

Rule 2305 - Frequently Asked Questions (Released June 2023)

WAREHOUSE SIZE DEFINITION CLARIFICATION

The phase-in schedule of a warehouse operator's first required compliance period is as listed in Table 1 of [Rule 2305](#):

Table 1 – Initial Requirement Date

Phase	Warehouse Size (square feet)	Initial Reporting Date (Annual WAIRE Report)	Initial Compliance Period
1	≥ 250,000	January 31, 2023	January 1, 2022 to December 31, 2022
2	≥ 150,000- <250,000	January 31, 2024	January 1, 2023 to December 31, 2023
3	≥ 100,000- <150,000	January 31, 2025	January 1, 2024 to December 31, 2024

As shown, the phase is dependent on the “warehouse size” which is defined in Rule 2305(c)(32) as follows:

“WAREHOUSE SIZE means the indoor floor space, measured in square feet, of an individual warehouse building that may be used for warehousing activities.”

“Warehousing activities” is defined in Rule 2305(c)(33) as follows:

“WAREHOUSING ACTIVITIES means operations at a warehouse related to the storage and distribution of goods, including but not limited to the storage, labelling, sorting, consolidation and deconsolidation of products into different size packages. Supporting office administration, maintenance, manufacturing areas, or retail sales areas open to the general public, within the same warehouse building, that are physically separate from the warehouse area, are not considered warehousing activities for the purpose of this rule.”

“Warehouse size” considers areas where warehousing activities may occur and is not necessarily the same as the total square footage of the building. For example, a warehouse building may have 300,000 square feet of indoor floor space, of which 100,000 square feet is used for office and retail sales areas. In this example, the “warehouse size” would be 200,000 square feet, and this warehouse would be in Phase 2.

Applicability

1. Where does this rule apply?

This rule applies to warehouses located in the jurisdiction of South Coast Air Quality Management District (South Coast AQMD). A map of our jurisdiction can be found [here](#).

2. If I operate less than 50,000 square feet of warehouse in a building that is more than 100,000 square feet, do I need to comply with the rule?

Yes, but only with limited reporting portions of the rule. The Initial Site Information Report (ISIR) must be submitted by an authorized official of the warehouse operator through the WAIRE Program Online

Portal (POP). No additional reporting is required in the ISIR if the warehouse operator’s lease does not allow the use of $\geq 50,000$ square feet for warehousing activities.

3. Do I need to earn WAIRE Points if I am a warehouse owner? What if my tenant doesn’t earn WAIRE Points?

Warehouse owners are only required to earn WAIRE Points if they are also a warehouse operator. If a warehouse owner is not an operator, they are not required to earn WAIRE Points even if the operator in their warehouse does not earn the required number of WAIRE Points.

Requirements

4. What are WATTs?

[Rule 2305](#) requires warehouse operators to calculate the total annual number of truck trips. Tractors and tractor-trailers are weighted 2.5 times higher than smaller, straight trucks due to their higher emissions. [Rule 2305](#) refers to the combined truck count as Weighted Annual Truck Trips (WATTs). The equation to determine the WATTs is below:

$$\begin{aligned} \text{WATTs} &= [\text{Class 2b to 7 truck trips}] + [2.5 \times \text{Class 8 truck trips}] \\ &\text{OR} \\ \text{WATTs} &= [\text{Straight trucks}] + [2.5 \times \text{tractors or tractor-trailers}] \end{aligned}$$

5. How is truck trip calculated?

Truck trips are defined as one-way trips that tractors and straight trucks make to a warehouse facility when delivering goods to or from another location. Truck trips are counted when a truck enters or exits a site. A single ‘visit’ from a truck is equal to two trips. Absent more specific information, all tractors that can pull a trailer should be counted as Class 8, and all straight trucks should be counted as Class 2b-7.

6. What is the Stringency?

The Stringency is a numeric value that determines the compliance obligation for warehouse operators. It is set at 0.0025 WAIRE Points per WATT, phased in over 3 years. The compliance year below is the period for which a warehouse operator is first required to earn WAIRE Points.

