PROPOSED RULE 2305 - WAREHOUSE INDIRECT SOURCE RULE - WAREHOUSE ACTIONS AND INVESTMENTS TO REDUCE EMISSIONS (WARE) PROGRAM; AND PROPOSED RULE 316 - FEES FOR REGULATION XXIII
PURPOSE OF THE SCOPING MEETING/AGENDA

OVERVIEW OF PROPOSED RULES 2305 & 316

OVERVIEW OF THE CEQA PROCESS

OPPORTUNITY FOR PUBLIC COMMENT
Overview of Proposed Rules 2305 and 316
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

- Multi-County Air Pollution Control Agency
  - ~17 million people (>40% of CA)
- Governed by a Board of local elected and appointed officials
  - Separate from CA Air Resources Board
- Monitor air quality and meet federal and state air quality standards
- ~28,000 permitted sources
  - Refineries, power plants, gas stations, etc.
KEY AIR QUALITY CHALLENGE - REGIONAL AIR POLLUTION
OZONE AND FINE PARTICULATE MATTER

Pollutant Levels as Percent of Standard

Federal Air Quality Standard

Pollutant (attainment year deadline)
- Ozone (2037)
- Ozone (2031)
- Ozone (2023)
- Ozone (2022)
- Fine Particulate (2025)
- Fine Particulate (2019)
PRIMARY POLLUTANT OF CONCERN FOR OZONE AND FINE PM - NITROGEN OXIDES (NOₓ)

Baseline from Existing Regulations (as of 2017)

2012

45% Reduction Needed*

2023

55% Reduction Needed*

2031

2019 Inventory

82%

18%

*Reductions needed to meet federal ozone air quality standards
KEY AIR QUALITY CHALLENGE -
LOCAL AIR QUALITY IMPACTS NEAR WAREHOUSES

*CalEnviroScreen is a state tool that shows which communities have the highest environmental pollution burden. Higher percentiles indicate higher burden. [https://oehha.ca.gov/calenviroscreen](https://oehha.ca.gov/calenviroscreen)*
Regional air pollution:
2016 Air Quality Management Plan (AQMP)
- Blueprint for meeting federal and state air quality standards
- Includes development of Facility Based Mobile Source Measures, including Indirect Source Rule for warehouses

Local air pollution:
AB 617 Community Emission Reduction Plans (CERPs)
- AB 617 established process for communities to shape actions to reduce emissions
- All three communities in Year 1 of AB 617 program requested that warehouse ISR be developed due to concerns about carcinogenic Diesel PM (a component of fine PM)
NOx EMISSION SOURCES

Total South Coast NOx Inventory

Estimated 2023 NOx Emissions Associated with Warehouses

Baseline NOx Inventory

- Carrying Capacity
- Heavy-Duty Diesel Trucks
- Medium-Duty & Heavy-Duty Gas Trucks
- Buses
- Cars/Light-Duty Trucks/SUVs/Motorcycles
- Off-Road Equipment and Vehicles
- Locomotives
- Aircraft
- Ocean Going Vessels
- Commercial Harbor Craft
- Recreational Boats
- Residential Fuel Combustion
- Industrial Fuel Combustion
- RECLAIM
- Other Stationary
OVERLAPPING MOBILE SOURCE AUTHORITY

Federal (EPA)
- Sets emissions standards for new engines and fuels
  - Motor vehicles, off-road equipment, locomotives, ships, aircraft

State (CARB)
- Sets emissions standards for new engines and fuels
  - Requires waiver from EPA
  - Sets in-use performance standards

Local (SCAQMD)
- Limited in-use authority for fleets serving governments
  - Indirect Source authority

Governor’s Zero Emissions (ZE) Goals
- 100% ZE on-road sales by 2035
- 100% HD trucks on-road fleet by 2045
- 100% ZE drayage trucks by 2035
- 100% ZE off-road fleet by 2035
BACKGROUND - NEED FOR WAREHOUSE ISR

