



June 27, 2016

Did you know that on July 5, 2016 mitigation fees for non-complying 80%AFUE gas furnaces increase substantially?

As previously noted gas furnaces manufactured after the below listed compliance dates may not be sold or installed in either the South Coast Air Quality Management District (SCAQMD) or the San Joaquin Air Pollution Control District (SJAPCD) unless they meet the 14 NG/J NOx emission. Currently, all Manufacturer's furnaces are rated at 40 NG/J NOx. For any furnace that was manufactured after the compliance date, a mitigation fee must be charged. This fee is paid by the manufacturer and passed through to the distributor and then the contractor.

<u>Furnace Type</u>	<u>Compliance date</u>	<u>SCAQMD Fee</u>	<u>SJACPD Fee</u>
Condensing Furnace	April 1, 2015	\$200	\$290
Non Condensing Furnace	October 1, 2015	\$150	\$225

These new regulations can have a major impact on your business if you're not informed or prepared so we are focused on trying to ease that impact by making sure you have the information you need to protect your company. The air quality districts have allowed a 300-day grace period on the fees, unfortunately, that grace period expired for 90%+ furnaces on 1/21/2016. Manufacturers are now therefore charging the full mitigation fee. The grace period for non-condensing (80%AFUE) furnaces expires on 7/28/2016 but due to rapidly shrinking inventories of product manufactured prior to October 2015 we must begin charging the full mitigation fee on 7/5/2016.

<u>Furnace Type</u>	<u>Effective date</u>	<u>SCAQMD Fee</u>	<u>SJACPD Fee</u>
Condensing Furnace	January 18, 2016	\$200	\$290
Non Condensing Furnace	Current till 7/4/2016	\$50	\$50
Non Condensing Furnace	As of 7/5/2016	\$150	\$225

If you have questions about these regulations or require more information please visit the websites listed below.

SCAQMD www.arb.ca.gov/DRDB/SC/CURHTML/R1111.pdf
SJAPD www.valleyair.org/rules/currnrules/Rule4905.pdf

We thank you for trusting us with your business!

Sincerely,

Michael Schenk
Director of Dealer Development
Geary Pacific Supply