Compliance Year	WAIRE Program Stringencies for Warehouse Building Size Bins		
	$\geq 250,000$ sf	$\geq 150,000-249,999$ sf	$\geq 100,000-149,999$ sf
2022	0.000825	No WPCO	No WPCO
2023	0.001675	0.000825	No WPCO
2024	0.0025	0.001675	0.000825
2025	0.0025	0.0025	0.001675
2026 and beyond	0.0025	0.0025	0.0025

7. How is the WAIRE Points Compliance Obligation (WPCO) calculated?

The WATTs are multiplied by the Stringency factor and the Annual Variable to determine the WPCO for the warehouse. The Stringency factor is defined as 0.0025 WAIRE Points per WATT, and the annual variable is determined by the phase-in schedule of the warehouse. Below is a simplified diagram of how

WPCO is calculated based on the number and type of trucks that enter or exit a warehouse site.



8. What are the requirements for warehouses operators $\geq 250,000$ square feet (Phase 1 facilities)?

Requirements are different for warehouse owners and operators. Owners of all warehouses $\geq 100,000$ square feet are required to submit a Warehouse Operations Notification by September 1, 2021. Phase 1 warehouse operators must submit their Initial Site Information Report (ISIR) by July 1, 2022 and Annual WAIRE Report (AWR) by January 31, 2023. For the ISIR, warehouse operators would need to collect records from the previous 12-month period (beginning July 1, 2021). Warehouse operators that lease $\geq 50,000$ square feet for warehousing activities in a warehouse $\geq 250,000$ square feet are required to obtain WAIRE Points.

9. I am a warehouse owner, what reports do I have to submit?

Warehouse owners must submit a Warehouse Operations Notification (WON) by an authorized official of the warehouse owner by September 1, 2021 or within 14 days of warehouse operator change or 30 days after renovation that changes the square footage. Further details on WON are available on Page 7 and Table 4 of the [WAIRE Implementation Guidelines](#).

In addition, if a warehouse owner chooses to earn WAIRE Points on behalf of a warehouse operator in their building, they must submit an Annual WAIRE Report (AWR) by January 31 in the year after the WAIRE Points were earned.

All reports must be submitted through the online WAIRE POP system available at www.aqmd.gov/waire.

10. I am a warehouse operator, what reports do I have to submit?

Warehouse operators must submit an Initial Site Information Report (ISIR) for the first year that they operate a warehouse. ISIRs are only submitted once, during the first compliance period a warehouse operator is occupying a warehouse. Additional ISIRs are required to be submitted by the warehouse operator should they relocate to a different warehouse subject to [Rule 2305](#). The ISIR will include information about operations at the warehouse.

Warehouse operators must also submit an Annual WAIRE Report (AWR) to demonstrate what their WAIRE Points Compliance Obligation (WPCO) is for every compliance period, and also how they earned the required number of points. Warehouse owners who voluntarily opt in to earn WAIRE Points must also submit an AWR at the end of the compliance period when the WAIRE Points were earned. Further details on the ISIR and AWR are available on Page 7 and Table 4 of the [WAIRE Implementation Guidelines](#).

All reports must be submitted through the online WAIRE POP system available at www.aqmd.gov/waire.

11. I am a warehouse operator with a calculated WPCO <10 . Can I submit my AWR prior to the compliance year?

Warehouse operators with a calculated WPCO <10 are exempt from the requirement to earn WAIRE Points but are still required to submit both the one-time Initial Site Information Report and an Annual WAIRE Report after each compliance period to verify their WPCO.

12. How do I submit my report to South Coast AQMD?

A new web portal was created for all warehouse operators and facility owners to submit all required reports. The WAIRE Program Online Portal (POP) will continue to be released in stages, with the first stage released to the public in summer 2021. All reports will be required to be submitted through the WAIRE POP system available online at <https://xapp.aqmd.gov/isr/>. Online training courses on the WAIRE POP system are available online at www.aqmd.gov/waire to provide guidance to the regulated industry. Interested stakeholders are encouraged to sign up to the listserv to be notified when updates are available (www.aqmd.gov/sign-up, 'WAIRE Program Compliance').