- Region continues to have worst air quality in the nation (except during some wildfires)
- Existing regulations are not sufficient to meet 2023 or 2031 ozone standards
  - Proposed new state regulations also will not meet 2023 standard and are unlikely to achieve 2031 standard
- Sufficient incentive funding has not yet been identified to achieve necessary emissions reductions
- Communities near warehouses experience higher environmental burden
- State’s goals for ZE heavy duty vehicles requires actions beyond what CARB can require on its own
OVERVIEW OF PROPOSED WAREHOUSE ISR REQUIREMENTS

Requirements

- Earn WAIRE Points Annually

Applicability
- Owners and operators of warehouses ≥100,000 sf
- Owners are only subject to reporting, but they can voluntarily earn points
- Operators only leasing <50,000 sf for warehousing activities are just subject to limited reporting

Warehouse Actions and Investments to Reduce Emissions (WAIRE) Menu
- Mitigation Fee
- Custom WAIRE Plan
- Limited transferring/banking with early or over-compliance

Reporting
- Warehouse Operations Notification
- Initial Site Information Report
- Annual WAIRE Report
# Draft WAIRE Menu (version 10/9/2020)

<table>
<thead>
<tr>
<th>Action/Investment</th>
<th>Action/Investment Details</th>
<th>Reporting Metric</th>
<th>Annualized Metric</th>
<th>WAIRE Points per Annualized Metric</th>
<th>Discounted WAIRE Points Subparagraph (d)(6)(A)</th>
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<td>ZE Class 4-7</td>
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<td>TRU Plug EVSE Purchase</td>
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<td>Carport</td>
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<tr>
<td>Install High-Efficiency Filters or Filter Systems in Residences, Schools, Daycares, Hospitals, or Community Centers</td>
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<td>Install Filters</td>
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</table>
ADDITIONAL DETAILS ON PR 2305

➢ WAIRE Mitigation Program will be administered by South Coast AQMD and funded by warehouse operators choosing to pay mitigation fee
   ➢ Program will provide incentivize funds for zero and near-zero emissions trucks and zero emissions charging/fueling infrastructure for the communities near the warehouse that paid the mitigation fee

➢ Compliance information reported by facilities will be made available publicly on South Coast AQMD website

➢ WAIRE Program Implementation Guidelines will accompany PR 2305 and will provide additional details on compliance procedures

➢ Staff recommended stringency will be established before Draft Environmental Assessment is published
PR 316 will establish administrative fees that regulated facilities will need to pay to fund South Coast AQMD compliance efforts for PR 2305.

Fees will be tied to level of effort for compliance staff activities.

Specific fees will be established for:
- Annual WAIRE Report submittals
- Initial Site Information Report submittals
- Warehouse Operations Notification submittals
- Custom WAIRE Plan applications
- Mitigation Program administration

Staff recommended fee levels will be established before Draft Environmental Assessment is published.
Additional information available here:
www.aqmd.gov/fbmsm and

Board consideration of PR 2305 & 316 anticipated late 1st quarter 2021

Interested stakeholders are encouraged to attend future working groups and public workshop

Facility Based Measures email list sign-up: www.aqmd.gov/sign-up
Overview of the CEQA Process
CEQA is a California State Law adopted in 1970

- Informs the public and governmental decision-makers
- Discloses potential environmental impacts resulting from a proposed project
- Identifies ways to avoid or reduce adverse impacts through alternatives or mitigation measures
- Provides the opportunity for the public to comment on environmental issues
- Applies to projects undertaken by a Public Agency such as South Coast AQMD adoption of rules
PR 2305 and PR 316 comprise the “proposed project” which is subject to CEQA

South Coast AQMD, as CEQA lead agency, is overseeing the preparation of the CEQA document

The Initial Study is a preliminary analysis which identified the proposed project’s potentially significant adverse effects on the environment which will be evaluated further in the Draft Environmental Assessment (EA)

CEQA Scoping meeting is required because the proposed project may have statewide, regional, or areawide significance
The purpose of the public scoping meeting is to:
1. Inform the public that the proposed project may have potentially significant impacts; and
2. Solicit public comment regarding the type and extent of environmental analyses to be undertaken.
➢ **Chapter 1** provides background information and the project description

