



# Warehouse Actions and Investments to Reduce Emissions (WAIRE) Mitigation Program

VIRTUAL WEBINAR #2

MAY 13, 2026

# Webinar Agenda

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Background

Public Process

Program Design and Requirements

Public Comments & Initial Staff Responses

Next Steps

# Background

- ▶ South Coast AQMD Rule 2305 (WAIRE Program) applies to large warehouses and requires actions to reduce NOx and PM emissions through multiple compliance options, including a mitigation fee option
- ▶ Staff currently developing the first year of WAIRE Mitigation Program to provide incentive funding using mitigation fees for eligible emission reduction projects related to warehousing
  - ▶ Up to \$73 million for the first year of the program
  - ▶ Focused on funding zero-emission (ZE) trucks and infrastructure
- ▶ Grant Management System (GMS) is being developed to facilitate electronic applications for the WAIRE Mitigation Program

# Public Process

- ▶ Stakeholder input received through public meetings, stakeholder meetings, and written comments



## Previous Virtual Presentations

- Invest Clean Workshop #1 – Feb 19, 2025
- Invest Clean Workshop #2 – May 22, 2025
- Environmental Justice Advisory Group – Aug 22, 2025

## Initial WAIRE Mitigation Program Webinar

- Virtual webinar held Feb 27, 2026
- Presented initial design concepts for 270 attendees
- Received public feedback for additional program design considerations

- ▶ Feedback reviewed by staff for potential inclusion into recommended program design

# Summary of Draft Program Design

- First-come, first-served per Source Receptor Area (SRA), and projects must maintain connection to funding SRA
- Fund up to 85% of total eligible cost of new equipment when stacked with other incentive programs
- Year 1 Zero-Emission (ZE) Categories
  - **Vehicles:** Class 4 through 8 on-road trucks and off-road yard trucks
  - **Infrastructure:** Electric charging / Hydrogen fueling stations

Requirement	Trucks (On-road Trucks and Yard Trucks)	Infrastructure (Electric Charging and Hydrogen Fueling)
<b>Max Funding</b> (up to 85%, with minimum 15% cost share)	Class 4-5: \$60,000 Class 6-7: \$85,000 Class 8: \$120,000	Electric Charging: \$300/kW output Hydrogen Fueling: \$8,000/kg/day capacity
<b>Eligible Costs</b>	Purchase price + taxes and fees	Equipment costs ( <i>must be &gt;50% of award</i> ) and direct project expenses ( <i>excl. administrative costs</i> )
<b>Operational Deadline After Contract Execution</b>	Generally 18 months (e.g., established during contracting)	Generally 36 months (e.g., established during contracting)
<b>Geographic Requirements</b>	On-Road Vehicles: Domiciled or 100 trips/year within SRA Yard Trucks: Domiciled in SRA	Located within funding SRA boundaries
<b>Category Specific Requirements</b>	Scrapping not required Funded on-road vehicles must be registered in CA and have ZE CARB Exec. Order	Installed by a skilled and trained workforce Publicly accessible

# Public Comments & Initial Staff Responses – *Vehicle Eligibility*

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Public Comments	Staff Responses
Allow Leasing Options	<ul style="list-style-type: none"><li>• <i>Staff aims to keep program as simple as possible in its first year. Leasing adds contract enforcement complexity. Option may be considered in future years.</i></li></ul>
Fund Low NOx Trucks	<ul style="list-style-type: none"><li>• <i>Staff is currently evaluating the feasibility of this being an eligible category.</i></li></ul>

# Public Comments & Initial Staff Responses – *Vehicle Eligibility (continued)*

Public Comments	Staff Responses
<b>Fund Repowers/Conversions</b>	<ul style="list-style-type: none"><li>• <i>Staff aims to keep program as simple as possible in its first year. Repowers and conversions add complexity to funding design. Option may be considered in future years.</i></li></ul>
<b>Include Class 2b and Class 3 Delivery Vehicles</b>	<ul style="list-style-type: none"><li>• <i>Class 2b-3 may be considered in future years.</i></li><li>• <i>Other programs currently provide incentive funding for these categories, such as HVIP and Innovative Small E-Fleets*</i></li><li>• <i>Wide range and varied vocational use for warehousing activities; may require resource-intensive verification by staff.</i></li></ul>

\*HVIP- <https://californiahvip.org/funding/#available-funding>

Innovative Small E-Fleets Pilot Program - <https://ww2.arb.ca.gov/resources/fact-sheets/innovative-small-e-fleet-pilot-program>

