



# South Coast Air Quality Management District

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SENT VIA E-MAIL:

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## **Notice of Availability of a Draft Environmental Impact Report (EIR) for the Ethanac Logistics Center Project (Proposed Project)**

South Coast Air Quality Management District (South Coast AQMD) staff appreciate the opportunity to review the above-mentioned document. The City of Perris is the California Environmental Quality Act (CEQA) Lead Agency for the Proposed Project. To provide context, South Coast AQMD staff has provided a brief summary of the project information and prepared the following comments which are organized by topic of concern.

### South Coast AQMD Staff's Summary of Project Information in the Draft EIR

Based on the Draft EIR, the Proposed Project comprises a 412,348-square-foot light industrial warehouse building on approximately 20 gross acres. The building is proposed to accommodate high-cube warehouse distribution uses, anticipating that 50,000 square feet could be utilized for cold-refrigerated storage and 15,000 square feet for supporting office uses. Based on a review of aerial photographs, South Coast AQMD staff found that the nearest sensitive receptor (e.g., residential development) is 57 ft to the Proposed Project. Construction of the Proposed Project is anticipated to occur in Fall 2024 and is expected to be completed in 2025. The Proposed Project is located on the northeast corner of Trumble Road and Ethanac Road.

### South Coast AQMD Staff's Comments

*Use of South Coast AQMD's Mass Rate Localized Significance Threshold (LST) Look-Up Table to Analyze the Proposed Project's Localized Operational Air Quality Impact is not Consistent with Guidance for the LST Methodology*

The Proposed Project covers approximately 20 acres, and based on the Draft EIR, it is anticipated that the Project would utilize a 197-horsepower diesel-powered emergency fire water pump and a 762-horsepower diesel-powered emergency backup generator for the potential cold storage uses. The Lead Agency uses South Coast AQMD's Mass Rate LST Look-up Table<sup>1</sup> for five acres as a screening tool to determine if the Proposed Project's operational daily emissions

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<sup>1</sup> South Coast AQMD Appendix C – Mass Rate LST Look-up Table. Access here:

<http://www.aqmd.gov/docs/default-source/ceqa/handbook/localized-significance-thresholds/appendix-c-mass-rate-lst-look-up-tables.pdf>

of NO<sub>x</sub>, CO, PM<sub>10</sub>, and PM<sub>2.5</sub> could result in a significant impact on local air quality.<sup>2</sup> However, South Coast AQMD staff developed the LST methodology for proposed projects that are less than or equal to five acres. In the event that the project area exceeds five acres, it is recommended that lead agencies perform project-specific dispersion modeling for these larger projects.<sup>3</sup> Given the substantial size of this Project and the inclusion of two diesel-powered stationary sources, South Coast AQMD advises the Lead Agency to conduct project-specific dispersion modeling to determine operational localized air quality impacts. Therefore, South Coast AQMD staff recommend the Lead Agency to 1) perform project-specific air dispersion modeling for the Proposed Project's operational phase emissions to determine localized air quality impacts and 2) include the results in the Final EIR.

*Ensuring Accurate Assessment of Cancer Risk: Addressing Sensitive Receptor Disparities and Point Source Alignment in the Health Risk Assessment Analysis.*

Based on a review of aerial photographs, it has been observed that most sensitive receptors are predominantly situated on the eastern side of the Proposed Project. However, upon thorough examination of the AERMOD files by South Coast AQMD staff, it was noted that only 12 discrete Cartesian coordinates were identified as sensitive receptors (residential development) in the vicinity of the project site, with only two sensitive receptors located to the east. This inconsistency raises concerns about potentially underestimating cancer risk (CR), especially for receptors near the project site on the eastern side, which were not adequately accounted for in the modeling. Moreover, the two-point sources identified in the AERMOD modeling—the 197-horsepower diesel-powered emergency fire water pump and the 762-horsepower diesel-powered emergency backup generator—are currently in the exact coordinates. However, these two engines may be positioned at slightly different locations or distances, resulting in different ground-level concentrations. Therefore, it is recommended that the AERMOD model be rerun to ensure that the two-point sources are placed precisely where these two engines will be reasonably positioned at the Proposed Project site. Therefore, South Coast AQMD staff recommend that the Lead Agency take the following actions: 1) Re-evaluate the health risk impact using AERMOD model, ensuring a thorough identification of all sensitive receptors near the project site to assess the cancer risk posed to the surrounding community accurately. 2) Rerun the AERMOD model to precisely locate the two-point sources at their planned positions on the Proposed Project site.

