

**PROPOSED RULE 2305 WAREHOUSE INDIRECT SOURCE RULE –  
WAREHOUSE ACTIONS AND INVESTMENTS TO REDUCE EMISSIONS  
(WAIRE) PROGRAM**

(a) Purpose

The purpose of this rule is to reduce local and regional emissions, and to facilitate local and regional emission reductions associated with warehouses and the mobile sources attracted to warehouses.

(b) Applicability

This rule applies to owners and operators of warehouses located in the South Coast Air Quality Management District (South Coast AQMD) with greater than 100,000 square feet of indoor floor space in a single building.

(c) Definitions

For the purpose of this rule, the following definitions shall apply:

- (1) ALTERNATIVE ENERGY GENERATION EQUIPMENT means systems capable of generating electricity without the use of diesel or gasoline.
- (2) ALTERNATIVE-FUELED VEHICLE means a vehicle or engine that is not powered by gasoline or diesel fuel.
- (3) ALTERNATIVE FUELING STATION means fuel dispensing equipment for alternative-fueled vehicles.
- (4) CLASS 4 TRUCK means a truck with a Gross Vehicle Weight Rating (GVWR) of 14,001 to 16,000 pounds.
- (5) CLASS 5 TRUCK means a truck with a GVWR of 16,001 to 19,500 pounds.
- (6) CLASS 6 TRUCK means a truck with a GVWR of 19,501 to 26,000 pounds.
- (7) CLASS 7 TRUCK means a truck with a GVWR of 26,001 to 33,000 pounds.
- (8) CLASS 8 TRUCK means a truck with a GVWR of greater than 33,001 pounds.
- (9) ELECTRIC CHARGER means an electric charging station for vehicles. Each unique plug that can charge an individual vehicle at any time,

regardless of whether other electric chargers/plugs are operating, counts as one electric charger.

- (10) COLD STORAGE FACILITY means a distribution facility that temporarily stores perishable goods that are required to be either refrigerated or frozen.
- (11) DWELL TIME means the number of hours per day that a truck or tractor is parked at a warehouse.
- (12) LEVEL 2 CHARGER means electric vehicle supply equipment (EVSE) that can deliver an electric charge up to a rate of 19.2 kilowatts (kW).
- (13) LEVEL 3 CHARGER means EVSE that can deliver an electric charge between 19.2 and 50 kW.
- (14) LEVEL 4 CHARGER means an EVSE that can deliver an electric charge between 51 and 150kW.
- (15) LEVEL 5 CHARGER means an EVSE that can deliver an electric charge above 151 kW.
- (16) NEAR-ZERO EMISSIONS (NZE) TRUCKS means trucks or tractors with engines that meet the California Air Resources Board's lowest non-zero optional NO<sub>x</sub> standard as defined in the California Code of Regulations Title 13, section 1956.8.
- (17) NITROGEN OXIDES (NO<sub>x</sub>) mean the sum of nitric oxides and nitrogen dioxides emitted, calculated as nitrogen dioxide.
- (18) STRAIGHT TRUCK means a truck that carries cargo on the same chassis as the power unit and cab.
- (19) TRACTOR means a heavy duty Class 7 or 8 truck designed to pull a semi-trailer.
- (20) TRUCK CLASS means the size of a truck based on its GVWR.
- (21) TRUCK TRIP means the one-way trip that a truck or tractor makes to or from a site with at least one warehouse to deliver or pick up goods stored at that warehouse, for later distribution to other locations. A truck or tractor entering a warehouse site and then leaving that site counts as two trips.
- (22) WAREHOUSE means a facility consisting of one or more buildings that stores cargo, goods, or products on a short or long term basis for later distribution to businesses and/or retail customers.
- (23) WAREHOUSING ACTIVITIES means operations at a warehouse related to the storage and distribution of goods, including but not limited to the storage, labelling, sorting, consolidation and deconsolidation of products into different size packages. Supporting office administration, maintenance,

or manufacturing areas within the same warehouse building, that are physically separate from the warehouse area, are not considered warehousing activities for the purpose of this rule.

