



United States Environmental Protection Agency
Region IX
75 Hawthorne Street
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Transmittal of EPA Rule Review Comments

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From: Andrew Steckel, Rulemaking Office Chief
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Re: Rule 1146.2, Emissions of Oxides of Nitrogen From Large Water Heaters and Small Boilers

1-1

We are providing comments based on our preliminary review of the draft rule identified above. The delayed implementation of some rule provisions will result in significant foregone emissions over a ten year period. These foregone emissions could interfere with compliance with the ozone attainment demonstration in the SCAQMD 2003 Air Quality Management Plan. For us to approve this revision, SCAQMD will need to demonstrate how they will address the ozone attainment demonstration requirements. The Draft Environmental Assessment states that the foregone emissions reductions are accounted for in the 2003 AQMP as part of the SIP reserve, but we did not find a line item in the AQMP that would account for this SIP reserve. Please direct any questions about our comments to me at (415) 947-4115 or to Francisco Domez at (415) 972-3956.

RESPONSE TO COMMENT LETTER 1: UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION IX

- 1-1 Extending the compliance date from January 1, 2005 to January 1, 2006 for existing units greater than 1,000,000 Btu/hr but less than or equal to 2,000,000 Btu/hr manufactured on or after January 1, 1992, that are more than 15 years old from the date of manufacture will result in NO_x emission reductions foregone. The availability of retrofit burners did not develop as anticipated.

Chapter 4 of the Draft EA states that no feasible mitigation measures were identified that could reduce or eliminate these significant adverse air quality impacts. The anticipated emission reductions foregone will not hinder attainment of the state and federal ozone standards however, due to the State Implementation Plan (SIP) Reserve set aside for technology forcing rules. The South Coast Air Quality Management District (SCAQMD) has discussed the SIP reserve and the set-aside in the Final 2003 Air Quality Management Plan (AQMP), Appendix III, Chapter 2, beginning at page III-2-28 through page III-2-35. Table 2-10 on page III-2-28 illustrates the three tons per day of NO_x as the set-aside for the 2003 AQMP.

Technology forcing emission limits are designed to provide ample time for the development and implementation of new air pollution technologies. In the event, however, that the new air pollution control technology does not come to fruition by the implementation date of the adopted or amended rule there may be a need to delay or relax the future emission limits. The SIP reserve is designed to ensure that delaying future emission limits for technology forcing rules will not interfere with the Basin's attainment demonstration. The SIP reserve, however, does not offset or mitigate emission reductions foregone. Therefore, air quality impacts from the proposed project remain significant.