



# Proposed Rule 2306 – Freight Rail Yards

## Working Group Meeting

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04/17/2024  
9:00 am (PST)  
South Coast AQMD

Join Zoom Webinar Meeting - from PC or Laptop

<https://scaqmd.zoom.us/j/92293212248>

Zoom Webinar ID: 922 9321 2248

Teleconference Dial In (669) 900-6833

# Agenda

Summary of Previous Working Group Meeting

Rule Overview

Rule Language Components

- Requirements
- Reporting
- Notifications
- Others

Next Steps

# Summary

## January Working Group Meeting

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January 17, 2024  
*~100 participants*

Provided background on PR 2306 rulemaking and overview of mobile emission sources at freight rail yards

Shared a preliminary overview of rule applicability and how PR 2306 would interact with state regulations

Introduced initial rule design for emission reduction and infrastructure reporting

# Stakeholder Feedback Received January Working Group Meeting

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Many community stakeholders expressed support for the initial rule concept presented and requested staff to:

Ensure accurate facility emission inventory for rule enforcement

Seek opportunities to reduce emissions beyond local implementation of recently adopted state rules

Consider earlier emission reduction targets than the proposed initial milestone year

# PR 2306 Overview

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# Purpose and Overview

## Reduce NOx Emissions Associated with Freight Rail Yards

- Ensure NOx reductions in our region are proportionally no less than statewide reductions from CARB's *In-Use Locomotive* and *Advanced Clean Fleets (ACF)* regulations
- Incorporates milestone reporting on the planning, development, and use of zero emission infrastructure
- Provide compliance flexibility by allowing:
  - Reductions from any mobile source attracted to freight rail yards
  - An optional compliance pathway for freight rail yards facing reduced throughput
- Effective upon federal approval

# Applicability

## Key Freight Rail Yards Potentially Subject to PR 2306

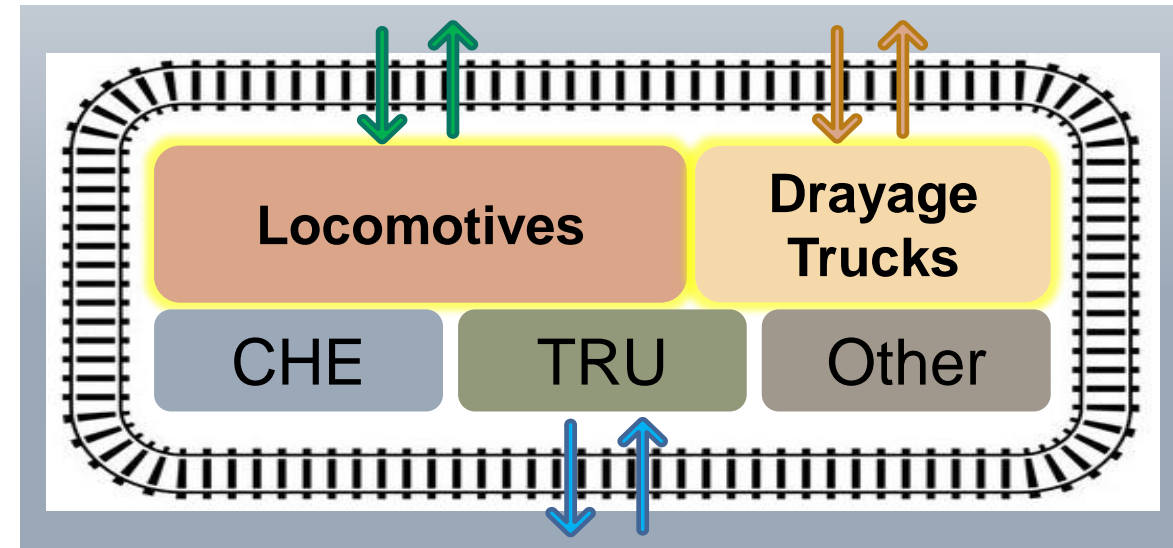


### Applies to:

- Freight rail yard owners or operators
- State or local government agencies who enter into a contractual agreement with freight rail yard owner or operator in relation to rail yard lease, construction, or operation

