

PROPOSED RULE 2305 - WAREHOUSE INDIRECT SOURCE RULE -
WAREHOUSE ACTIONS AND INVESTMENTS TO REDUCE EMISSIONS
(WAIRE) PROGRAM;
AND PROPOSED RULE 316 - FEES FOR REGULATION XXIII

CEQA SCOPING MEETING

DECEMBER 2, 2020
1:30PM

ZOOM MEETING LINK:

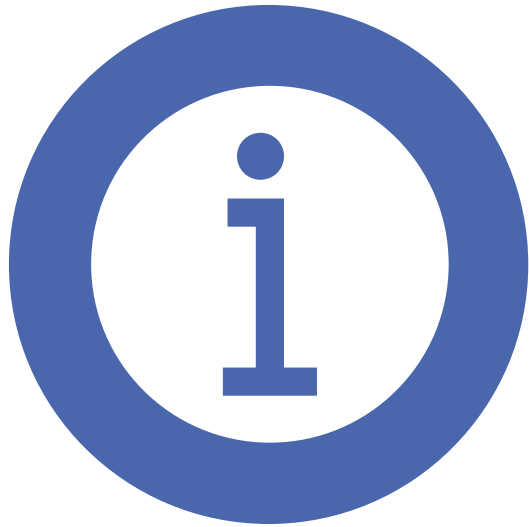