Earning WAIRE Points

13. Can I lease a vehicle to acquire WAIRE points? If I purchase a vehicle that is delivered next year, in what year do I earn WAIRE points?

Yes, acquisition could include purchasing, leasing, or renting trucks, and you earn WAIRE points for the year in which the truck is delivered and available for service. If a truck is leased or rented, the WAIRE Points earned for that temporary acquisition are proportional to the amount of the compliance period that the truck is leased or rented. For example, if a truck is leased for 6 months of a 12-month compliance period, the number of WAIRE Points earned would be half of the amount shown in Table 3 of [Rule 2305](#). If a warehouse operator purchases a truck in December 2022 and it is delivered and available for service in April 2023, WAIRE Points will be earned for the 2023 compliance year.

14. Can I earn WAIRE Points for leased or rented zero emission charging infrastructure?

Yes, leasing or renting onsite zero emission charging infrastructure (commonly referred to as Electric Vehicle Supply Equipment or EVSE) for on-road vehicles and yard trucks can earn WAIRE Points as follows. The WAIRE Implementation Guidelines describe three milestones for the installation of electric charging infrastructure (based on Table 3 – WAIRE Menu in [Rule 2305](#)): 1) EVSE purchase, 2) initiating onsite construction, and 3) finalization of permit sign-off or charger energization. For the first milestone, an owner or operator may not earn WAIRE Points for the temporary acquisition of an electric charging station, including leased or rented equipment, according to the points set forth in the WAIRE Menu. Only EVSE that is purchased can earn WAIRE Points for the acquisition milestone based on the WAIRE Menu. However, an owner or operator may submit a Custom WAIRE Plan, pursuant to [Rule 2305\(d\)\(4\)](#), for South Coast AQMD's consideration to earn WAIRE Points for the temporary acquisition of leased or rented EVSE. The methodology for calculating WAIRE Points in a Custom WAIRE Plan is outlined in the [WAIRE Program Implementation Guidelines](#). [Rule 2305\(d\)\(4\)](#) includes the requirements for earning WAIRE Points using a Custom WAIRE Plan.

An owner or operator may earn WAIRE Points for the other two milestones (initiating onsite construction and/or the latter of final permit sign-off or charger energization) for leasing or renting onsite EVSE if these actions are achieved during the compliance period. WAIRE Points for these two milestones can only be earned once per each EVSE that is installed, even if the EVSE charger is subsequently replaced with a similar or higher-powered unit. If an additional EVSE is installed, WAIRE Points for these two milestones can only be earned if the additional EVSE required the initiation of a new construction effort and/or final permit sign-off or charger energization and these activities were achieved during the compliance period. The warehouse owner or operator would earn the full amount of WAIRE Points listed on the WAIRE menu for the construction and finalization milestones if these actions were achieved during the compliance period. WAIRE Points will be earned for the compliance year that a milestone is achieved.

Leased or rented EVSE can also earn WAIRE Points for the use of the charging infrastructure based on the kilowatt-hours of electricity dispensed in accordance with the WAIRE Menu.

The table below describes the milestones and examples of how WAIRE Points are or are not earned for leased or rented EVSE using the milestones as listed in the WAIRE Menu.

Electric Charger Installation Milestone	Examples of How WAIRE Points are Earned
Purchase of the charger(s) (also called EVSE)	A warehouse operator may not earn WAIRE Points pursuant to the WAIRE Menu for the temporary acquisition of EVSE, including leased or rented equipment. However, a warehouse operator may earn WAIRE Points for leasing or renting EVSE under a Custom WAIRE Plan that fulfills the requirements of Rule 2305(d)(4) and is approved by the South Coast AQMD.
Initiating onsite construction	A warehouse operator may earn WAIRE Points for initiating onsite construction for one EVSE project. WAIRE Points can be earned if an additional EVSE is added to the site (after all other chargers are energized or have received final permit sign-off) which require the initiation of a new construction effort onsite. Documentation must be retained and, if requested, provided to show that a separate construction effort was required to support the additional EVSE that was or will be installed at the site.
The latter of final energization or permit sign-off for the system	A warehouse operator may earn WAIRE Points for the final permit sign-off and/or charger energization of one EVSE project. WAIRE Points may be earned for additional EVSE projects if a separate final permit-sign off or charger energization was required for the additional EVSE project. Documentation of these separate actions must be retained and, if requested, provided to South Coast AQMD.

