



MEMORANDUM

TO: Community Advisory Council (CAC) Members

FROM: Tim Mitro

SUBJECT: Proposed Amendments to District Rule 360 – Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers

DATE: December 28, 2017

MEETING: January 11, 2018

Rule Summary:

The District's Governing Board initially adopted Rule 360 on October 17, 2002. As a point-of-sale rule, Rule 360 applies to any person who supplies, sells, offers for sale, installs, or solicits the installation of boilers, water heaters, steam generators, and process heaters with a rated heat input within the range of 0.075 MMBtu/hr to 2.0 MMBtu/hr. The proposed amendments to this rule reduce the NOx limits for these units.

The proposed amendments lower the NOx emission limit for natural gas-fired units, requires units to meet emission limits if they are modified, adds exemptions for certain specific units, and clarifies applicable testing requirements. The amendments fulfill a commitment from the District's *2016 Ozone Plan*, and they are based on similar requirements that have been implemented in other air districts throughout California for the last 5 years.

This rule revision will affect manufacturers, plumbing wholesalers, supply stores, contractors, and end-users of these units. The point-of-sale approach allows the District to achieve NOx emission reductions without forcing the immediate replacement of existing units, which places a financial burden on the end-user.

The District held a public workshop to present, discuss, and hear comments on the draft rule and draft staff report on November 1, 2017 in Santa Barbara. Comments received during the workshop were considered and were incorporated into the proposed amendments to Rule 360, as appropriate. The comments, and the District's responses to them, are provided in the attached revised staff report.

CAC Recommendation:

At the January 11, 2018 CAC meeting, District staff will present the information in the attached staff report and provide an opportunity for CAC discussion. After the CAC has deliberated the matter, we will ask the CAC to consider recommending that the District Board adopt the amendments to Rule 360. Staff anticipates bringing the rule package to the Board in March 2018.

If there are questions or concerns that you would like to discuss beforehand, please contact me at (805) 961-8883 [e-mail: tjm@sbcapcd.org].

Attachments:

- 1) Rule 360 Staff Report
- 2) Rule 360 (Clean Version)
- 3) Rule 360 (Notated Version)