<https://scaqmd.zoom.us/j/98156585480>

MEETING ID: 981 5658 5480

DIAL IN: (669) 900-6833



PURPOSE OF THE SCOPING MEETING/AGENDA



OVERVIEW OF PROPOSED
RULES 2305 & 316



OVERVIEW OF THE CEQA
PROCESS



OPPORTUNITY FOR PUBLIC
COMMENT



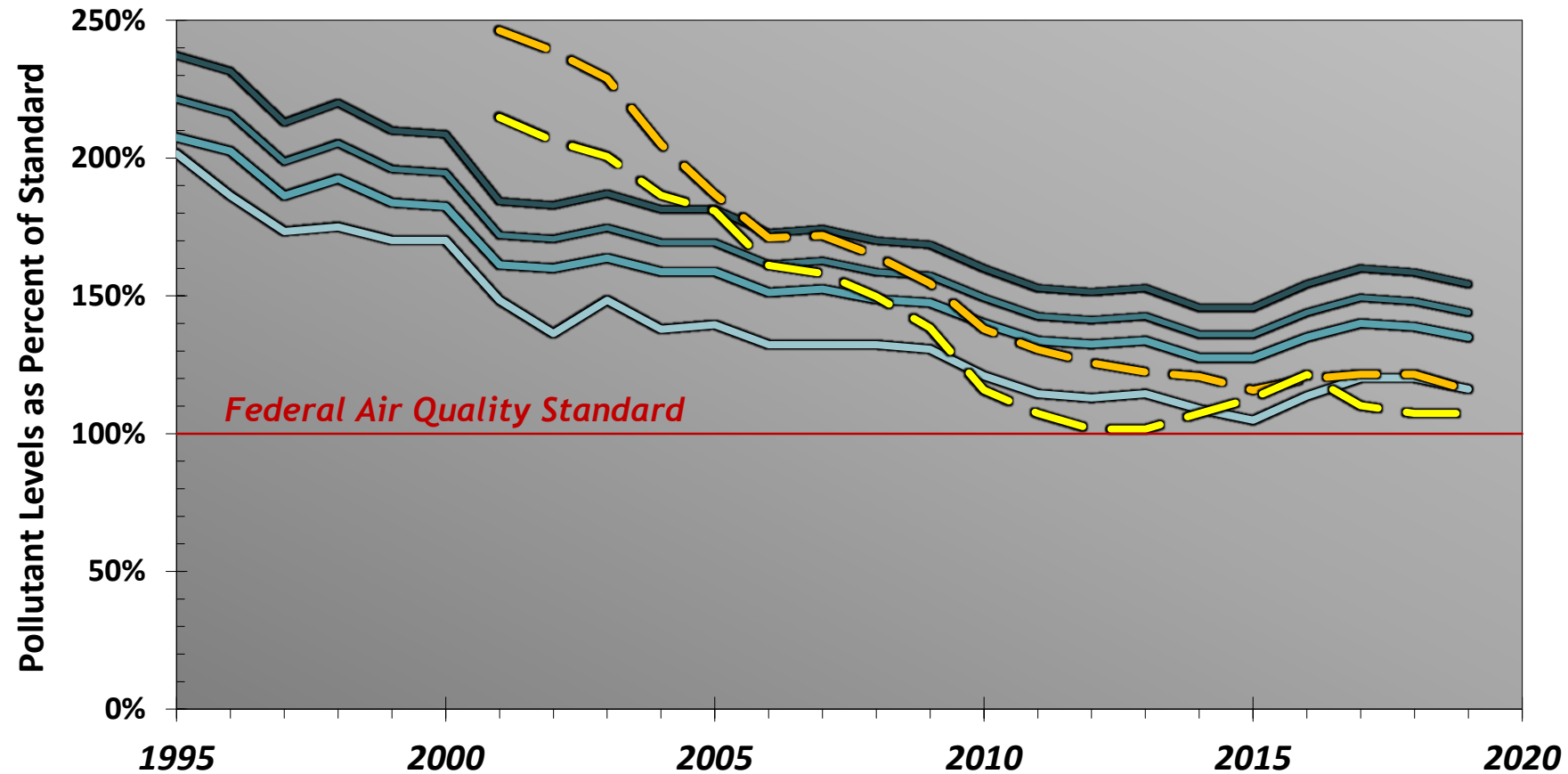
