

Update on Facility Based Mobile Source Measures



GOVERNING BOARD MEETING

OCTOBER 4, 2019

Summary of May 2018 Board Direction

Sector	Direction
Airports	Pursue MOUs to implement airport clean air plans
Ports	Pursue MOUs to implement specific CAAP measures; pursue introduction of cleaner vessels
New/Redevelopment	Continue to work with stakeholders to develop rule concepts and preliminary costs/benefits
Warehouses	Develop rule concept; conduct economic impacts study to inform rule concept
Rail yards	Pursue rulemaking; explore potential for new agreements/MOUs beyond the 1998 and 2005 agreements

Airports MOU

LAX

SNA

BUR

LGB

ONT

Development of Draft Air Quality Improvement Plans (AQIPs)

- All five commercial airports have developed their draft AQIPs
- Draft AQIPs include the following elements:
 - 2017 baseline emissions as well as emissions forecasts in 2023 and 2031 under business as usual (BAU) and AQIP implementation scenarios
 - Measures with performance targets and initiatives for reducing emissions from non-aircraft emission sources
 - Implementation mechanisms



Airports MOU

Development of Draft MOUs

Draft MOUs being finalized with the following elements:

- Airports commitments to implement SIP creditable AQIP measures and to provide annual reports to South Coast AQMD on implementation of these measures
- South Coast AQMD's commitment to quantify the emissions benefits from SIP creditable AQIP measures and make enforceable commitment to EPA to achieve these reductions
- South Coast AQMD to address any potential reduction shortfall through public process



Airports MOU – Status Update



Updated MOU Adoption Schedule

- **September 20:** Release of Preliminary Draft Staff Report with draft AQIPs and MOUs
- **October 10:** Public Consultation Meeting
- **October 15:** Fourth Airports MOU Working Group
- **November:** AQIP and MOU adoption by each airport
- **December 6:** Board MOU consideration
- **End of December:** Submittal to CARB/EPA

Ports MOU

MOU based on implementation of specific CAAP measures

- Clean Trucks Program
- Cargo Handling Equipment Procurement Planning
- Other CAAP measures (e.g., incentive programs)

MOU development delayed due to:

- Ports Truck Rate Study release date delayed from June to September 2019
- Truck rate adoption by Ports Boards expected in November 2019
- Projections for clean cargo handling equipment being developed



- ✓ Technical Working Group to develop methodologies to quantify emission reductions meets every 2 weeks
- ✓ Held two MOU Working Group Meetings; next scheduled for October 2019

Ports MOU

Next Steps

- Awaiting completion of Truck Rate Study and adoption of the truck rate
- Complete baseline emissions forecasts and estimated emissions benefits
- Finalize draft MOU language
- MOU adoption by POLA and POLB Boards expected in early 2020
- Board consideration expected in early 2020



New Development and Redevelopment Board Direction

- May 4, 2018, the Board directed staff to continue to develop rule concepts, timelines, cost and benefit estimates
- The Board expressed key concerns about job and economic impacts:
- Based on Board direction staff
 - Held additional Working Group meetings
 - Met with industry representatives and environmental groups
 - Surveyed the Working Group on investigative approaches to identify emission reduction costs
 - Prepared a Request for Proposal (RFP) to evaluate economic impacts associated with upgrading construction fleets
 - Investigated concepts for approaching emission reductions