# Emission Sources At Freight Rail Yards

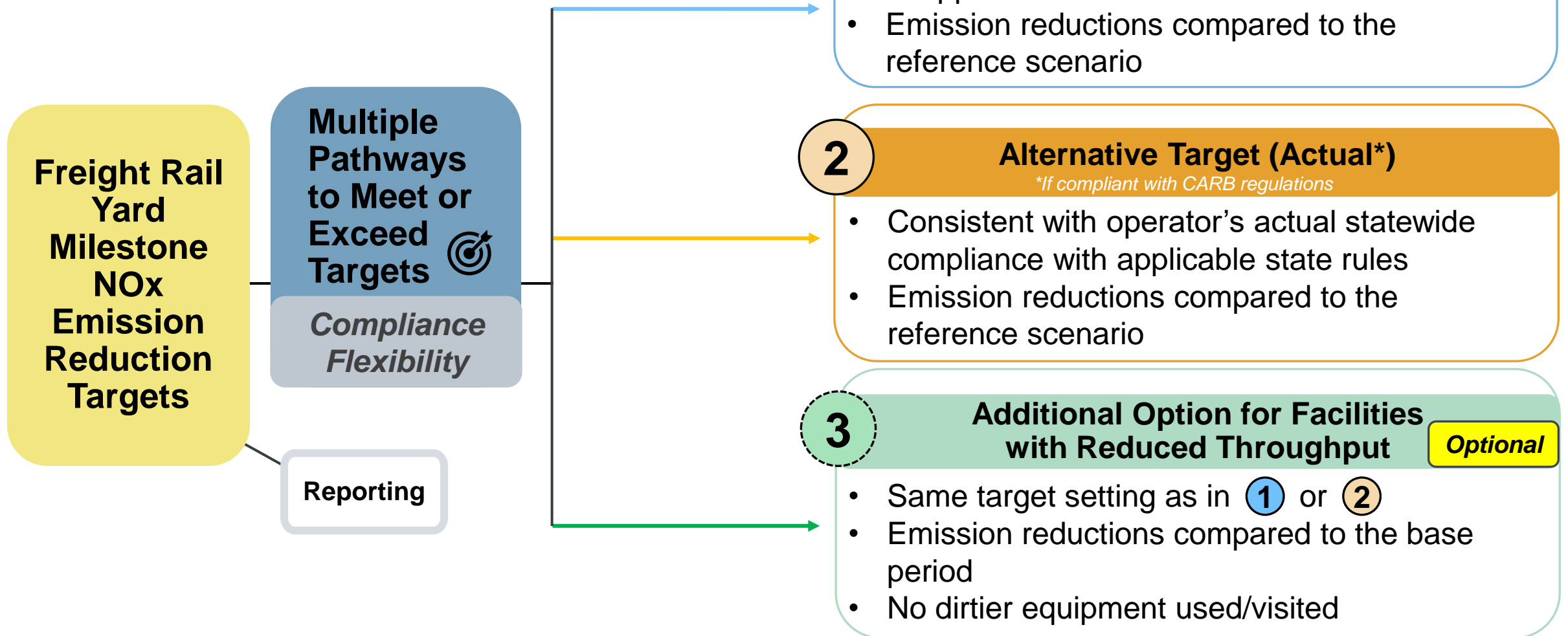
- PR 2306 is designed to reduce emissions from mobile sources attracted to freight rail yards
- CARB's recent regulations address locomotive and truck emissions but would not necessarily result in proportional reductions in the South Coast Air Basin
- PR 2306 builds off CARB regulations, but would allow reductions from all applicable mobile sources





