



UPDATE ON RAIL YARD FACILITY BASED MOBILE SOURCE MEASURES

SEPTEMBER 1, 2023 GOVERNING BOARD

RECENT DEVELOPMENT

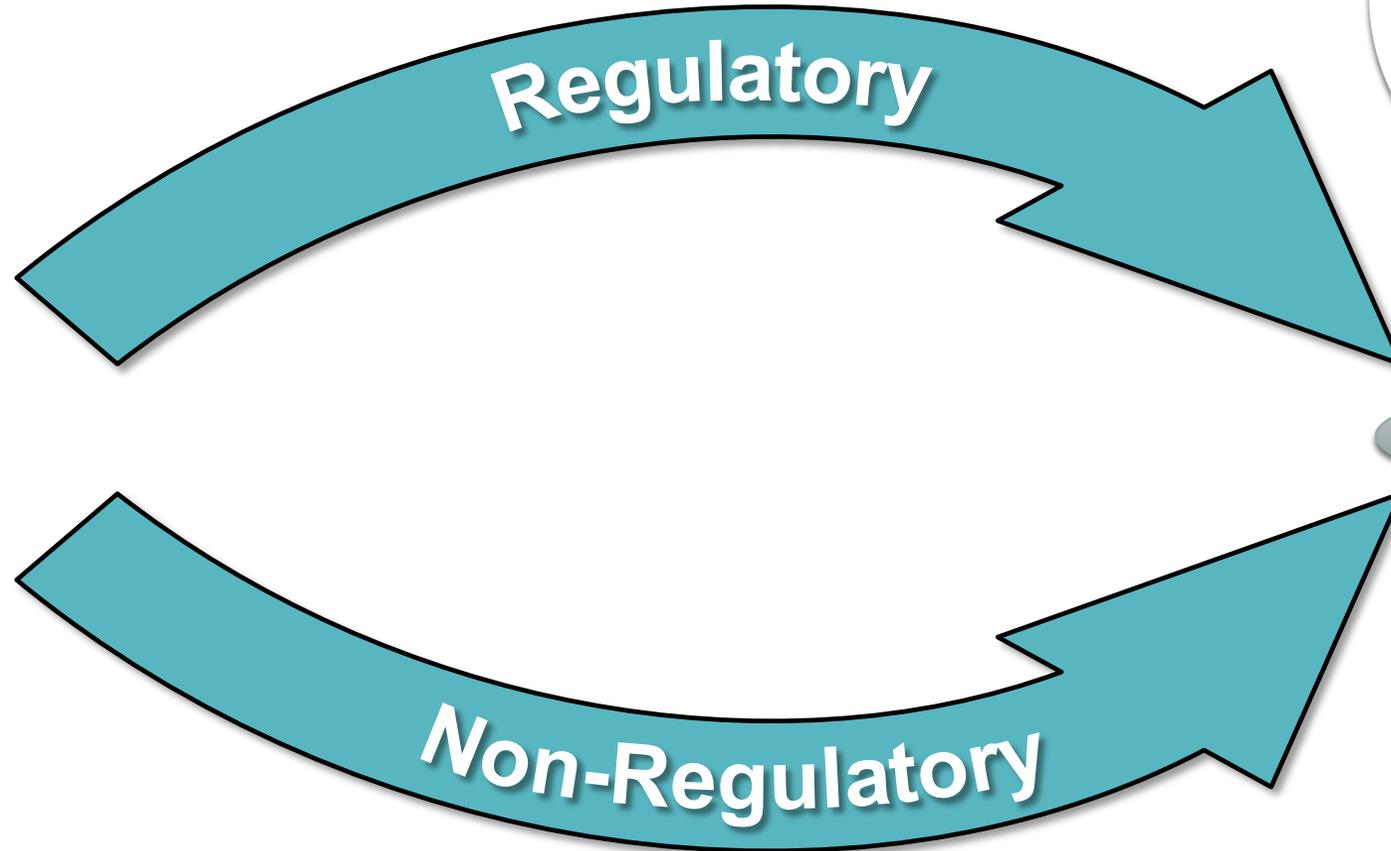
South Coast AQMD staff has been working on Proposed Rule 2306 for new rail yards

CA High Speed Rail Authority announced in June that they will not be moving forward with the proposed Colton freight rail yard project

BNSF and UP recently approached staff to discuss a potential MOU to reduce emissions from new and existing rail operations

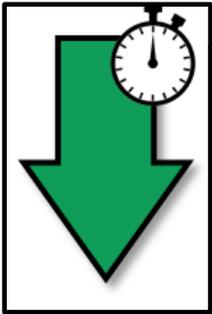
PATHWAYS

Both pathways are consistent with prior Board direction



***Goal:
Reduce air
quality impacts
from railroad
operations***

KEY CONSIDERATIONS TO PURSUE MOU



Reduce emissions as much as possible as quickly possible



Near term air quality/
public health benefit



Track record of fully
executed MOUs



Newly proposed rail
yards cancelled or
paused

WHAT IS AN MOU?