New Development and Redevelopment - Concepts for Approaching Emission Reductions

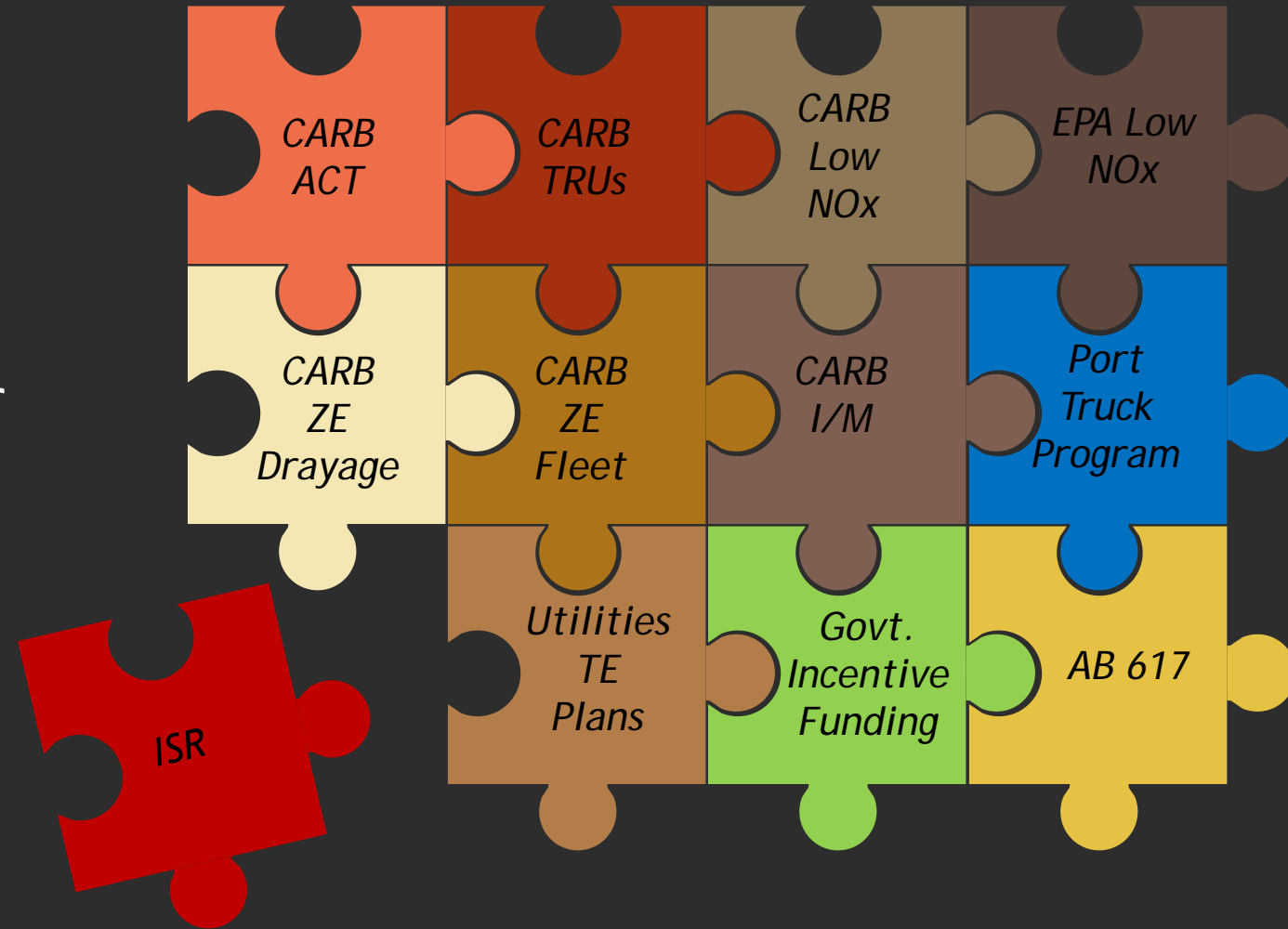
- As an early action, staff is considering CEQA air quality mitigation programs:
 - Focus on ozone precursors (NO_x and VOC's)
 - Encourage net-zero development, clean construction policies, installation of charging/fueling infrastructure, etc.



Staff is still exploring concepts including CEQA mitigation fund/exchange program

Warehouse ISR

- Three working group meetings since last Board update in March 2019
- Focus of Warehouse ISR:
 - Facilitate and enhance local and regional emission reductions together with all other state and federal activities
 - Focus on actions and investments that facilities can make
 - Provide multiple options for compliance



