

INCREMENTAL COST-EFFECTIVENESS ANALYSIS

**PROPOSED AMENDED RULE 69.2.1 –
SMALL BOILERS, PROCESS HEATERS, STEAM GENERATORS,
AND LARGE WATER HEATERS**

Health and Safety Code Section 40920.6(a) requires air districts to identify one or more potential control options that achieve at least the same benefit as the proposed rule, assess the cost-effectiveness of those options, and calculate the incremental cost-effectiveness of each identified option. Incremental cost-effectiveness is defined as the difference in control costs divided by the difference in emission reductions between two potential control options achieving the same emission reduction goal.

Proposed amended Rule 69.2.1 will reduce oxides of nitrogen (NO_x) emissions from small boilers, process heaters, steam generators, and large water heaters with a heat input rating from 75,000 British thermal units (Btu) per hour to 2 million Btu per hour. The most efficient and cheapest technology to achieve the emission standards required by the rule is the use of low-NO_x burners.

Two other technologies exist that will provide higher emission reductions than those required by the proposed amended rule – flue gas recirculation and catalytic reduction. However, both technologies are significantly more expensive and not practicable for units that will be regulated by proposed amended Rule 69.2.1. In addition, equipment subject to the proposed amended rule and complying with its requirements by using low-NO_x burners is already available in the marketplace.

There are no other potential control options that will achieve the same emission reduction goals and the same benefit as the proposed amended rule. Therefore, the incremental cost analysis requirement is not applicable to proposed amended Rule 69.2.1.