*Rule 2305: Warehouse Indirect Source Rule - Warehouse Actions and Investments To Reduce Emissions (WAIRE) Program*

On May 7, 2021, South Coast AQMD's Governing Board adopted Rule 2305 – Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program, and Rule 316 – Fees for Rule 2305. Rules 2305 and 316 are new rules that will reduce regional and local emissions of nitrogen oxides (NO<sub>x</sub>) and particulate matter (PM), including diesel PM. These emission reductions will reduce public health impacts for communities located near warehouses from mobile sources that are associated with warehouse activities. Also, the emission reductions will help the region attain federal and state ambient air quality standards.

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<sup>2</sup> Draft EIR. Appendix B1. Air Quality Impact Analysis. Pages 59 through 60.

<sup>3</sup> Final LST Methodology, July 2008. Page 1-1, 3-3, & 3-4. Access here: <http://www.aqmd.gov/docs/default-source/ceqa/handbook/localized-significance-thresholds/final-lst-methodology-document.pdf>

Rule 2305 applies to owners and operators of warehouses greater than or equal to 100,000 square feet. Under Rule 2305, operators are subject to an annual WAIRE Points Compliance Obligation that is calculated based on the annual number of truck trips to the warehouse. WAIRE Points can be earned by implementing actions in a prescribed menu in Rule 2305, implementing a site-specific custom plan, or paying a mitigation fee. Warehouse owners are only required to submit limited information reports, but they can opt in to earn Points on behalf of their tenants if they so choose because certain actions to reduce emissions may be better achieved at the warehouse development phase, for instance the installation of solar and charging infrastructure. Rule 316 is a companion fee rule for Rule 2305 to allow South Coast AQMD to recover costs associated with Rule 2305 compliance activities. Since the Proposed Project consists of the development of a 427,224 square foot warehouse, the Proposed Project's warehouse owners and operators will be required to comply with Rule 2305 once the warehouse is occupied. Therefore, South Coast AQMD staff recommends that the Lead Agency review South Coast AQMD Rule 2305 to determine the potential WAIRE Points Compliance Obligation for future operators and explore whether additional project requirements and CEQA mitigation measures can be identified and implemented at the Proposed Project that may help future warehouse operators meet their compliance obligation<sup>4</sup>. South Coast AQMD staff is available to answer questions concerning Rule 2305 implementation and compliance by phone or email at (909) 396-3140 or [waire-program@aqmd.gov](mailto:waire-program@aqmd.gov). For implementation guidance documents and compliance and reporting tools, please visit South Coast AQMD's WAIRE Program webpage.<sup>5</sup>

#### *South Coast AQMD Air Permits and Role as a Responsible Agency*

If implementation of the Proposed Project would require the use of new stationary and portable sources, including but not limited to emergency generators, fire water pumps, boilers, etc., air permits from South Coast AQMD will be required. The final CEQA document, whether a MND or EIR, should include a discussion about the potentially applicable rules that the Proposed Project needs to comply with. Those rules may include, for example, Rule 201 – Permit to Construct,<sup>6</sup> Rule 203 – Permit to Operate,<sup>7</sup> Rule 401 – Visible Emissions,<sup>8</sup> Rule 402 – Nuisance,<sup>9</sup> Rule 403 – Fugitive Dust,<sup>10</sup> Rule 1110.2 – Emissions from Gaseous and Liquid Fueled Engines,<sup>11</sup> Rule 1113 – Architectural Coating,<sup>12</sup> Rule 1166 – VOC Contaminated Soil Excavation,<sup>13</sup> Rule 1179 – Publicly Owned Treatment Works Operation,<sup>14</sup> Regulation XIII –

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<sup>4</sup> South Coast AQMD Rule 2305 – Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program. Accessed at: <http://www.aqmd.gov/docs/default-source/rule-book/reg-xxiii/r2305.pdf>.

<sup>5</sup> South Coast AQMD WAIRE Program. Accessed at: <http://www.aqmd.gov/waire>.

<sup>6</sup> South Coast AQMD. Rule 201 available at <https://www.aqmd.gov/docs/default-source/rule-book/reg-ii/rule-201.pdf>

<sup>7</sup> South Coast AQMD. Rule 203 available at <https://www.aqmd.gov/docs/default-source/rule-book/reg-ii/rule-203.pdf>

<sup>8</sup> South Coast AQMD. Rule 401 available at <https://www.aqmd.gov/docs/default-source/rule-book/rule-iv/rule-401.pdf>

<sup>9</sup> South Coast AQMD. Rule 402 available at <https://www.aqmd.gov/docs/default-source/rule-book/rule-iv/rule-402.pdf>