Warehouse ISR Proposed Regulatory Concept – Menu-Based Point System

WAIRE Program

WAREHOUSE ACTIONS & INVESTMENTS TO REDUCE EMISSIONS

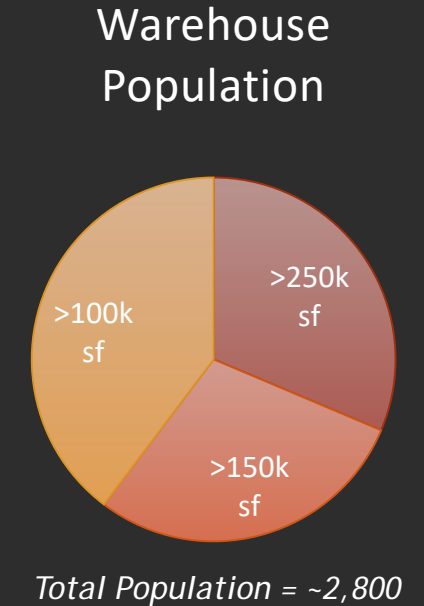
- Central piece of warehouse ISR will be a menu of actions/investments for facility operators to implement
 - Similar to LEED and other systems
- Each menu item will have a specified number of ‘points’ (WAIRE Points)
 - Menu includes one-time investments (e.g., installation of truck charging infrastructure) and ongoing actions (e.g., use of truck chargers)
- Facility operators will be required to earn a specified number of WAIRE Points each year

Warehouse ISR Draft Requirements

- The number of WAIRE Points that each facility operator must earn could be based on the number of truck trips to that facility
- Points earned based on metrics established for each menu item
 - Example: XX ZE truck visits = YY WAIRE Points; points also for infrastructure, solar panels, etc.
- Key factors for determining point value
 - Cost, local exposure benefit, emission reduction potential
- Some menu items may be weighted heavier if a facility is near sensitive receptors
 - Example: A facility adjacent to a school with diesel yard trucks could potentially get more points for switching to ZE yard trucks than a facility with no nearby sensitive receptors

Draft Requirements - Timing

Year 1	• Operators of facilities ≥ 250 k sf must earn XX WAIRE Points
Year 2	• Operators of facilities ≥ 150 k sf must earn XX WAIRE Points
Year 3	• Operators of facilities ≥ 100 k sf must earn XX WAIRE Points

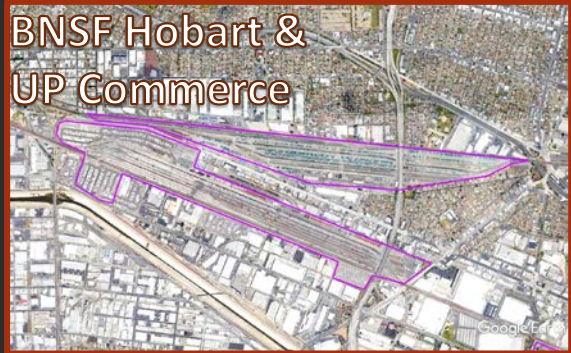


- Number of points required would also increase over time
 - Amount and timing of increase still to be determined