Overview of Proposed Rules 2305 and 316

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.



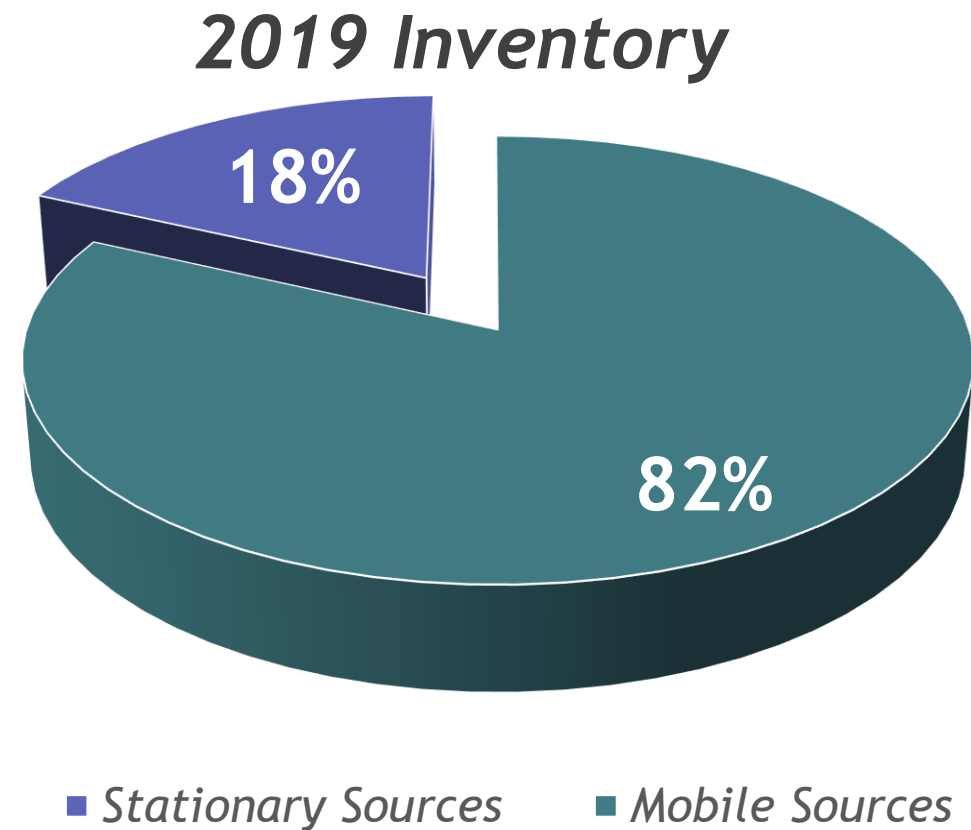
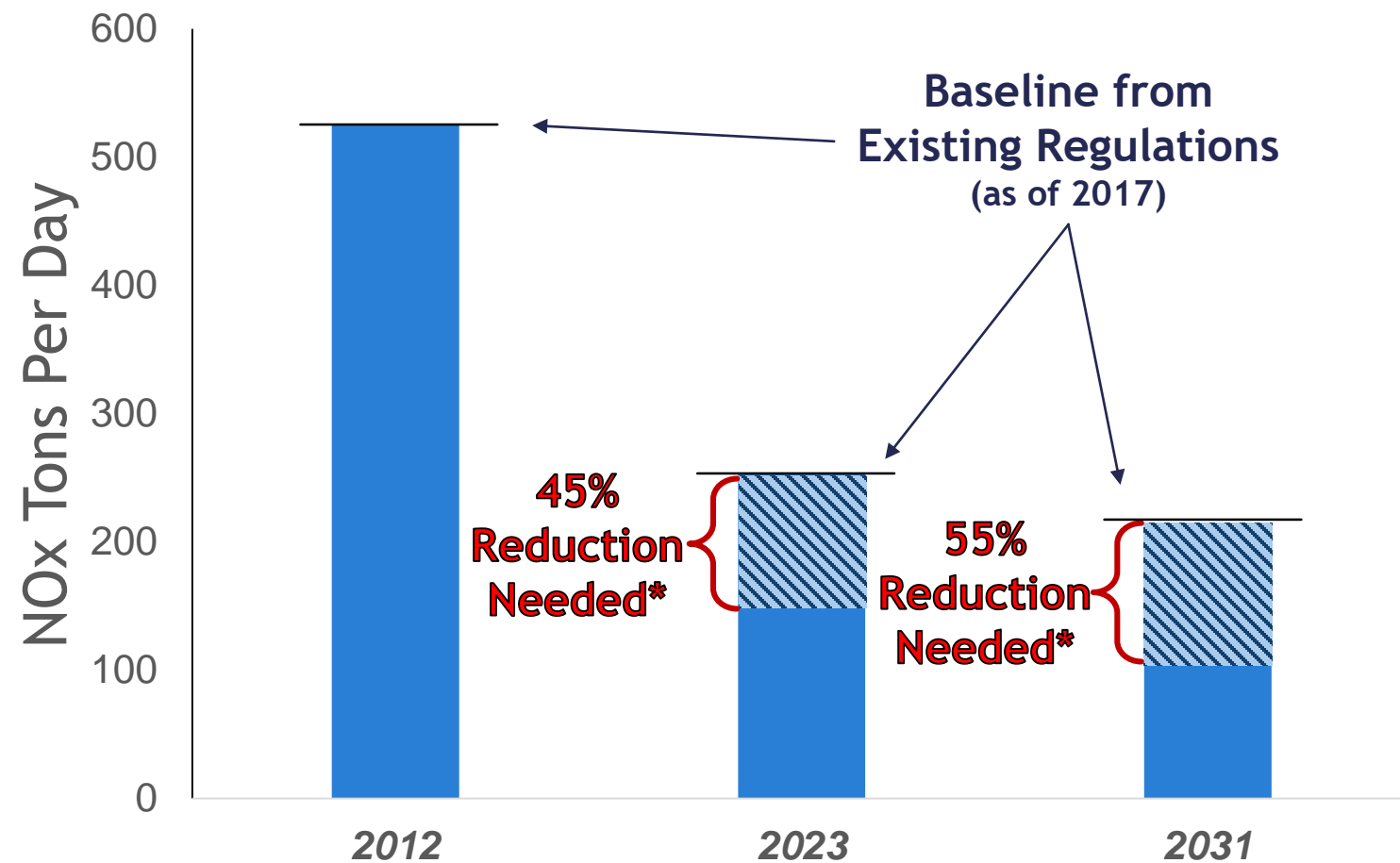
KEY AIR QUALITY CHALLENGE - REGIONAL AIR POLLUTION OZONE AND FINE PARTICULATE MATTER



