

NOTICE OF
PROPOSED NEW RULE

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

Agency Information

1. Agency: Environmental Quality - Air Quality
 Room no.: Fourth Floor
 Building:
 Street address 1: 195 N 1950 W
 Street address 2:
 City, state, zip: SALT LAKE CITY UT 84116-3085
 Mailing address 1: PO BOX 144820
 Mailing address 2:
 City, state, zip: SALT LAKE CITY UT 84114-4820

Contact person(s):

Name:	Phone:	Fax:	E-mail:
Mark Berger	801-536-4000	801-536-0085	mberger@utah.gov

(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Information

DAR file no: 39355 Date filed: 05/07/2015 09:15 AM
 State Admin Rule Filing Key: 156232
 Utah Admin. Code ref. (R no.): R 307 - 230 -

Title

2. Title of rule or section (catchline):
 NOx Emission Limits for Natural Gas-Fired Water Heaters

Notice Type

3. Type of notice: New Rule

Rule Purpose

4. Purpose of the rule or reason for the change:

On February 4, Envision Utah petitioned the Air Quality Board to propose a rule that would require ultra-low NOx water heaters throughout the state. The NOx limits they proposed came from a Bay Area Air Quality Management District rule. Their proposal claimed to reduce NOx emissions from water heaters 65% to 75%. This is significant as NOx is a precursor to the formation of PM2.5. The Air Quality Board then directed the Division of Air Quality (DAQ) staff to evaluate Envision Utah's proposal and to make a recommendation at a future Board meeting. This proposed new rule is a result of that review and of continued stakeholder work between DAQ, Envision Utah and the Governor's Clean Air Action Team.

Response Information

5. This change is a response to comments by the Administrative Rules Review Committee.

No

Rule Summary

6. Summary of the rule or change:

The rule establishes a statewide implementation schedule by which ultra-low NOx water heaters are required to be sold and installed throughout the state. As proposed, the rule will be implemented in Box Elder, Cache, Davis, Salt Lake, Tooele, Utah, and Weber counties beginning January 1, 2017; in Washington, Duchesne, and Uintah counties beginning January 1, 2018; and the rest of the state beginning January 1, 2019. Emission limits established in the rule are as follows: most residential water heaters are limited to 10 ng/Joule; larger commercial units are limited to 14 ng/Joule; and mobile homes and pools are limited to 40 ng/Joule. Ultra-low NOx water heaters are already readily available in California, and a limited number of residential units are available to Utah consumers through on-line purchases at prices comparable to similar units that do not meet the ultra-low NOx limits. The Division of Air Quality has requested additional cost information from residential and commercial builders, major box stores, and plumbing supply houses locate in Utah, and has not received any additional information yet. Consequently, we are asking for additional cost and supply information during this public comment period.

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: No

After the rule is implemented, any water heater that the State needs to install will need to meet the ultra-low NOx levels of the rule. Because suppliers and installers will have adequate time to build their supply and because ultra-low NOx water heaters are already available in California at prices comparable to water heaters that don't meet the ultra-low NOx levels, there should be no additional costs to the State budget.

B) Local government:

Affected: No

After the rule is implemented, any water heater that local governments need to install will need to meet the ultra-low NOx levels of the rule. Because suppliers and installers will have adequate time to build their supply and because ultra-low NOx water heaters are already available in California at prices comparable to water heaters that don't meet the ultra-low NOx levels, there should be no additional costs.

C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

After the rule is implemented, any water heater that small businesses need to install will need to meet the ultra-low NOx levels of the rule. Because suppliers and installers will have adequate time to build their supply and because ultra-low NOx water heaters are already available in California at prices comparable to water heaters that don't meet the ultra-low NOx levels, there should be no additional costs.

D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

After the rule is implemented, any water heater that persons other than small businesses, businesses, or local government entities need to install will need to meet the ultra-low NOx levels of the rule. Because suppliers and installers will have adequate time to build their supply and because ultra-low NOx water heaters are already available in California at prices comparable to water heaters that don't meet the ultra-low NOx levels, there should be no additional costs.

Compliance Cost Information

8. Compliance costs for affected persons:

Because installers and vendors have a phase-in period in which to cycle through their current inventories and build up their ultra-low NOx inventories and because prices of the ultra-low NOx heaters are comparable to other water heaters, there is no anticipated compliance costs for affected persons.

Department Head Comments

9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

Because installers and vendors have a phase-in period in which to cycle through their current inventories and build up their ultra-low NOx inventories and because prices of the ultra-low NOx heaters are comparable to other water heaters, there is no anticipated fiscal impact on businesses.

B) Name and title of department head commenting on the fiscal impacts:

Amanda Smith, Executive Director

Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :
19-2-101

19-2-104

Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

Official Title of Materials Incorporated (from title page):
Publisher:
Date Issued:
Issue, or version:
ISBN Number:
ISSN Number:
Cost of Incorporated Reference:
Adds, updates, removes:

Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) : 07/01/2015

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy): 08/06/2015

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After a minimum of seven days following the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
- water heaters
 - air quality
 - natural gas
 - NOx

File Information

15. Attach an RTF document containing the text of this rule change (filename):
- There is a document associated with this rule filing.

To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

Agency Authorization

Agency head or designee, and title:	Bryce Bird Director	Date (mm/dd/yyyy): 05/07/2015
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