15. Can I receive partial WAIRE points for installing charging infrastructure?

Yes, a long lead time may be needed to complete the installation of electric charging infrastructure at some sites, and WAIRE Points may be earned for milestones that are achieved during the compliance period. WAIRE Points can be earned for purchasing the charging equipment (also called Electric Vehicle Supply Equipment or EVSE), initiation of construction, and the latter of final permit sign off or charger energization. Further details are available on Page 13 of the [WAIRE Implementation Guidelines](#).

16. Can I earn WAIRE Points prior to my compliance phase in?

Yes, warehouse operators can implement actions on the WAIRE Menu prior to the compliance year by submitting an Annual WAIRE Report to certify the WAIRE Points for that year. The WAIRE Points can be banked for future use at that site in any of the next three compliance periods. After this time, any remaining banked WAIRE Points will expire and can no longer be used.

17. Can I use existing funding programs to earn WAIRE Points?

Existing CARB funding programs like Carl Moyer, Proposition 1B, and the Hybrid Voucher Incentive Program prohibit using those funds to comply with a regulation. Each funding program has its own

requirements, and warehouse operators and owners should consult each funding program’s guidance documents and staff for specific questions. If awarded funds from one of these programs, the warehouse operator therefore has the option of either receiving incentives to reduce the purchase price of an NZE or ZE truck or foregoing the incentives to earn WAIRE Points for the NZE/ZE truck acquisition. Funding programs typically do not have requirements about where trucks are operated, therefore trucks purchased with incentive funds can be used to earn WAIRE Points from truck visits.

18. Can I sell or transfer my points?

[Rule 2305](#) does not recognize points transferred between different warehouse operators. Points may only be earned through transfer in the narrow circumstances specifically identified in [Rule 2305](#). First, WAIRE Points in excess of the warehouse operator’s WPCO may be transferred to a different warehouse under that operator’s control. Second, a warehouse operator and owner may transfer points between themselves (for example if the owner voluntarily earns points on behalf of their tenant or if a warehouse operator vacates a property midway through the year and the activity earning the WAIRE points remains at that warehouse). Further details are available on Page 21 of the [WAIRE Implementation Guidelines](#).

19. Can I earn points if the level of implementation is below the annual metrics listed on the WAIRE Menu (such as using a ZE yard truck for 200 hours, which is below the annual metric of 1,000 hours in the WAIRE menu)?

Yes. The WAIRE POP report builder for the Annual WAIRE Report will proportionally calculate the amount of WAIRE Points earned to reflect the level of implementation of WAIRE Points for each WAIRE Menu item selected by the user.

Fees

20. What fees are associated with the reporting?

Warehouse operators and owners who submit reports or notifications required by [Rule 2305](#) shall pay fees according to Table 1 in [Rule 316](#) (see below). The applicable administrative fees must be submitted via e-check or credit card at the time that the applicable report or notification is due.

Report or Notification	Fee*
Annual WAIRE Report	\$392.50
Initial Site Information Report	\$140.68
Warehouse Operations Notification	\$29.51

*Pursuant to Rule 316 as adopted on May 7, 2021.

21. When do I pay the mitigation fee?

The fees are due at the time that the Annual WAIRE Report is submitted pursuant to [Rule 2305](#) and [Rule 316](#). A Mitigation Program Administrative Fee of 6.25 percent of the mitigation fee also applies and must be paid together with the mitigation fee. Further details on the WAIRE Mitigation Fee are available on page 21 of the [WAIRE Implementation Guidelines](#).

22. Are there any penalties associated with [Rule 2305](#)?

Neither [Rule 2305](#) nor [Rule 316](#) specify penalties. However, like other South Coast AQMD rules, if a warehouse owner or operator is found to be in non-compliance with either rule, a notice of violation may be issued. If a Notice of Violation is issued, the South Coast AQMD General Counsel’s office may pursue a penalty. Further details are available on the [South Coast AQMD compliance website](#).