Pollutant (attainment year deadline)

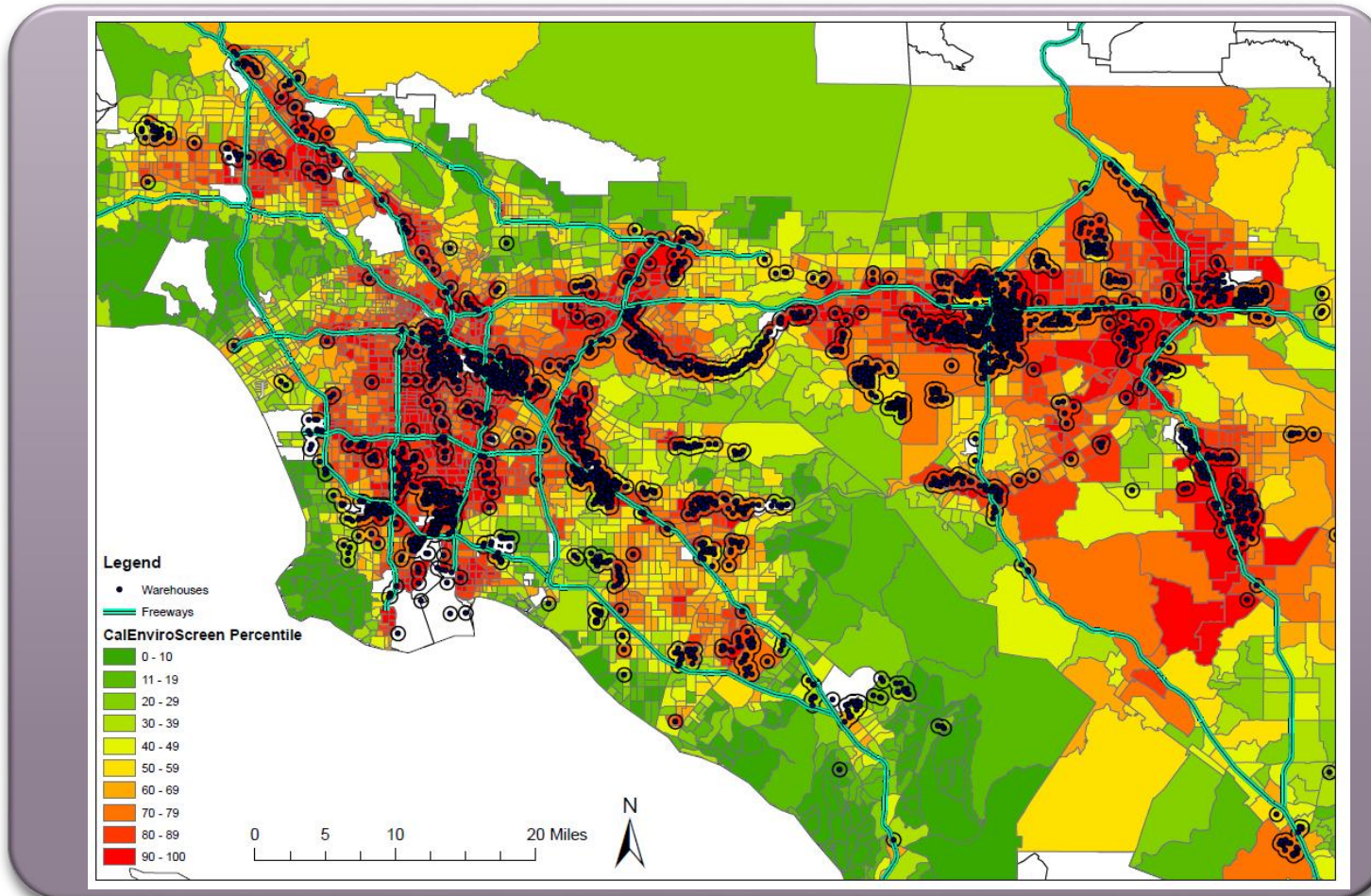
— Ozone (2037)	— Ozone (2031)	— Ozone (2023)
— Ozone (2022)	— Fine Particulate (2025)	— Fine Particulate (2019)

PRIMARY POLLUTANT OF CONCERN FOR OZONE AND FINE PM - NITROGEN OXIDES (NO_x)



*Reductions needed to meet federal ozone air quality standards

KEY AIR QUALITY CHALLENGE - LOCAL AIR QUALITY IMPACTS NEAR WAREHOUSES



CalEnviroScreen*
Percentile

(population-weighted average)

South Coast AQMD

61st

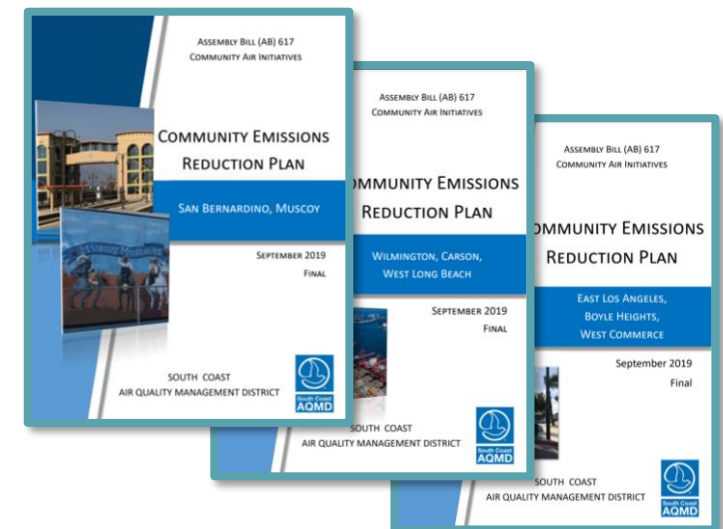
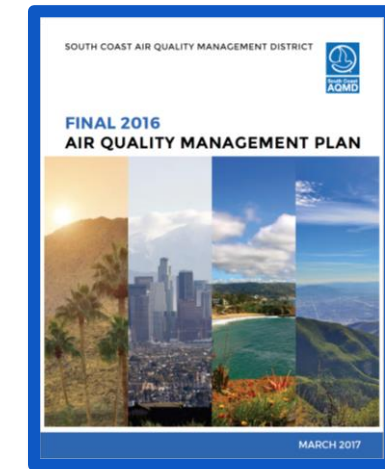
Communities <0.5 mi.
of a warehouse