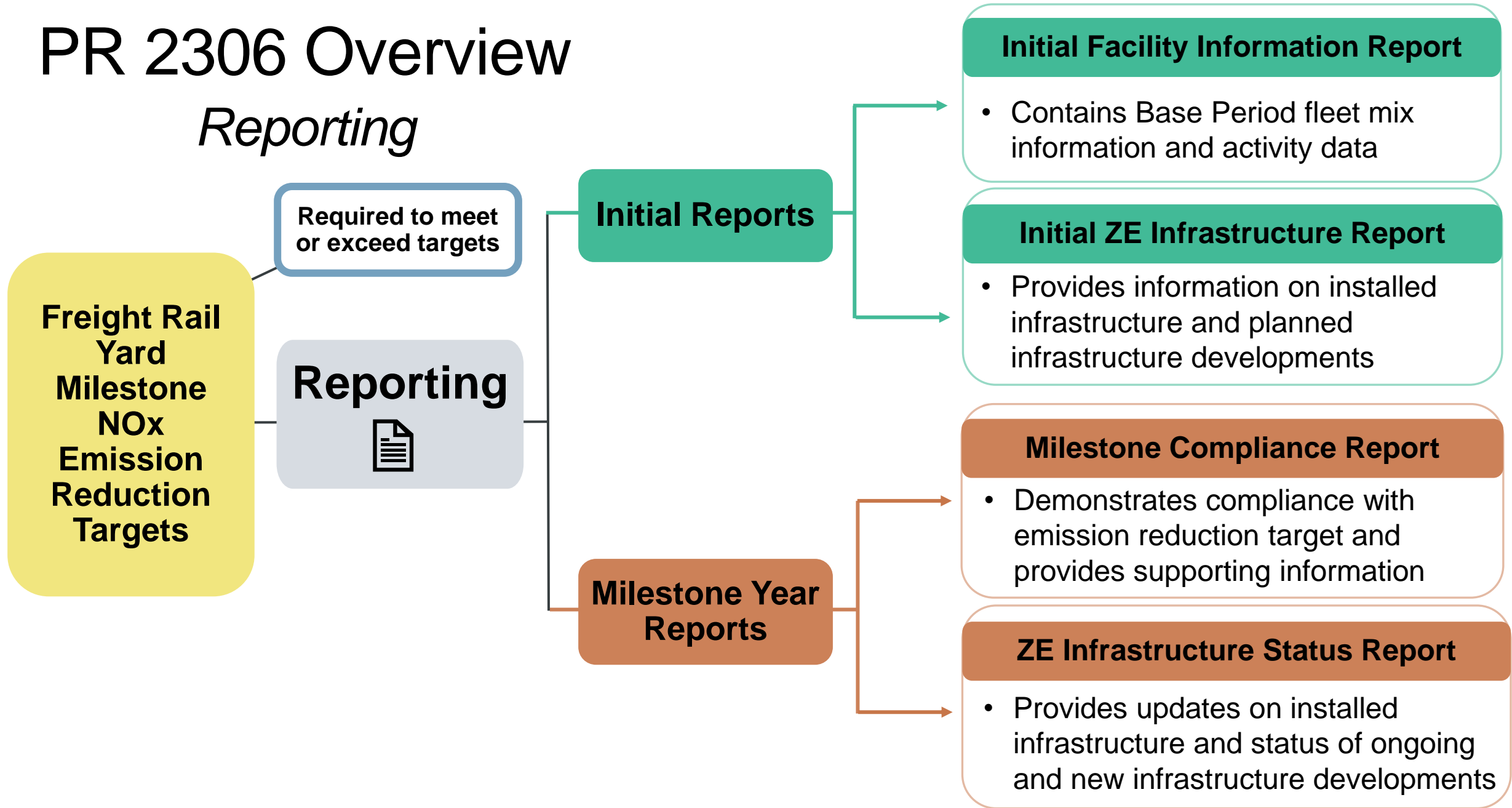
# PR 2306 Overview

## *Emission Reductions*



# PR 2306 Overview

## Reporting



# Emission Reductions Requirements

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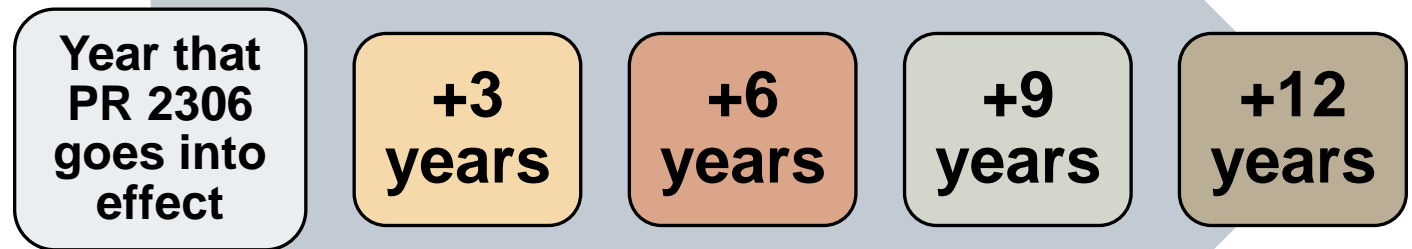
# Emission Reduction Requirements

## *Default Targets*

1

Meet or Exceed %  
**Default Emission  
Reduction Targets** for  
Each Milestone Year