Preliminary Feedback and Proposed Schedule

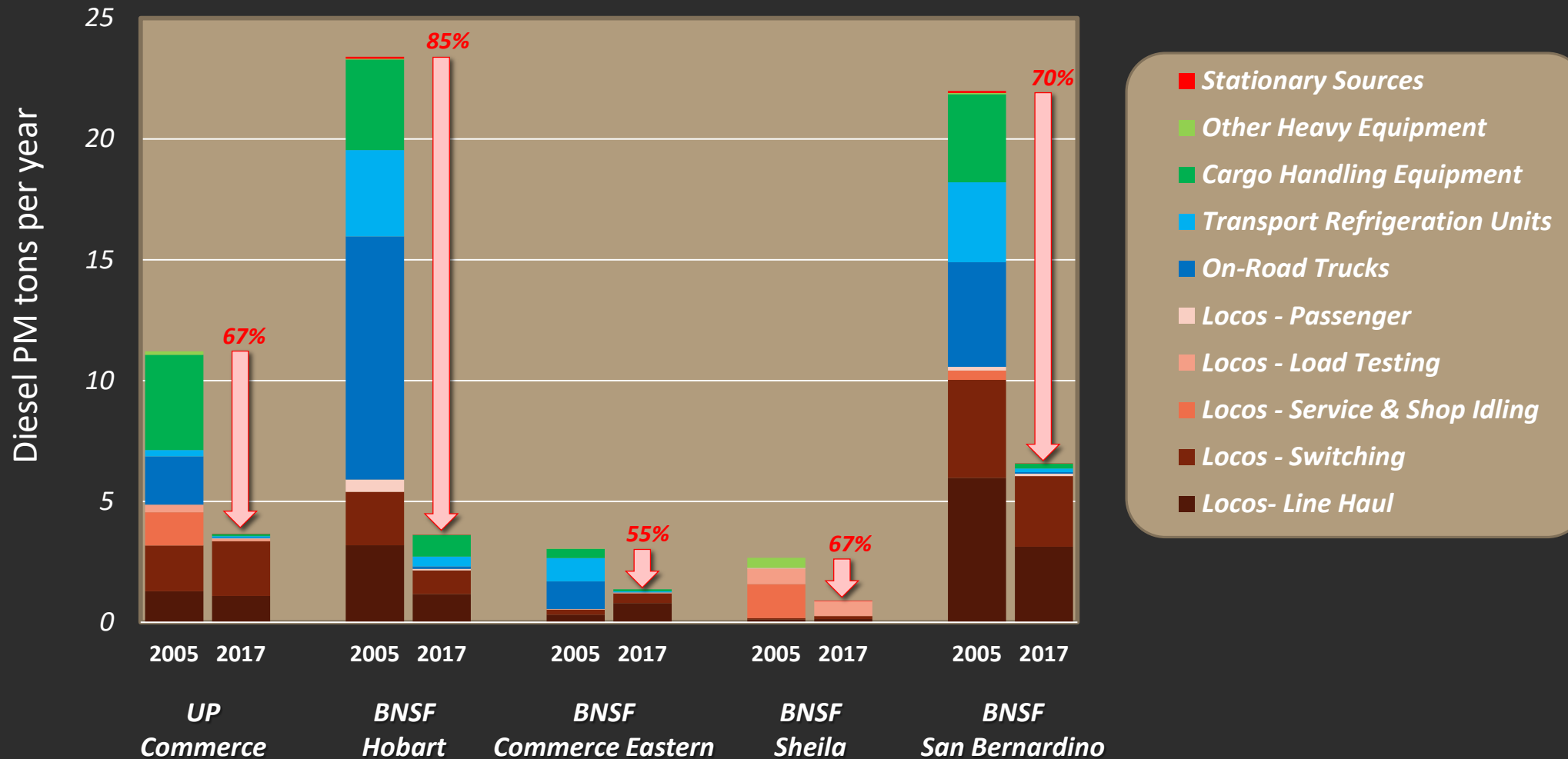
- All stakeholders are eager to see more details of proposal
- Community stakeholders have expressed tentative support for rule concept
- Industry stakeholders questions include understanding the role of incentives and how SIP credit will work
- Staff recommending to bring proposed warehouse ISR to Board in May 2020
 - Multiple updates to committee specific to proposed rule

Rail Yards Update



- BNSF and UP voluntarily prepared emissions inventories for five rail yards in South Coast AQMD
 - Inventories largely follow methodologies from previous exercise in 2007-8 for CARB
 - Analysis includes confidential business information
 - DPM available from 2005 and 2017, NOx only available from 2017
- Substantial reductions in DPM reported in past 12 years – mostly from non-locomotive sources
 - NOx reductions are not expected to be as substantial due to different phase in of control technologies (e.g., DPFs vs. SCR)
- Staff is reviewing the analysis
 - Information will be used to inform work on Rail Yard ISR and other strategies, including incentives, AB 617, etc.

Self-Reported Onsite Rail Yard Emissions Inventories



Rail Yards Next Steps

- Continue to evaluate emissions inventories
- Joint workshop(s) with CARB in the community to discuss rail strategies by the end of the year
- Rail Yard ISR to Board by end of 2020
 - Potential for Rail Yard ISR to utilize some of the same approaches in Warehouse ISR

Summary of Key Upcoming Actions

- **Airports** – Board considers adopting MOU December 2019
- **Ports** – Following port adoption of truck rate in November 2019, Board considers adopting MOU early 2020
- **New/Redevelopment** – Release construction equipment/technology costs study RFP October 2019
- **Warehouses** – Board considers adopting ISR May 2020
- **Rail Yards** – Board considers adopting ISR December 2020