- (24) WAREHOUSE OPERATOR means the business entity who conducts day-to-day operations at a warehouse, either with its employees or through the contracting out of services for all or part of the warehouse operations.
- (25) WAREHOUSE OWNER means the business entity or entities who hold the deed to a warehouse.
- (26) WAREHOUSE SIZE means the indoor floor space, measured in square feet, of an individual warehouse building dedicated to warehousing activities.
- (27) YARD TRUCK means a tractor that moves trailers short distances at a warehouse, or to a nearby warehouse.
- (28) ZERO-EMISSION (ZE) TRUCK has the same meaning as “zero emission vehicle” defined in California Code of Regulations Title 13 Section 1963.

(d) Requirements

(1) Warehouse Points Compliance Obligation

For every 12-month period from July 1 through June 30, and according to the schedules in Table 1 and Table 2, warehouse operators shall earn the applicable WAIRE Points as specified in (1)(A). Except as specified in paragraph (d)(3), WAIRE Points shall only be earned for actions and investments completed during the compliance period while the warehouse operator occupied the warehouse. Subdivision (d) only applies to warehouse operators in buildings with greater than 100,000 square feet of floor area dedicated to warehousing activities.

- (A) The number of WAIRE Points that a warehouse operator must earn in the applicable compliance period shall be calculated according to the following equation.

$$WPCO = WATTs \times Stringency \times \left( \frac{Annual}{Variable} \right)$$

Where:

WPCO	= WAIRE Points Compliance Obligation, or the number of WAIRE Points that a warehouse operator must earn every year
WATTs	= Weighted Annual Truck Trips as calculated in (1)(B) or (1)(C), as applicable
Stringency	= XXX
Annual Variable	= As specified in Table 1

- (B) The Weighted Annual Truck Trips (WATTs) at a warehouse include all truck trips that occurred at a warehouse while the warehouse operator was responsible for operations during the 12 month compliance period. If a warehouse is occupied by more than one warehouse operator, the WATTs are calculated only for truck trips to or from that operator. WATTs shall be calculated according to the following equation.

$$WATTs = [Class\ 4\ to\ 7\ truck\ trips] + [2.5 \times Class\ 8\ truck\ trips]$$

Where:

Class 4 to 7 truck trips = All trucks or tractors that entered or exited a warehouse truck gate(s) or driveway(s) that are truck class 4, 5, 6, or 7. If truck class information is not available, Class 4 to 7 trucks are all straight trucks that entered or exited a warehouse truck gate(s) or driveway(s).

Class 8 truck trips = All class 8 trucks or tractors that entered a warehouse truck gate(s) or driveway(s). If truck class information is not available, Class 8 trucks are all tractors that entered or exited a warehouse truck gate(s) or driveway(s).

- (C) If a warehouse operator does not have information about the number of truck trips at a warehouse due to a force majeure event such as a destruction of records from a fire, the WATTs shall be calculated according to the following equation.

$$WATTs = \text{Days per Year} \times \text{Warehouse Size} \times \text{WTTR}$$

Where:

Days per Year = The number of days that the warehouse operator has operational control of the warehouse during the 12 month compliance period

Warehouse Size = Warehouse size in thousand square feet (tsf), as defined in subdivision (c)

WTTR = Weighted Truck Trip Rate, where:  
 Warehouses  $\geq 200,000$  = 0.95 trips/tsf/day  
 Warehouses  $\geq 100,000$  = 0.67 trips/tsf/day  
 Cold Storage Warehouses = 2.17 trips/tsf/day

(2) Determining the Number of WAIRE Points Earned

All WAIRE Points a warehouse operator earns shall be determined based on the values specified in the WAIRE Menu in Table 3.

(A) WAIRE Points may not be earned from WAIRE Menu items in Table 3 if those same actions or investments are required by a separate USEPA, CARB, or South Coast AQMD regulation during the compliance year in (d)(1). Actions or investments that go beyond USEPA, CARB, or South Coast AQMD regulation can earn WAIRE Points.

(3) Transferring WAIRE Points

WAIRE Points are not transferable, except as specified below in (A) through (C).

(A) Transferring WAIRE Points to a Different Warehouse

If a warehouse operator conducts warehousing activities at more than one warehouse, then WAIRE Points earned for one warehouse may be used at the other warehouse(s) under the operational control of that same warehouse operator. Only those points that are earned in excess of a warehouse operator's WAIRE Points Compliance Obligation at that site may be transferred. Any WAIRE Points transferred to a different warehouse shall be calculated using the values specified in the WAIRE Menu in Table 3.

(B) Transferring WAIRE Points to a Different Compliance Year

If a warehouse operator earns more WAIRE Points than is required for its annual Warehouse Points Compliance Obligation, then it may use those remaining WAIRE Points at the same warehouse to satisfy its Warehouse Points Compliance Obligation in any of the following three years.