### Milestone Years



*(Relative to a reference scenario absent PR 2306 and CARB's In-Use Locomotive and ACF regulations)*

- Percent emission reductions are predetermined based on projected statewide compliance with CARB's In-Use Locomotive and ACF regulations
- Projections conducted by CARB in its regulatory impact analysis<sup>1,2</sup>

<sup>1</sup> Regulatory impact analysis for In-Use Locomotive Regulation: <https://ww2.arb.ca.gov/rulemaking/2022/locomotive>

<sup>2</sup> Regulatory impact analysis for Advanced Clean Fleets Regulation: <https://ww2.arb.ca.gov/rulemaking/2022/acf2022>

# Emission Reduction Requirements

## *Alternative Targets\**

2

Meet or Exceed %  
**Alternative Emission  
Reduction Targets** for  
Each Milestone Year

### Milestone Years

Year that  
PR 2306  
goes into  
effect

**+3  
years**

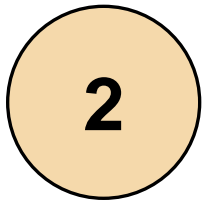
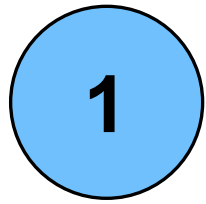
**+6  
years**

**+9  
years**

**+12  
years**

*(Relative to a reference scenario absent PR 2306 and CARB's In-Use Locomotive and ACF regulations)*

- Percent emission reduction to be determined based on actual compliance with CARB In-Use Locomotive and ACF regulations
- Freight rail yard operator must provide statewide data from all their freight rail yards in California to support alternative target setting



# Emission Reduction Requirements

## *Compliance Demonstration Using Rule Methodology*

- Facility emission reductions potentially consisting of:
  - Reductions from compliance with CARB's In-Use Locomotive and ACF regulations
  - Optional reductions from other mobile sources attracted to the freight rail yard
- Compared to the reference scenario emissions (calculated using rule methodology appendix)
- Facility demonstrates compliance by **meeting or exceeding emission reduction target ① or ②** for each milestone year

*Note: Reference scenario is absent of applicable state rules and PR 2306.*

# 3

## Emission Reduction Requirements

### *Additional Option for Facilities with Reduced Throughput*

- Additional option for freight rail yards with throughput in milestone year that is lower than base period, provided:
  - Equipment/vehicles must be no dirtier than base period
- Facility actual emissions in milestone year compared against base period
- Percent reduction must **meet or exceed emission reduction target** ① or ② for each milestone year

