

Public Workshop

Draft Amendments to Rule 4905 (Natural Gas-Fired, Fan-Type Central Furnaces)

March 8, 2018

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Current Rule 4905

- Adopted 10/20/2005
- Applies to fan-type central furnaces
 - Units < 175,000 Btu/hr heating capacity
 - Units < 65,000 Btu/hr cooling capacity for heating/cooling
- Point-of-sale rule (only applies to new units sold)
- Amended 1/22/2015
 - Expand rule applicability to include residential and commercial units
 - Lower NOx limit from 40 ng/J to 14 ng/J
 - Addition of an associated sell through period
 - Addition of an emission fee period to allow manufacturers time to develop new compliant furnaces

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Technology Assessment in 2010

- In 2010, the District determined advanced low NO_x technology for residential furnaces was not yet commercially available
- Partnered with South Coast Air Quality Management District to advance technology
 - Funding from South Coast \$1 million
 - Funding from San Joaquin \$50,000
 - Funding from Southern California Gas Co. \$450,000
 - Technology assessment completed in first quarter of 2014
 - Resulted in successful development and testing of ultra low NO_x technologies

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2015 NO_x Limits and Sell-through Periods

Unit Type	Proposed NO _x Emission Limit (ng/J)	Compliance Date	Sell-through Period End Date
Manufactured Homes	40	Feb. 1, 2015	N/A
Non-weatherized, Condensing	14	Apr. 1, 2015	Jan. 26, 2016
Non-weatherized, Non-condensing	14	Oct. 1, 2015	Jul. 27, 2016
Weatherized	14	Oct. 1, 2016	Jul. 27, 2017
Manufactured Homes	14	Oct. 1, 2018	Jul. 27, 2019 (for certified 40 ng/J units)

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2015 Amendment to Rule 4905

- Some manufacturers raised concerns regarding whether technology would be ready by the compliance deadlines
- Amendment allowed the sale of non-compliant units during the initial implementation period (36 months) in exchange for the payment of an emissions fee for each non-compliant unit sold
 - Necessary to ensure adequate supply for expected demand for new units in Valley
 - Helped minimize unfair competitive disadvantage for manufacturers that provided compliant units in the Valley
- Fee amount was set to disincentivize the sale of non-compliant units:
 - \$225 for non-condensing units and \$290 for condensing units

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HEALTHY AIR LIVING
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Purpose of Proposed Amendment

- Emissions fee options identified in rule for multiple categories will be expiring in 2018
- To date, most manufacturers do not have compliant units
- Only three manufacturers have developed and certified 14 ng/J compliant furnaces
 - Lennox/Allied air: 4 non-condensing and 24 condensing SKUs
 - Goodman: 3 condensing SKUs
 - Rheem: 1 non-condensing SKUs
- Additional certifications expected in near future
- Proposed amendment would allow additional period of time necessary to continue technology development and certification process while providing strong incentive for accelerated deployment of compliant units

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HEALTHY AIR LIVING
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Proposed Amendments to Rule 4905

- Extend emissions fee period by 18 months (condensing furnaces) and 12 months (non-condensing and weatherized furnaces)
 - Parallels extended fee period recently provided by South Coast AQMD in March 2018 rule amendment
- Increase emissions fee for non-compliant products
 - Parallels total financial disincentive established by South Coast AQMD in March 2018 rule amendment
- No emissions fee increase proposed for units installed in manufactured homes
- Additional administrative requirements to ensure compliance with rule

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Draft Emission Fees and Dates

Unit Type	Current - Phase 1		Proposed - Phase 2	
	Emission Fee Period	Emission Fee	Emission Fee Period	Emission Fee
Condensing	4/1/15 – 4/30/18	\$290	5/01/18 – 9/30/19	\$950
Non-Condensing	10/1/15 – 9/30/18	\$225	10/1/18 – 9/30/19	\$900
Weatherized	10/1/16 – 9/30/18	\$225	10/1/18 – 9/30/20	\$900
Manufactured homes	10/1/18 – 9/30/21	\$225	No change	

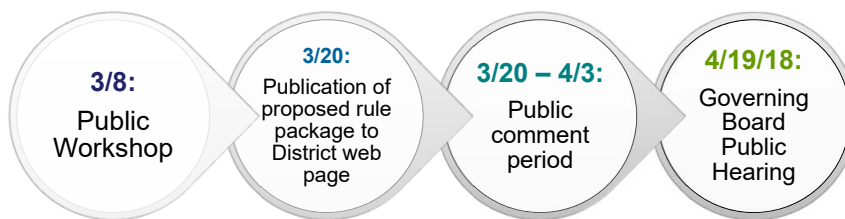
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Technical Workgroup Meetings

- Multiple technical meetings and discussions with manufacturers and distributors
- Worked closely with South Coast AQMD

Distributors and Manufacturers	
Ferguson HVAC	Nortek Global HVAC
Bard Manufacturing Company	Johnstone Supply #8
Rheem Manufacturing	Superior Air
Fujitsu	RUUD
Johnson Controls	Ingersoll Rand
Sigler Wholesale Distributors	Goodman mfg
Northern California RSD	Allied Air Enterprises LLC- A Lennox inc. Company
Lennox International	Ahwahnee Heating & Air Conditioning, Inc.
Heating and Cooling Supply	Sigler Wholesale Distributors
CFM Equipment Distributors, Inc.	FASCO in Fresno and BASCO in Bakersfield
Carrier Corporation	

Next Steps...



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Open Discussion

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