80th

* 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>

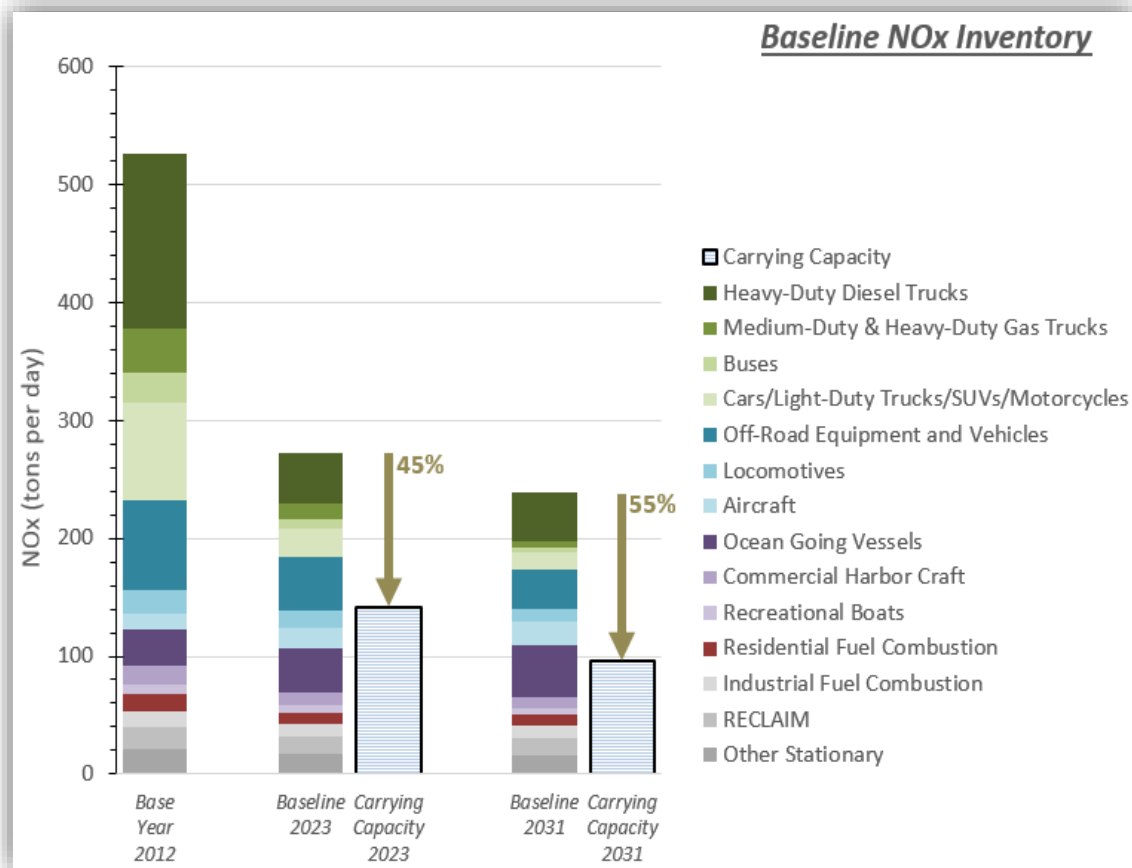
AIR QUALITY PLANS TO ADDRESS KEY AIR QUALITY CHALLENGES APPROVED BY SOUTH COAST AQMD

- 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)