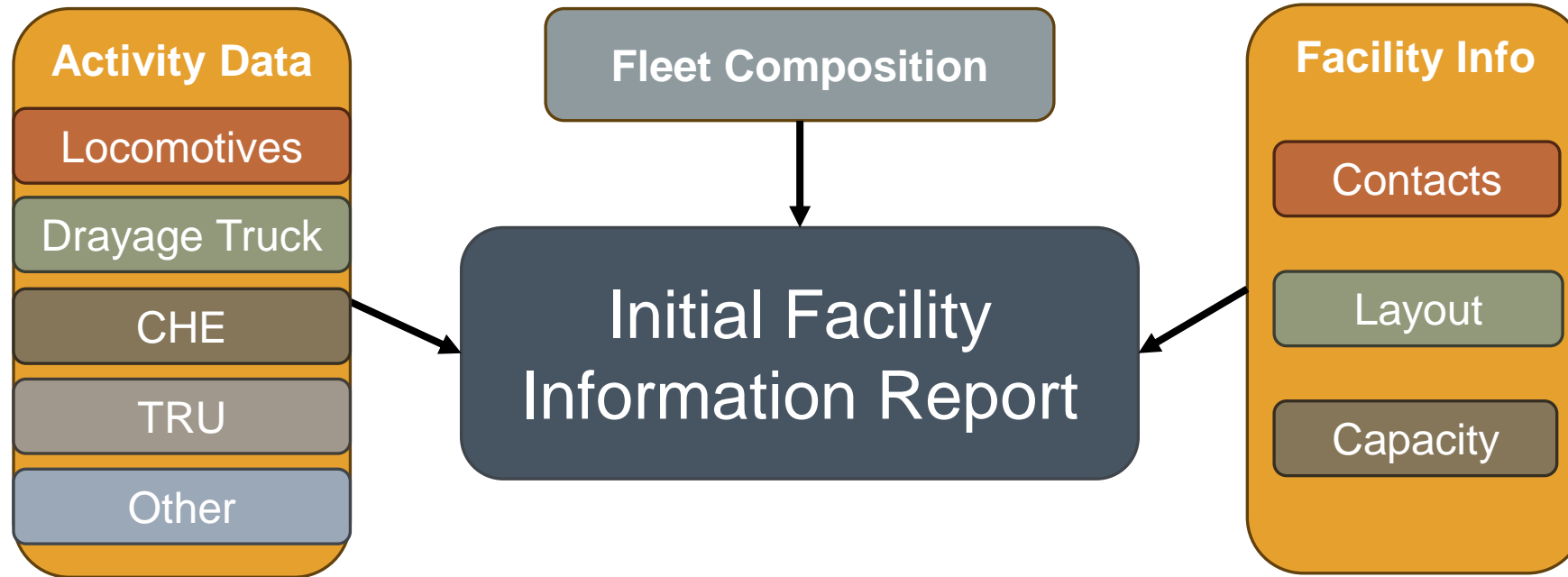
**Optional**

# Reporting Requirements

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# Initial Reports: Initial Facility Information Report



- Establishes a benchmark for activity at each freight rail yard
- Due no later than 90 calendar days after PR 2306 goes into effect or 90 calendar days after the second anniversary of a Freight Rail Yard beginning operations, whichever is later

# Initial Reports: Initial Zero Emission Infrastructure Report

## Initial Zero Emission Infrastructure Report

### ZE Infrastructure Development

#### On-Site

Installed

Ongoing

Planned

#### Off-Site

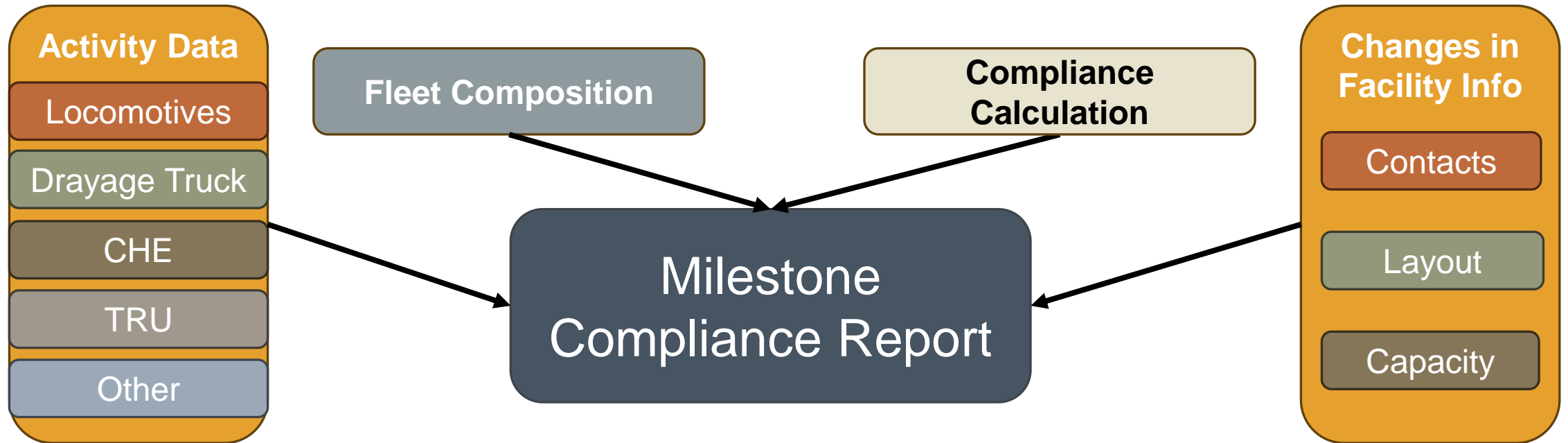
Installed

Ongoing

Planned

- Due no later than 90 calendar days after:  
(whichever is later)
  - PR 2306 becomes effective, or
  - Second anniversary date of a Freight Rail Yard beginning operations
- Provides information on any installed, ongoing, or planned infrastructure development to comply and/or support in implementation of state regulations and state SIP strategy\*
- May be submitted either per Freight Rail Yard or for a group of Freight Rail Yards under the same operator

# Milestone Reports: Milestone Compliance Report



- Provides calculations to demonstrate compliance with emission reduction target and periodic updates of facility operations
- Due no later than July 1<sup>st</sup> of the calendar year following a Milestone Year