Compliance and Inspection

23. When can I expect an inspector at my site and what documents do I need to keep onsite?

South Coast AQMD will periodically conduct both desktop and field audits for compliance with the WAIRE Program. An inspector may visit your site any time to verify compliance with air quality rules

and regulations, policies, and state law (California Health and Safety Code Section 41510). [Rule 2305](#) requires that all records used to demonstrate compliance be maintained by warehouse operators or owners, as applicable, for a period of no less than seven years and made available to South Coast AQMD upon request during normal business hours in order to determine compliance.

Custom WAIRE Plans

Please see the [WAIRE Implementation Guidelines](#) for a more detailed discussion of Custom WAIRE Plans.

24. What is a Custom WAIRE Plan?

[Rule 2305](#) provides an option to warehouse facility or land owners, or warehouse operators, to earn WAIRE Points for their warehouse facility through customized actions that are not on the WAIRE Menu. WAIRE Points can only be earned upon implementation of an approved Custom WAIRE Plan's proposed actions, and any action or investments made prior to the approval of the Custom WAIRE Plan will not be considered for WAIRE Points.

25. What is required in a Custom WAIRE Plan?

Points earned from Custom WAIRE Plan actions must use criteria consistent with the analyses conducted for the actions and investments included on the WAIRE Menu. Custom WAIRE Plan applications must demonstrate how the proposed action(s) will earn WAIRE Points based on the incremental cost of the action, and the emission reductions of nitrogen oxides (NO_x) and diesel particulate matter (DPM) from the action relative to baseline conditions if the warehouse operator, facility owner, or land owner had not completed the action in that compliance period. The calculation of WAIRE Points from actions in a Custom WAIRE Plan must be consistent with the calculation methodologies included in the WAIRE Menu Technical Report (see Appendix B of the [WAIRE Implementation Guidelines](#)). Emission reductions must be quantifiable, verifiable, and real, and must be achieved no later than three years after approval. Applicants must include a schedule of milestones that show increments of progress to complete the actions approved in the Custom WAIRE Plan. Please see the [WAIRE Implementation Guidelines](#) for a detailed list of requirements.

26. What is the process for submitting Custom WAIRE Plan applications?

Custom WAIRE Plan applications must be submitted through the WAIRE POP system, or as otherwise directed by South Coast AQMD, along with the applicable fee in [Rule 316](#). Custom WAIRE Plan applications are due 270 days before the Annual WAIRE Report is due for the applicable compliance period. For example, a Custom WAIRE Plan that may be applicable to the 2024 compliance period must be submitted by May 6, 2024 to be included in the Annual WAIRE Report filed by January 31, 2025. In the interim, Custom WAIRE Plan applications are to be submitted via email to waire-program@aqmd.gov or a hard copy may be delivered to South Coast AQMD headquarters by the required due date. WAIRE POP will be updated to receive these applications directly for future compliance years.

27. What is the applicable fee for submitting a Custom WAIRE Plan application?

Warehouse facility owners and/or operators who submit a Rule 2305 Custom WAIRE Plan Application shall be charged fees on a time and materials basis. Custom WAIRE Plans have an initial application evaluation fee, which is five times the hourly staff rate pursuant to [Rule 316\(e\)](#), for each plan submitted. See FAQ #28 for more details about the final amount of the Custom WAIRE Plan fee.

28. How do I pay for the Custom WAIRE Plan initial application evaluation fee?

Pursuant to Rule 2305, the initial application evaluation fee is due at the time of submittal of a Custom WAIRE Plan. For applications that are delivered to South Coast AQMD headquarters, please include the initial application evaluation fee, pursuant to Rule 316(e), with your application. If the Custom WAIRE

Plan is submitted via email, this fee will be due 7 calendar days after the invoice is emailed to the applicant. WAIRE POP will be updated in the future to allow for application and payment through the WAIRE POP system.