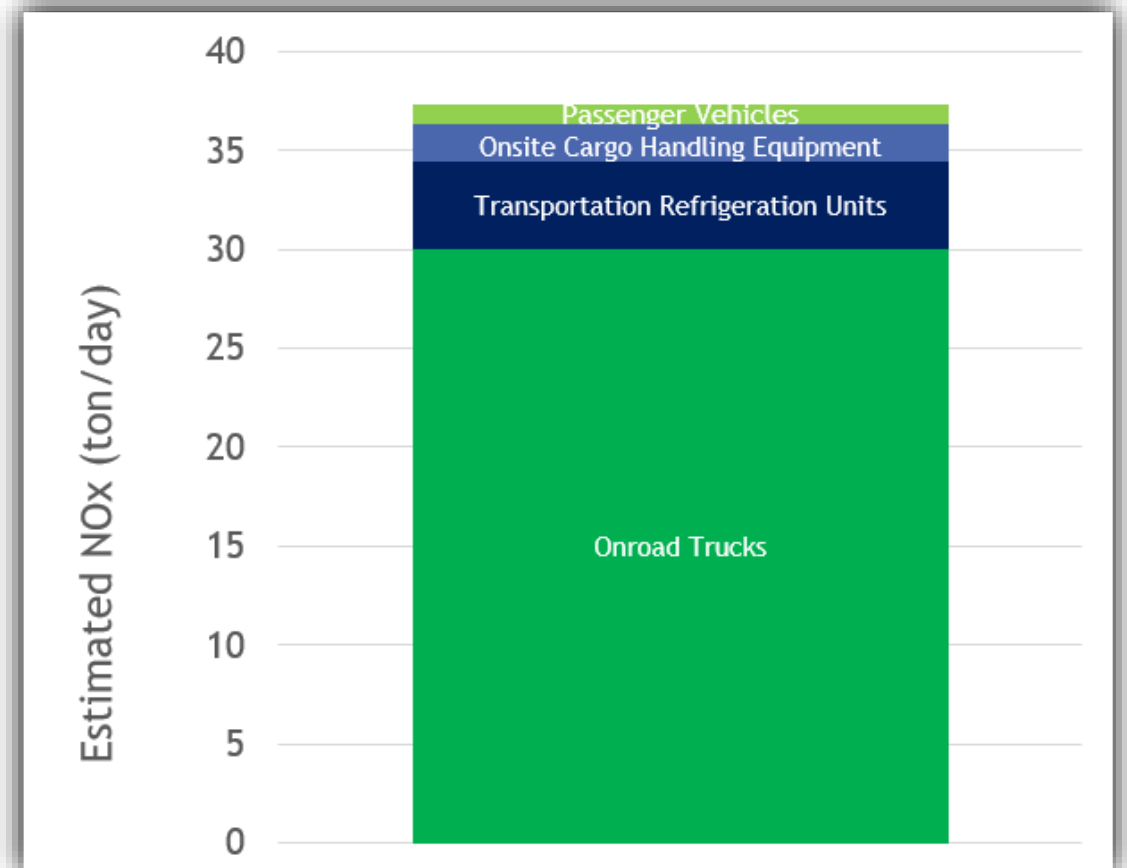


NOx EMISSION SOURCES

Total South Coast NOx Inventory



Estimated 2023 NOx Emissions Associated with Warehouses



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

Applicability

- Owners and operators of warehouses $\geq 100,000$ 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

Earn WAIRE Points Annually

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)*

Action/Investment	Action/Investment Details	Reporting Metric	Annualized Metric	WAIRE Points per Annualized Metric	Discounted WAIRE Points Subparagraph (d)(6)(A)
Acquire ZE/NZE Trucks in Warehouse Operator Fleet	ZE Class 8	Number of trucks	One truck acquired	126	126
	ZE Class 4-7			68	68
	ZE Class 2b-3			14	14
	NZE Class 8			55	55
	NZE Class 4-7			26	26
ZE/NZE Truck Visits	ZE Class 8	Number of visits	365 truck visits	51	33
	ZE Class 4-7			12	9
	ZE Class 2b-3			9	6
	NZE Class 8			42	24
	NZE Class 4-7			12	9
Acquire ZE Yard Truck		Number of yard trucks	One yard truck acquired	177	177
Use ZE Yard Truck		Hours of use	1,000 hours	291	51
Install Onsite ZE Charging or Fueling Infrastructure	Level 5 EVSE Purchase	Number of EVSE purchased	One EVSE purchased	118	118
	Level 4 EVSE Purchase			51	51
	Level 3 EVSE Purchase			26	26
	Level 2 EVSE Purchase			5	5
	TRU Plug EVSE Purchase			3	3
	Begin construction on Level 3, 4, or 5 charger project	First day of construction	One construction project	9	9
	Begin construction on Level 2 charger project			9	9
	Begin construction on TRU Plug project			5	5
	Finalize Level 3, 4, or 5 charger project	The latter of final permit sign off or charger energization	One construction project	59	59
	Finalize Level 2 charger project			9	9
Finalize TRU Plug project	7			7	
Hydrogen (H ₂) Station	Daily capacity of station in kilograms (kg)	One 700 kg/day station construction project	1,680	1,680	
Use Onsite ZE Charging or Fueling Infrastructure	Vehicle Charging	Kilowatt-hours (kWh) of dispensed electricity	165,000 kWh	42	24
	TRU Charging		10,658 kWh	10	3
	H ₂ Station Usage	Kg of dispensed H ₂	6,152 kg	43	25
Install Onsite Solar Panels	Rooftop	Size of system in kW	100 kW system	23	23
	Carport			27	27
Use Onsite Solar Panels		Energy production in kWh	165,000 kWh	2	2
Install High-Efficiency Filters or Filter Systems in Residences, Schools, Daycares, Hospitals, or Community Centers	Install Stand-Alone System	Number of systems installed	25 systems	55	55
	Install Filters	Number of filters installed	200 filters	51	51