# Milestone Reports: Zero Emission Infrastructure

## Zero Emission Infrastructure Status Update Report

### ZE Infrastructure Development

#### On-Site

Installed

Ongoing

Planned

#### Off-Site

Installed

Ongoing

Planned

- Due July 1<sup>st</sup> of the calendar year following a Milestone Year
- Provides updates on:
  - Annual usage of any installed infrastructure
  - Increments of progress on ZE infrastructure development
  - Newly planned projects
  - Long term planning
- May be submitted either per Freight Rail Yard or for a group of Freight Rail Yards under the same operator

# Notifications

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# Notifications

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Notifications are submitted to the Executive Officer when a qualifying event occurs that brings changes to reporting and compliance

## Change of Owner/Operator

- Reported no later than one month prior to the change of owner/operator
- Includes:
  - Updated facility contact information
  - Anticipated changes in facility information due to transition
- Subsequent notification from new owner/operator within one month after the change

## New Freight Rail Yard Proposal

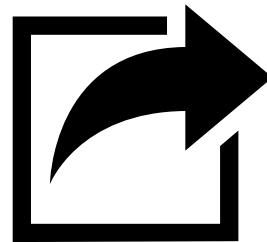
- Reported no later than 12 months prior to initial construction of the new freight rail yard or a freight rail yard beginning operation after PR 2306 becomes effective
  - Whichever is later
- Includes facility information, such as:
  - Facility Contact
  - Address and geographic Information
  - Estimated fleet information and anticipated capacity

# Notifications

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## Freight Rail Yard Shutdown

- No later than one month prior to permanent shutdown
  - Date of shutdown
  - Reason for ceasing operations



## Exceedance of Low Activity Exemption

- No later than Jan. 31 of the year after a freight rail yard exceeds the annual switching activity threshold
  - Initial Facility Information Report
  - Initial Zero Emission Infrastructure Report
- Provides onramp for previously exempted low-activity facilities to comply with PR 2306 requirements

# Freight Rail Yard Exemptions

PR 2306 includes the following exemptions for facilities meeting specific prerequisites:

**Low Activity Exemption**  
**Exempt from Emission Reductions and Reporting Requirements**

Not an intermodal rail yard  
**and**  
Annual switching activities occur less than a certain number of days

**Completely Exempt**

Used for on-port rail switching  
**and**  
Would be addressed by other rules under Regulation XXIII



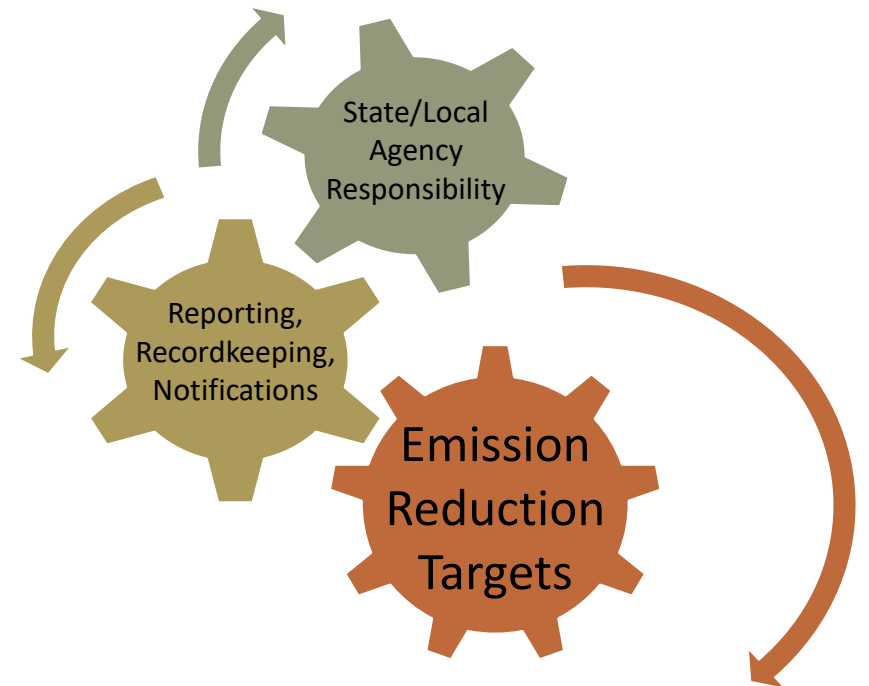
# State or Local Agency Responsibility

State and local government agencies play a role by including PR 2306 compliance requirements in contracts with freight rail yards