➢ **Chapter 2** uses the environmental checklist for analysis of the 18 environmental topic areas and their potential impacts

➢ **Appendix A** includes the most recent draft of proposed rule language for PR 2305

➢ **Appendix B** includes the most recent draft of proposed rule language for PR 316
INITIAL STUDY - TOPICS ANALYZED

- Initial Study addresses all of the following environmental topic areas:

  - Aesthetics
  - Agriculture and Forestry Resources
  - Air Quality and Greenhouse Gas Emissions
  - Biological Resources
  - Cultural and Tribal Cultural Resources
  - Energy
  - Geology and Soils
  - Hazards and Hazardous Materials
  - Hydrology and Water Quality
  - Land Use and Planning
  - Mineral Resources
  - Noise
  - Population and Housing
  - Public Services
  - Recreation
  - Solid and Hazardous Waste
  - Transportation
  - Wildfire
INITIAL STUDY - TOPICS TO BE ANALYZED IN THE DRAFT EA

- Environmental topic areas that were identified as potentially significant and will be further analyzed in the Draft EA are:

  - Aesthetics
  - Agriculture and Forestry Resources
  - Air Quality and Greenhouse Gas Emissions
  - Biological Resources
  - Cultural and Tribal Cultural Resources
  - Energy
    - Geology and Soils
    - Hazards and Hazardous Materials
    - Hydrology and Water Quality
    - Land Use and Planning
    - Mineral Resources
  - Noise
  - Population and Housing
  - Public Services
  - Recreation
  - Solid and Hazardous Waste
  - Transportation
    - Wildfire

The remaining environmental topic areas are NOT expected to be significantly impacted.
The purpose of the Draft EA is to inform the public about the potentially significant environmental impacts associated with implementation of the proposed project by evaluating the potentially significant environmental impacts associated with implementation of the proposed project and including feasible mitigation measures or project alternatives as necessary.

1 Mitigation, Monitoring, and Reporting Plan
2 Statement of Overriding Considerations
DRAFT EA CONTENTS

➢ The Draft EA will include the following:

➢ Project Description
➢ Existing Setting (physical conditions at the time the NOP/IS is released)
➢ Detailed analysis of environmental topic areas identified in the NOP/IS as potentially significant (e.g., Air Quality and Greenhouse Gas Emissions, Energy, and Transportation)
➢ Evaluate feasible mitigation measures and project alternatives to eliminate or reduce significant adverse impacts, as required
➢ Analysis of cumulative impacts (including, past, present, and reasonably foreseeable future projects)
➢ Copy of the NOP/IS
➢ Comments received at the CEQA Scoping Meeting and responses
➢ Comments received relative to the NOP/IS and responses
➢ Reference materials such as technical studies, calculations, etc.
The Draft EA will be circulated for another public review and comment period

The public review and comment period will be no less than 45 days

Opportunity to submit public comments on the environmental analysis performed in the Draft EA
The purpose of the Final EA is to:
1. Include any changes/updates made to the project after the Draft EA was released
2. Include comments received on the Draft EA and the responses
3. Include all previous content from the Draft EA
The Final EA will include:

- Changes and updates to the proposed project after the Draft EA was released for public review and comment
- Comments received relative to the Draft EA and responses
- All previous content from the Draft EA

Adopted in conjunction with the Final EA are the:

- Mitigation Monitoring and Reporting Plan, as applicable
- Findings that identify any remaining significant adverse impacts after mitigation is applied or alternatives are adopted
- Statement of Overriding Considerations, if the benefits of the proposed project outweigh any significant adverse impacts
OPPORTUNITY FOR PUBLIC COMMENT
South Coast AQMD is currently accepting comments on the NOP/IS for a 32-day public review period from November 13, 2020 through December 15, 2020 via:

- **EMAIL** to Ryan Bañuelos at rbanuelos@aqmd.gov
- **MAIL** Attn: Ryan Bañuelos, Planning/CEQA, South Coast AQMD, 21865 Copley Drive, Diamond Bar, CA 91765
- **FAX** (909) 396-3982
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