- MOU is an enforceable contract between multiple parties
- Common elements of a MOU include:
 - Description of actions each party must implement
 - Procedures that govern how MOU will be carried out
 - Process/remedies if actions are not completed
- Proposed MOU would be submitted (through CARB) to U.S. EPA to include in State Implementation Plan – similar to a rule or regulation

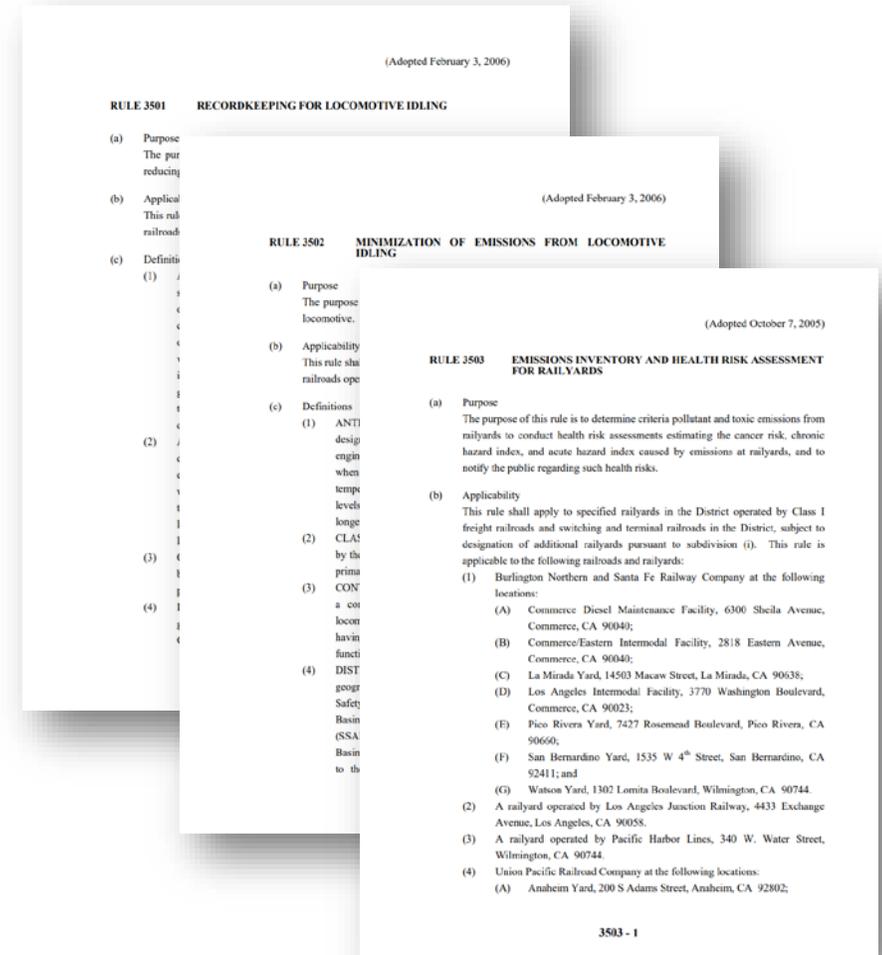
HISTORY OF STATEWIDE RAIL AGREEMENTS

- Two agreements with CARB, BNSF, and UP
 - 1998 Agreement focused on Tier II locomotives for South Coast Air Basin
 - 2005 Agreement focused on idling and health risk for railyards throughout California
- BNSF and UP complied with both agreements
 - Emission reductions from both agreements

More Needed: Emissions are too high to meet federal and state air quality standards and local communities are exposed to elevated health risks

SOUTH COAST AQMD PREVIOUS RAIL ROAD RULES

- In 2005 and 2006 Governing Board adopted three rules for rail operations
 - Rule 3501 – Recordkeeping for Locomotive Idling
 - Rule 3502 – Minimization of Emissions from Locomotive Idling
 - Rule 3503 – Emissions Inventory and Health Risk Assessment for Railroads
- American Association of Railroads (BNSF and UP) sued South Coast AQMD
- After many years of litigation, Rules 3501, 3502, 3503 not enforceable per court order