Any **state or local government agency** that opens/reopens a **contractual agreement** with a freight rail yard while PR 2306 is in effect must include terms for compliance with PR 2306 requirements including:

- Compliance with emissions reductions targets
- Compliance with reporting, notification, and recordkeeping requirements

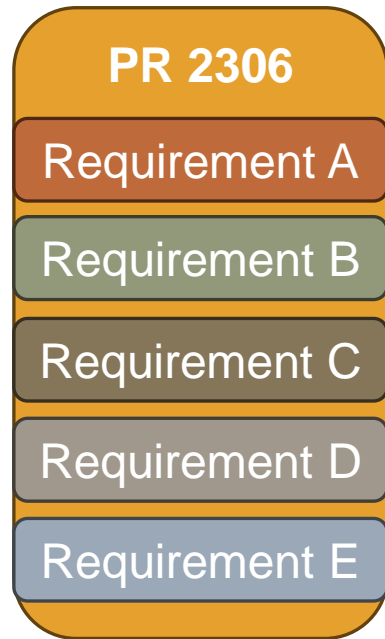
A **Contractual Agreement** is a legally enforceable written agreement entered into by two or more parties in relation to the lease, construction, or operation of a Freight Rail Yard.



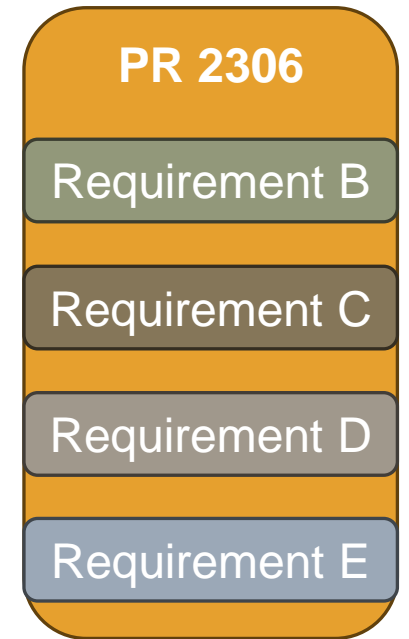
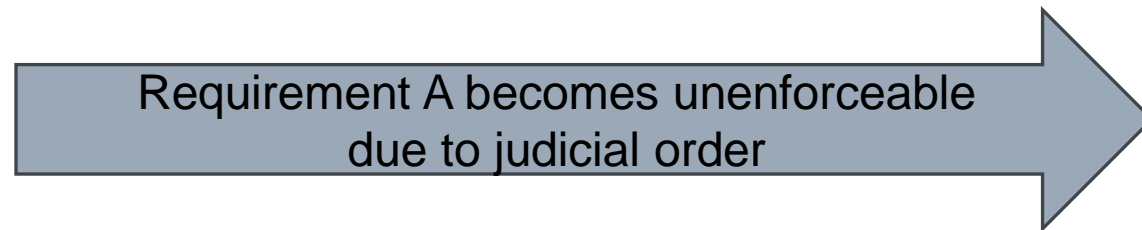
# Severability

PR 2306 includes a severability provision that allows the rule to continue to be in effect even if part of the rule may not be enforced.

## Hypothetical Example



Enforcement of PR 2306  
Before Ruling



Enforcement of PR  
2306 After Ruling

# Other

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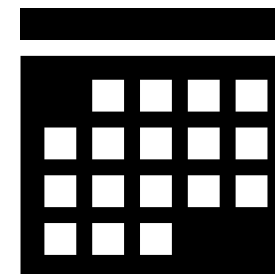
## ❑ Recordkeeping

- Records that document accuracy/validity of information
- Kept by Owner/Operator of Freight Rail Yard for at least seven years after submittal deadline
- Available to Executive Officer within 72 hours of their request



## ❑ Effective Date

- The provisions of this rule are effective on the date they are federally approved as part of the California State Implementation Plan



# PR 2306 Next Steps

Hybrid Public Workshop in late May 2024

In-Person Community Meetings in May-June 2024

Wilmington

Inland Empire

East Los Angeles

Public Hearing in August 2024

# Staff Contacts

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(click into "**Rail Yard and Intermodal Facilities**")