized safety standards that apply to the particular type of equipment. One of the most significant pieces of information on the rating plate is the mark of the testing laboratory that has certified the model for compliance with the safety standard. Consequently, those safety certification agencies generally do not allow information on the rating plate that bears their mark if that information is not part of the safety standard's specifications. Manufacturers are faced with a significant burden and cost to mark their products precisely as stated in Rule 247.

The Institute recommends that the "rated heat input capacity" does not need to be marked on the equipment or the shipping container because that information can be discerned from the model number. For example, the model number of a Lochinvar boiler with model number of CHN1440 has an input burner rating of 1440 thousand Btu/hr, or 1.44 million Btu/hr. The Institute further recommends that the required labeling be required on the unit, but not necessarily on the permanent rating plate.

Taking these recommendations, the equipment marking requirement of Rule 247 is changed to:

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- 401 MANUFACTURER'S LABELING:** A manufacturer shall display the model number of the water heater, boiler or process heater on the permanent rating plate of each unit. The manufacturer shall also display the certification status on the unit. If a shipping carton is used which obscures the labeling on the unit, the manufacturer shall display the model number and certification status on the carton.

Emissions Impacts

This amendment only alters the manufacturer's marking on the unit. There are no emissions changes as a result of this amendment.

**Fiscal Impact**

Amendment of the marking requirements will result in a cost savings to the manufacturers by avoiding a non-typical label which would have been specific only to Placer County.

Since Rule 247 requirements are not effective until January 1, 2015, the manufacturers have not built any inventory for Placer County which would have to have the labels replaced.

**Outreach**

The public was notified of the proposed adoption of Rule 247 through a newspaper notice and direct mailer of the proposed rule amendment to equipment manufacturers and Northern California distributors.

**Analysis and Findings**

The following Analysis and the subsequent Findings are intended to address the requirements set forth in the Health and Safety Code relating to adoption of a new or amended District Rule, as well as other State statutes referenced herein.

Cost-Effectiveness of a Control Measure

California Health & Safety Code (H&S) Section 40703 requires a District to consider and make public "the cost-effectiveness of a control measure". The proposed amendment to the labeling requirement does not alter the cost effectiveness analysis generated when Rule 247 was first adopted.

Socioeconomic Impact

H&S Section 40728, in relevant part, requires the Board to consider the socioeconomic impact of any new rule if air quality or emission limits are significantly affected. However, Districts with a population of less than 500,000 persons are exempted from the socioeconomic analysis. In 2012, the population of Placer County was approximately 355,000 persons. Therefore, the District is not required to consider the socioeconomic impacts of the proposed rule amendment.

California Environmental Quality Act (CEQA)

Proposed amendment of Rule 247 is not an activity that may cause a direct or reasonably foreseeable indirect physical effect in the environment therefore not considered a "project", as defined by Section 21065 of the California Public Resource Code and Section 15378(b)(4)&(5) of the CEQA guidelines.

According to the above conclusion, Staff finds that the proposed rule is exempt from the California Environmental Quality Act (CEQA) because 1) it can be seen with certainty that there is no possibility that the activity in question may have a significant adverse effect on the environment (CEQA Guidelines §15061(b) (3)) and 2) it is an action by a regulatory agency for protection of the environment (Class 8 Categorical Exemption, CEQA Guidelines §15308). A CEQA analysis is therefore not necessary.

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Findings

- A. **Necessity** – The adoption of Rule 247 was necessary in order to fulfill a District commitment in the 8-hour Ozone State Implementation Plan to promulgate a control measure to regulate NOx emissions from natural gas fired boilers and water heaters. This amendment corrects a difficulty in marking the units.
- B. **Authority** – California Health and Safety Code, Sections 40702, 41511, and 42303 are provisions of law that provide the District with the authority to adopt this new Rule.
- C. **Clarity** – There is no indication, at this time, that the proposed Rule is written in such a manner that persons affected by the Rule cannot easily understand them.
- D. **Consistency** – The regulation is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations.
- E. **Non-duplication** – The regulation does not impose the same requirements as an existing state or federal regulation.
- F. **Reference** – All statutes, court decisions, and other provisions of law used by PCAPCD in interpreting this regulation is incorporated into this analysis and this finding by reference.