KEY ELEMENTS UNDER CONSIDERATION FOR MOU



Locomotives
That Stay Within
the South Coast
AQMD



Cargo Handling
Equipment at
Railyards



Zero-Emission
Infrastructure
Plan

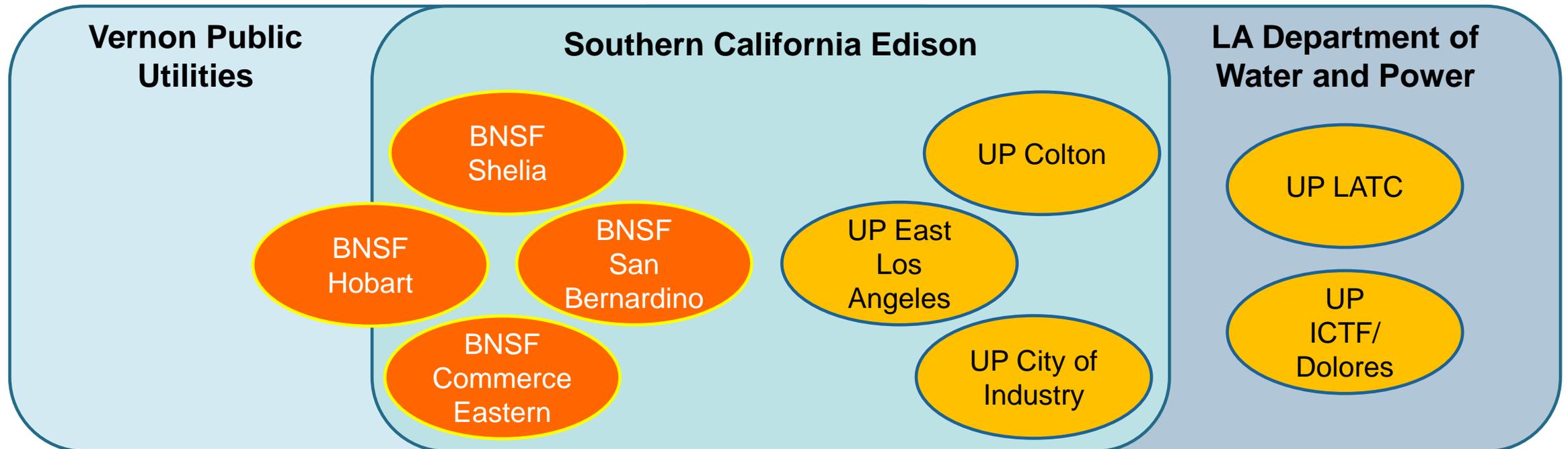


Zero-Emission
Technology
Demonstration

Scope: Includes New and Existing Rail Yards

ROLE OF ENERGY UTILITIES

- Significant infrastructure investments needed to support at-scale ZE implementation for railroad operations
 - Implementation of MOU expected to result in several of largest charging infrastructure projects in the nation
- Close coordination with energy utilities needed to achieve MOU milestones



EXAMPLES OF EMISSIONS BENEFITS

- Example opportunities for emission reductions through proposed MOU:
 - 90% reduction for Tier 4 switcher locomotives that replace Tier 0/0+*
 - 100% reduction for yard trucks that can go to zero emissions**
- Full emissions benefits have not yet been determined, but will be calculated and presented as part of public process

* Approximately 80% of switcher locomotives in the state are Tier 0 / 0+

** More than 95% of yard trucks at rail yards are not yet zero emissions

PRELIMINARY COMPARISON: PROPOSED RULE 2306 & PROPOSED MOU

	Proposed Rule 2306	Proposed MOU
Applies to new rail yards?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Applies to existing rail yards?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consistent with CARB statewide rules/control strategies for rail operations?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Achieves emission reductions faster than current regulatory approach?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Zero emissions infrastructure included?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Enforceable?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

POTENTIAL OUTCOMES OF PROPOSED MOU PROCESS

MOU Approved

- Both railroads and South Coast AQMD staff agree to terms
 - Staff presents MOU for Board consideration
 - Board approves MOU

No MOU

- One or both railroads don't agree to terms of MOU or back out of MOU process
- South Coast AQMD doesn't agree to terms of MOU or backs out of MOU process
- Both railroads and South Coast AQMD staff agree to terms
 - Staff presents MOU for Board consideration
 - Board does not approve MOU

PROPOSED MOU PUBLIC PROCESS AND

- Public process and stakeholder input critical to development of proposed MOU
 - Prior feedback from ongoing and previous efforts (e.g., PR 2306, AB 617, etc.) help inform current process
- Discussed proposed MOU at:
 - Working Group Meeting on August 17
 - Mobile Source Committee on August 18
- Upcoming community meetings being planned for September:

East Los Angeles

- 9/19/23 @ 5:30 pm
- Obregon Park

Wilmington

- 9/20/23 @ 5:30 pm
- Wilmington Senior Center

Colton

- 9/21/23 @ 5:30 pm
- Colton High School

PRELIMINARY FEEDBACK FROM STAKEHOLDERS

- Community distrust of MOUs and railroads
- Requesting transparency in MOU development
- Concern about process
- Support/advocacy for zero emissions infrastructure and vehicles
- Requests for community benefits as part of MOU
- Need for interim milestones and enforceability

IF MOU IS NOT RECOMMENDED, WHAT HAPPENS NEXT?

- If MOU is not pursued or approved, staff will immediately pivot to Proposed Rule 2306 for new railyards
- Staff will initiate rule development for Proposed Rule 2306.1 for existing railyards

NEXT STEPS

- Receive and incorporate Board feedback
- Continue community engagement
 - In person community meetings (mid-September)
 - Provide draft MOU/staff report for public review and comment (mid-October)
- Report back to Mobile Source Committee