In the interim, invoices may be paid electronically or postmarked by the seventh calendar day after the invoice was emailed to the applicant. Invoices may be paid electronically via this link:

https://xapprod.aqmd.gov/CC_OnlinePayment/onlineinvoicepayment/invoicepayment_collect_fac_info

or may be mailed as a physical check with the invoice provided to:

South Coast AQMD -WAIRE Program

Attn: Finance Department

P.O. Box 4934

Diamond Bar, CA 91765

29. What are the fees charged on a time and materials basis and when are they due?

Custom WAIRE Plan Application Evaluations will be assessed on a level of effort basis. A fee will be assessed for every hour of staff review, pursuant to [Rule 316\(e\)](#), which is consistent with plan review fees for other South Coast AQMD programs.¹ Reviews are expected to require multiple hours of staff time, and an initial fee will be assessed when the application is submitted equal to five hours of review. If review requires less than five hours, then a refund will be provided to the applicant. The adjustment to plan application evaluation fees will be determined at the time a plan is approved or disapproved and may include additional fees based upon actual review and work time billed. Notification of the amount due or refund will be provided to the applicant, and any additional fees due to the adjustment to plan evaluation fees will be billed following application review completion.

30. How does a Custom WAIRE Plan application become approved?

The process for Custom WAIRE Plan approval is shown in Figure 3 of the [WAIRE Implementation Guidelines](#). South Coast AQMD will confirm receipt within 30 days of a Custom WAIRE Plans submittal and will approve or disapprove it within 90 days of submittal. If South Coast AQMD does not approve the Custom WAIRE Plan, the applicant may resubmit it within 30 days of disapproval, and South Coast AQMD will re-evaluate the resubmitted application within 45 days of resubmittal. If South Coast AQMD disapproves the re-submitted application, the applicant cannot resubmit again for that compliance period. Keep in mind that any action or investments made prior to the approval of the Custom WAIRE Plan will not be considered for WAIRE Points, unless they fulfill the requirements set forth in [Rule 2305\(d\)](#) and Table 3 of Rule 2305.

31. What happens after a Custom WAIRE Plan is approved?

The process for Custom WAIRE Plan implementation is shown in Figure 4 of the [WAIRE Implementation Guidelines](#). The timetable of an approved Custom WAIRE Plan application allows for at least six months to implement the Custom WAIRE Plan project within the applicable compliance year (or three and a half months if the application was disapproved, resubmitted, and then approved). Some projects may take longer to implement and could extend beyond the compliance period when the Custom WAIRE Plan application was submitted. In these cases, a progress report must be submitted every 180 days after the Custom WAIRE Plan was approved. In the event milestones are not reached, the progress report must explain the conditions that resulted in the milestone not being reached and propose a new milestone date. If in reviewing the progress report, South Coast AQMD staff determines that progress on the approved Custom WAIRE Plan is not adequate, a notice may be sent to the Custom WAIRE Plan

¹ Similar to other South Coast AQMD fees in Regulation III, costs are expected to increase through time consistent with the Consumer Price Index, accounting for increased staff and overhead costs from inflation. All fees in PR 316 will therefore be adjusted periodically consistent with all other Regulation III fees pursuant to Rule 320.

applicant advising of the inadequate progress. The Custom WAIRE Plan approval may be rescinded 30 days after the notice if the applicant does not demonstrate how the identified deficiencies have been corrected.

32. Can you provide some examples of potential Custom WAIRE Plans?

Some examples of potential Custom WAIRE Plan proposals mentioned by the regulated community include jointly-owned off-site ZE charging or fueling infrastructure, the use of battery storage systems or energy management that reduces emissions from local natural gas-fired powerplants, and the acquisition and/or usage of NZE yard trucks. A Custom WAIRE Plan allows for local hires to be counted as points towards compliance with the rule by reducing employee commute emissions. Use of a local state certified apprenticeship program or a skilled and trained workforce with a local hire component can help demonstrate those emission reductions. NZE yard trucks may be submitted as a Custom WAIRE Plan for consideration but only if they solely utilize renewable fuels such as renewable natural gas (RNG), renewable propane, or other equivalents.

33. I need more guidance on my specific Custom WAIRE Plan application.

South Coast AQMD Staff are available to advise applicants on their proposed Custom WAIRE Plan applications. Please contact us at waire-program@aqmd.gov or 909-396-3140.