(i) WAIRE Points may not be transferred to a subsequent compliance year if the WAIRE Menu items used to earn WAIRE Points are required by a USEPA, CARB, or South Coast AQMD regulation in that subsequent year.

(C) Transferring WAIRE Points Between a Warehouse Owner and a Warehouse Operator

A warehouse owner may earn WAIRE Points during a compliance period using the method specified in (d)(2) or may have WAIRE Points transferred to them from the warehouse operator at that site. The warehouse owner may transfer these WAIRE Points to any warehouse operator at the site where the WAIRE Points were earned within a three year period after the points were earned.

(4) Warehouse operators shall submit an annual WAIRE Report in the manner specified by the Executive Officer no more than 30 days after July 1 every year, beginning with the schedule in Table 2. The annual WAIRE Report shall include the information described in (e)(3) to demonstrate how the warehouse operator satisfied the requirement of paragraph (d)(1) in the preceding compliance period.

(A) If a warehouse operator vacates a warehouse prior to June 30 in any year that they must satisfy an annual WAIRE Points Compliance Obligation, then the Annual WAIRE Report shall be submitted to South Coast AQMD no later than the date that they vacate the warehouse.

(e) Reporting, Notification, and Recordkeeping Requirements

(1) Warehouse Operations Notification

The warehouse owner shall notify the South Coast AQMD within two months of rule passage and also no later than two weeks after any of the following conditions:

- (A) A new warehouse operator has taken over operational control of a warehouse with more than 100,000 square feet dedicated to warehousing activities,
  - (B) A warehouse building has been modified and the total warehouse space dedicated to warehousing activities has been changed
  - (C) Upon request of the Executive Officer.
- (2) The notification required in (e)(1) shall be made in the manner specified by the Executive Officer. The notification shall include:
- (A) The business name and contact information of the warehouse operator
  - (B) The duration of the current lease term
  - (C) The warehouse size(s) and the square footage dedicated to warehousing activities under the operational control of the current warehouse operator(s) at a site
  - (D) The business name and contact information of the previous warehouse operator and the end date of the previous warehouse operator's warehousing activities at that site, if applicable.
- (3) Initial Site Information Report
- The warehouse operator shall submit an Initial Site Information Report by January 1 of the year that they must submit their first annual WAIRE Report for that facility, or within 30 days of a request by the Executive Officer. The Initial Site Information Report shall include information as specified in subparagraphs (A) through (G) below.
- (A) The Initial Site Information Report shall include the warehouse size, and the square footage dedicated to warehousing activities. If the warehouse building has less than 100,000 square feet dedicated to warehousing activities, then no additional information in subparagraphs (B) through (G) below is required.
  - (B) The Initial Site Information Report shall include truck trip data, including:
    - (i) Number of truck trips in the previous 12 month period for the warehouse operator at that warehouse
    - (ii) Number of truck trips anticipated for the next applicable 12 month compliance period in subdivision (d)
    - (iii) For the purposes of this paragraph, truck trips shall be reported in two categories. The first category shall include

all trucks or tractors using a facility's truck gate or driveway that are truck class 4 through truck class 7. The second category shall include all trucks and tractors that are truck class 8.

- (C) If the warehouse operator owns or leases on-road trucks or tractors, the Initial Site Information Report shall include fleet data including:
  - (i) Number of trucks and tractors in the fleet, by truck class, and fuel type
  - (ii) Total VMT by truck class and fuel type
  - (iii) Typical dwell time at the facility by truck class
- (D) If the warehouse has an alternative fueling station(s) or electric charging station(s) located onsite, the Initial Site Information Report shall include:
  - (i) Number of electric chargers/alternative fueling stations installed. The report must include the level for each electric charging station. For alternative-fueling stations, the report must include the fuel type, maximum fuel dispensing rate, the maximum amount of fuel that can be dispensed daily, and the pressure of the fueling system, if applicable.
  - (ii) Types of vehicles served
  - (iii) Total fuel dispensed or charging provided in the previous 12 month period
- (E) If the warehouse has yard trucks that are based at that site, the Initial Site Information Report shall include:
  - (i) Number of yard trucks
  - (ii) Fuel type and engine size
  - (iii) Total annual hours of operation of all yard trucks
- (F) If the warehouse has onsite alternative energy generation equipment and/or onsite energy storage equipment, the Initial Site Information Report shall include:
  - (i) The type and rated capacity of the alternative energy generation system in kilowatts and kilowatt hours per year, and/or rated capacity of the energy storage system in kilowatt-hours, as applicable.