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

PROPOSED RULE 316

- 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

RULE DEVELOPMENT PROCESS

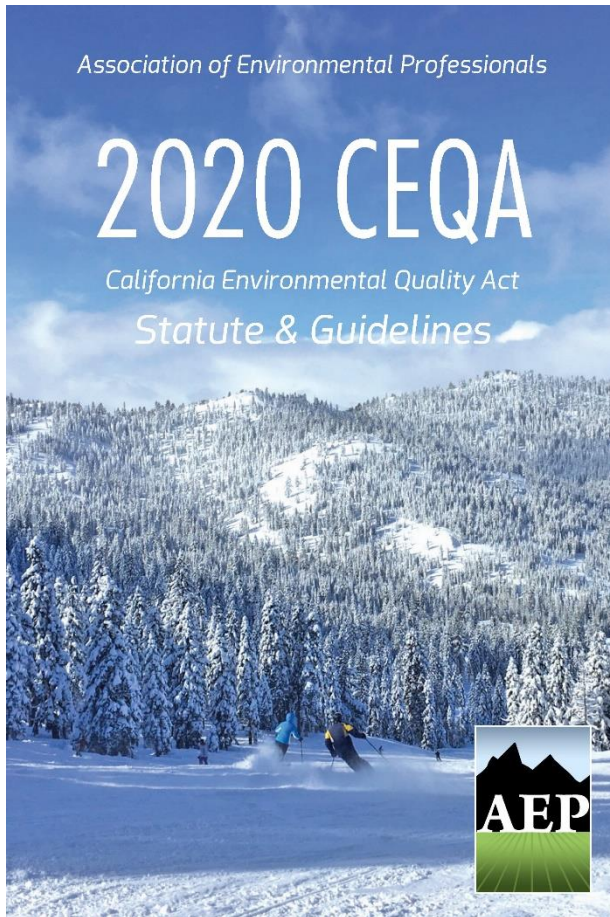


- Additional information available here:
www.aqmd.gov/fbmsm and
www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules
- Board consideration of PR 2305 & 316 anticipated late 1st quarter 2021
- Interested stakeholders are encouraged to attend future working groups and public workshop
 - Facility Based Measures email list sign-up: www.aqmd.gov/sign-up