<sup>10</sup> South Coast AQMD. Rule 403 available at <https://www.aqmd.gov/docs/default-source/rule-book/rule-iv/rule-403>

<sup>11</sup> South Coast AQMD. Rule 1110.2 available at [https://www.aqmd.gov/docs/default-source/rule-book/reg-xi/r1110\\_2.pdf](https://www.aqmd.gov/docs/default-source/rule-book/reg-xi/r1110_2.pdf)

<sup>12</sup> South Coast AQMD. Rule 1113 available at <https://www.aqmd.gov/docs/default-source/rule-book/reg-xi/r1113.pdf>

<sup>13</sup> South Coast AQMD. Rule 1166 available at <https://www.aqmd.gov/docs/default-source/rule-book/reg-xi/rule-1166.pdf>

New Source Review,<sup>15</sup> Rule 1401 – Air Toxics,<sup>16</sup> Rule 1466 – Control of Particulate Emissions from Soils with Toxic Air Contaminants,<sup>17</sup> Rule 1470 – Requirements for Stationary Diesel Fueled Internal Combustion and Other Compression Ignition Engines,<sup>18</sup> etc. It is important to note that when air permits from South Coast AQMD are required, the role of South Coast AQMD would change from a Commenting Agency to a Responsible Agency under CEQA. In addition, if South Coast AQMD is identified as a Responsible Agency, per CEQA Guidelines Sections 15086, the Lead Agency is required to consult with South Coast AQMD.

CEQA Guidelines Section 15096 sets forth specific procedures for a Responsible Agency, including making a decision on the adequacy of the CEQA document for use as part of the process for conducting a review of the Proposed Project and issuing discretionary approvals. Moreover, it is important to note that if a Responsible Agency determines that a CEQA document is not adequate to rely upon for its discretionary approvals, the Responsible Agency must take further actions listed in CEQA Guideline Section 15096(e), which could have the effect of delaying the implementation of the Proposed Project. In its role as CEQA Responsible Agency, the South Coast AQMD is obligated to ensure that the CEQA document prepared for this Proposed Project contains a sufficient project description and analysis to be relied upon in order to issue any discretionary approvals that may be needed for air permits. South Coast AQMD is concerned that the project description and analysis in its current form in the Draft EIR is inadequate to be relied upon for this purpose.

For these reasons, the final CEQA document should be revised to include a discussion about any and all new stationary and portable equipment requiring South Coast AQMD air permits, provide the evaluation of their air quality and greenhouse gas impacts, and identify South Coast AQMD as a Responsible Agency for the Proposed Project as this information will be relied upon as the basis for the permit conditions and emission limits for the air permit(s). Please contact South Coast AQMD's Engineering and Permitting staff at (909) 396-3385 for questions regarding what types of equipment would require air permits. For more general information on permits, please visit South Coast AQMD's webpage at <https://www.aqmd.gov/home/permits>.

## Conclusion

As set forth in California Public Resources Code Section 21092.5(a) and CEQA Guidelines Section 15088(a-b), the Lead Agency shall evaluate comments from public agencies on the environmental issues and prepare a written response at least 10 days prior to certifying the Final EIR. As such, please provide South Coast AQMD written responses to all comments contained herein at least 10 days prior to the certification of the Final EIR. In addition, as provided by

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<sup>14</sup> South Coast AQMD. Rule 1179 available at <https://www.aqmd.gov/docs/default-source/rule-book/reg-xi/rule-1179.pdf>

<sup>15</sup> South Coast AQMD. Regulation XIII available at <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/regulation-xiii>

<sup>16</sup> South Coast AQMD. Rule 1401 available at <https://www.aqmd.gov/docs/default-source/rule-book/reg-xiv/rule-1401.pdf>

<sup>17</sup> South Coast AQMD. Rule 1466 available <https://www.aqmd.gov/docs/default-source/rule-book/reg-xiv/rule-1466.pdf>

<sup>18</sup> South Coast AQMD. Rule 1470 available at <https://www.aqmd.gov/docs/default-source/rule-book/reg-xiv/rule-1470.pdf>

CEQA Guidelines Section 15088(c), if the Lead Agency's position is at variance with recommendations provided in this comment letter, detailed reasons supported by substantial evidence in the record to explain why specific comments and suggestions are not accepted must be provided.

Thank you for the opportunity to provide comments. South Coast AQMD staff is available to work with the Lead Agency to address any air quality questions that may arise from this comment letter. Please contact Sahar Ghadimi, Air Quality Specialist, at [sghadimi@aqmd.gov](mailto:sghadimi@aqmd.gov) should you have any questions.

Sincerely,

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