- (ii) The total energy generation and/or usage of the energy storage system in kilowatt hours expected during the next applicable 12 month compliance period in subdivision (d).
  - (G) The Initial Site Information Report shall include the anticipated categories from the WAIRE Menu that the warehouse operator expects to use for the next applicable 12 month compliance period in subdivision (d). The actual WAIRE Menu items used for compliance in the next applicable 12 month compliance period can be from those reported in the Initial Site Information Report, or from any other category in the WAIRE Menu.
- (4) Annual WAIRE Report
  - Annual WAIRE Reports required under subdivision (d) shall contain information as specified in subparagraphs (A) and (B) below. Annual WAIRE Reports shall be made in the manner specified by the Executive Officer.
  - (A) The Annual WAIRE Report shall include truck trip data, including:
    - (i) Number of truck trips during the compliance period in (d)(1)
    - (ii) Truck trips shall be reported the same as in (e)(3)(B)(iii)
  - (B) For every WAIRE Menu item used to earn WAIRE Points, the WAIRE Annual Report shall contain the information specified in Table 3
- (5) Recordkeeping
  - Records which document the accuracy and validity of all information submitted to the South Coast AQMD as required by this Rule shall be kept by the warehouse operator or owner as applicable, for a minimum of seven years and made available upon request during normal business hours.
- (f) Mitigation Fee
  - If a warehouse operator does not earn a sufficient number of WAIRE Points to satisfy the WAIRE Points Compliance Obligation in (d)(1), they shall pay a mitigation fee to make up the difference according to the schedule below.
    - (1) The mitigation fee rate shall be equal to \$XX for each WAIRE Point.
    - (2) In any one compliance year, if a warehouse operator does not complete at least 50% of their WAIRE Points Compliance Obligation through the earning of WAIRE points from Table 3, the following year the mitigation

fee rate shall be ten percent more than the dollar value per WAIRE Point that the warehouse operator paid in the previous year.

**(g) Severability**

If any provision of this rule is held by judicial order to be invalid, or invalid or inapplicable to any person or circumstance, such order shall not affect the validity of the remainder of this rule, or the validity or applicability of such provision to other persons or circumstances. In the event any of the exceptions to this rule are held by judicial order to be invalid, the persons or circumstances covered by the exception shall instead be required to comply with the remainder of this rule.

DRAFT

**Table 1 – Annual Variable**

<b>WAIRE Report Year*</b>	<b>Annual Variable</b>
First Year	XX
Subsequent Years	XX
Etc.	XX
	XX
	XX

\* This is the year that a warehouse submitted its Annual WAIRE Report.

**Table 2 – Initial Requirement Date**

<b>Warehouse Size (sq. ft.)</b>	<b>Initial Reporting Date</b>
$\geq 250,000$	July 30, 2021
$\geq 150,000$	August 2, 2022
$\geq 100,000$	August 1, 2023

**Table 3 – WAIRE Menu**

<b>WAIRE Menu Item</b>	<b>WAIRE Menu Sub-Item</b>	<b>Reporting Metric</b>	<b>WAIRE Points per Reporting Metric</b>	<b>WAIRE Points Transferred to Another Site per Reporting Metric</b>	<b>WAIRE Annual Reporting Components</b>
Acquire ZE/NZE Truck		Number of Trucks			
NZE/ZE Truck Visits		Number of Visits			
Acquire ZE Yard Truck		Number of Yard Trucks			
Use ZE Yard Truck		Annual kWh of Use			
Install Onsite ZE Charging or Fueling Infrastructure	EVSE Purchase	Number Purchased			
	Construction Mobilization	First day of construction			
	Final Permit Sign-Off and Energization	Latter of Permit Sign-Off or Energization			
	Hydrogen Station	Total kg of Dispensed H <sub>2</sub> Daily Capacity			
Use Onsite ZE Charging or Fueling Stations		kWh or kg of dispensed fuel			
Install Onsite Energy Systems		Estimated Annual Production			
Use Onsite Energy Systems		Annual kWh used or produced			
Community Benefits	Install Air Filtration at Sensitive Receptors	Number of Systems Installed			