Overview of the CEQA Process

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

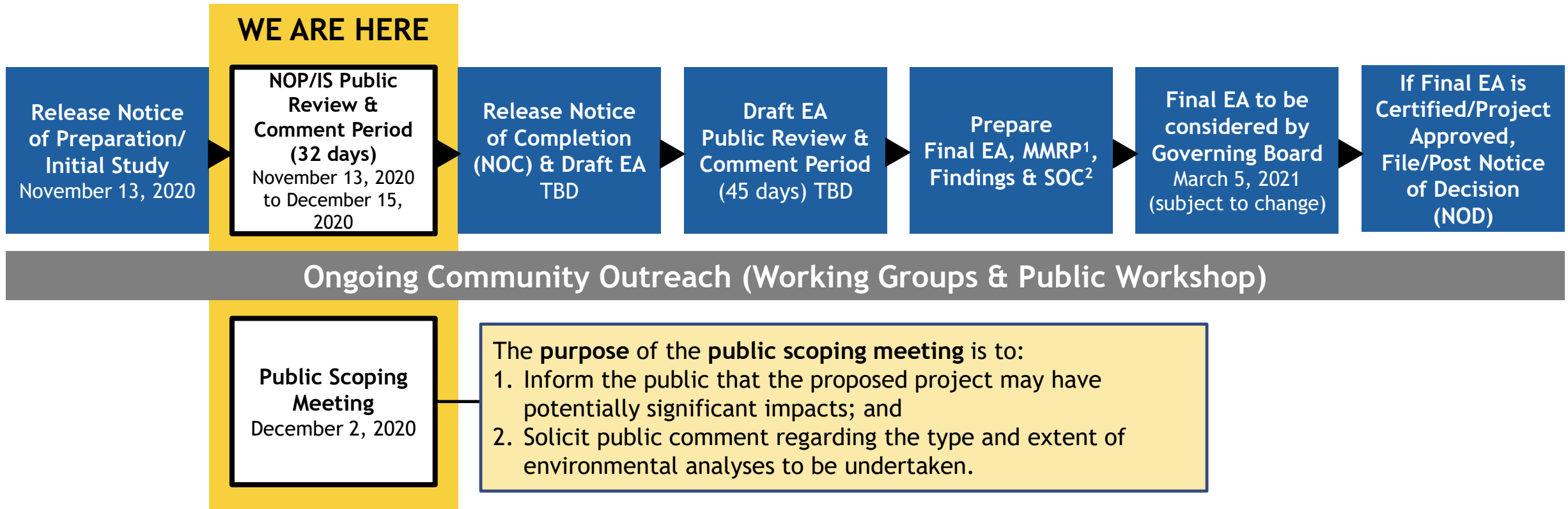


- CEQA is a California State Law adopted in 1970
- Informs the public and governmental decision-makers
- Discloses potential environmental impacts resulting from a proposed project
- Identifies ways to avoid or reduce adverse impacts through alternatives or mitigation measures
- Provides the opportunity for the public to comment on environmental issues
- Applies to projects undertaken by a Public Agency such as South Coast AQMD adoption of rules

CEQA PROCESS - OVERVIEW

- 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

CEQA PROCESS - SUMMARY



¹ Mitigation, Monitoring, and Reporting Plan

² Statement of Overriding Considerations

INITIAL STUDY - OVERVIEW

- **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

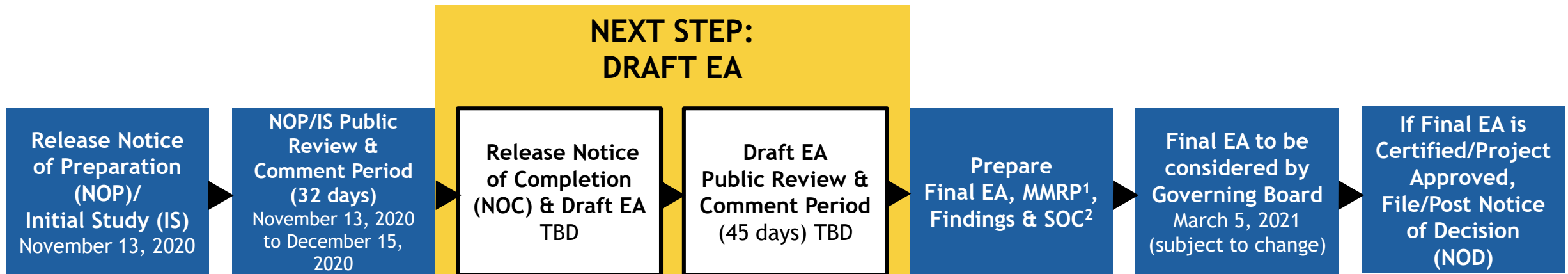
- Solid and Hazardous Waste

- **Transportation**

- Wildfire

The remaining environmental topic areas are NOT expected to be significantly impacted

CEQA PROCESS - NEXT STEP: DRAFT EA



Ongoing Community Outreach (Working Groups & Public Workshop)

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

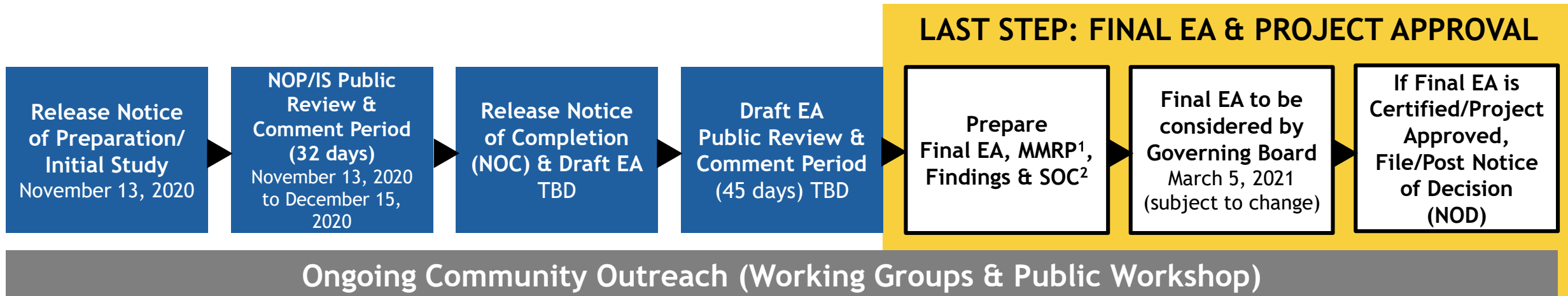
➤ The Draft EA will include the following:

- 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.

PUBLIC REVIEW OF DRAFT EA

- 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

CEQA PROCESS - LAST STEP: FINAL 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

¹ Mitigation, Monitoring, and Reporting Plan

² Statement of Overriding Considerations

FINAL 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

NOP/IS - PUBLIC REVIEW & COMMENT PERIOD

- 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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