# Public Comments & Initial Staff Responses – *Infrastructure Eligibility*

Public Comments	Staff Responses
<p>Funding should support decommissioning diesel fueling equipment if paired with ZE infrastructure</p>	<ul style="list-style-type: none"><li>• <i>Staff is currently evaluating the feasibility of this being an eligible category.</i></li></ul>
<p>Expand Eligible Infrastructure Projects to Include Energy Storage, Green Hydrogen, and eTRU Charging</p>	<ul style="list-style-type: none"><li>• <i>First year scope limited to electric charging and hydrogen fueling. Additional technologies may be added in future years.</i></li><li>• <i>Other incentive programs currently provide funding for additional infrastructure technologies such as energy storage.*</i></li></ul>

# Public Comments & Initial Staff Responses – *Public Accessibility for Infrastructure*

Public Comments	Staff Responses
<p><b><u>Public Accessibility Concerns</u></b></p> <ul style="list-style-type: none"><li>• Site configuration and facility access concerns</li><li>• Allow private, behind-the-fence charging/fueling</li><li>• Include shared facility and near-site infrastructure, including fleet-based depots</li></ul>	<ul style="list-style-type: none"><li>• <b><i>Staff is currently evaluating the definition of publicly accessible and exploring the concept of shared charging sites for this program.</i></b></li></ul>

# Public Comments & Initial Staff Responses – *Small Business Challenges*

Public Comments	Staff Responses
<p data-bbox="338 853 784 943"><b>Provide More Funding for Small Businesses</b></p>	<ul data-bbox="1026 832 2364 989" style="list-style-type: none"><li>• <i>Program provides substantial funding – up to 85% (with stacking).</i></li><li>• <i>Still may not be enough for smaller business fleets, however, program is limited in scope and not intended to support all cases.</i></li></ul>

# Public Comments & Initial Staff Responses – *Administrative Comments*

Public Comments	Staff Responses
<p data-bbox="249 849 873 942">Include Points-Based Scoring Evaluation for Selection Criteria</p>	<ul data-bbox="1029 821 2321 978" style="list-style-type: none"><li>• <i>To support efficient program implementation, a simplified first-come, first-served approach is proposed for the initial year.</i></li><li>• <i>Scoring select criteria may be considered in future years.</i></li></ul>

# Public Comments & Initial Staff Responses – *Community Concerns*

Public Comments	Staff Responses
<p>Prioritize Funding for SB535, DAC, and Environmental Justice Communities</p>	<ul style="list-style-type: none"><li>• <i>Funding is already allocated at a fine geographic scale (source receptor areas). There is also significant warehouse overlap with SB 535 and other disadvantaged communities.</i></li></ul>
<p>Prioritize Older Warehouses and Discourage New Builds</p>	<ul style="list-style-type: none"><li>• <i>Eligibility is limited to existing fleet operators and does not provide incentives for new warehouse development.</i></li></ul>
<p>Incentivize Localized Emission Controls to Address Community-Specific Air Quality Issues</p>	<ul style="list-style-type: none"><li>• <i>The proposed mitigation program is designed to directly address the main sources of emissions - trucks, yard trucks, and associated charging/fueling infrastructure. Other potential mitigation strategies may be considered in future years.</i></li></ul>

# Public Comments & Initial Staff Responses – *Funding Concerns*

Public Comments	Staff Responses
<b>Define Structure and Timeline for Award Payments</b>	<ul style="list-style-type: none"><li>• <i>Award reimbursement payments will be issued following Governing Board approval, contract execution, and completion of applicable project milestones.</i></li></ul>
<b>Incentive Stacking May Be Limited by Funding Caps in Other Programs</b>	<ul style="list-style-type: none"><li>• <i>Incentive stacking must comply with funding cap and eligibility requirements of other programs which may limit the total reimbursable costs.</i></li></ul>
<b>Stacking is Limited When Solicitation Periods Don't Line Up</b>	<ul style="list-style-type: none"><li>• <i>Alignment with other incentive programs will be evaluated where feasible in future years. VW Environmental Mitigation Trust, HVIP, ISEF, SCE Drayage Truck Rebate, SCE Charge Ready Transport programs are currently open. EnerglZe MCS is set to open in Oct.</i></li></ul>

# Next Steps

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- ▶ **Technology Committee Meeting**
  - ▶ Jun 26, 2026
- ▶ **Governing Board Meeting**
  - ▶ Aug 7, 2026 – Program Announcement
- ▶ **Open GMS for Application Intake**
  - ▶ Aug 2026 (*tentative*)
- ▶ **Deadline to Submit Application**
  - ▶ Nov 2026 (*tentative*)
- ▶ **Governing Board Meeting**
  - ▶ Early- to mid-2027 (*tentative*) – Project Awards → Execute Contracts/Agreements

# Contact Information

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(select WAIRE Mitigation Program Incentives under Incentive Programs)