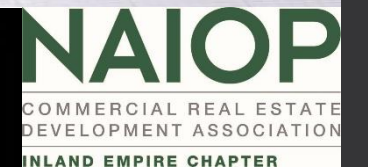




South Coast Air Quality Management District Warehouse ISR Overview

February 2021



Housekeeping Items

- **This session is being recorded**
- **All lines are on mute**
- **Feel free to use the “Q&A” function to ask any questions.**
- **These slides will be made available to all webinar attendees**

Warehouse ISR: Who Does this Apply To?

(b) Applicability

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

(d) Requirements

(1) Warehouse Points Compliance Obligation

Beginning with the Initial Reporting Date in Table 1, a warehouse operator shall earn the applicable WAIRE Points, for the prior 12-month period from July 1 through June 30, in the amount specified in subparagraph (d)(1)(A). WAIRE Points shall only be earned for actions and investments completed during the compliance period while the warehouse operator used the warehouse, except as specified in paragraph (d)(6). Only warehouse operators in buildings with greater than or equal to 100,000 square feet of floor area that may be used for warehousing activities and who operate at least 50,000 square feet of the warehouse are required to earn WAIRE Points.

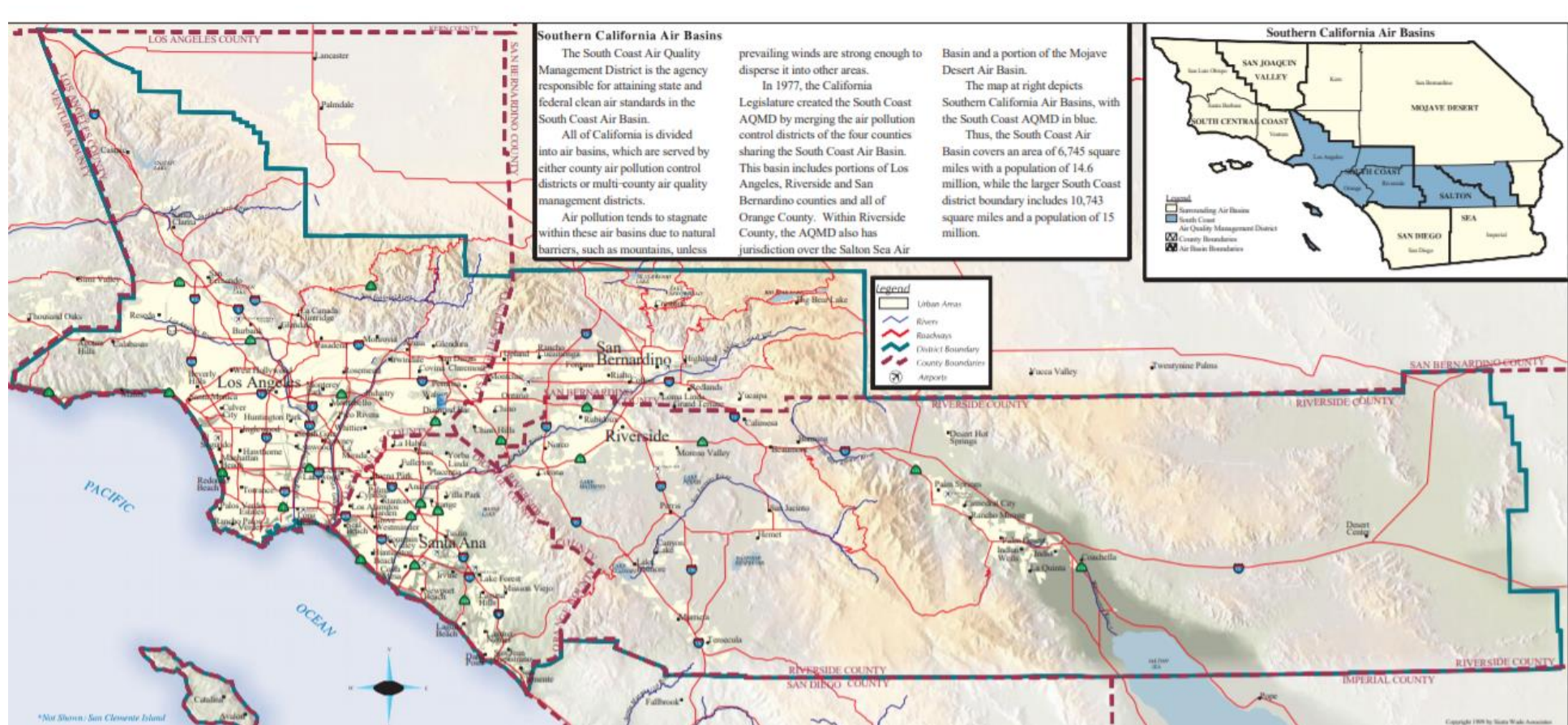
Warehouse ISR: Who Does this Apply To?

(31) WAREHOUSE means a building that stores cargo, goods, or products on a short- or long-term basis for later distribution to businesses and/or retail customers.

(37) 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, manufacturing areas, or retail sales areas open to the general public, within the same warehouse building, that are physically separate from the warehouse area, are not considered warehousing activities for the purpose of this rule.

Warehouse ISR: Who Does this Apply To?

List of Warehouse Addresses that May Be Subject to ISR Rule



Review of Proposed Warehouse ISR

- Your Annual Compliance Obligation is Generated by # of Truck Trips

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

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 subparagraph (d)(1)(B) or (d)(1)(C), as applicable
- Stringency = 0.0025 WAIRE Points per WATT
- Annual Variable = As specified in Table 2

The Weighted Annual Truck Trips (WATTs) at a warehouse include all actual truck trips that occurred at a warehouse while the warehouse operator was responsible for warehousing activities during the compliance period. If a warehouse is used by more than one warehouse operator, the WATTs are calculated only for truck trips to or from that operator. Actual truck trip data to a warehouse shall be collected by the warehouse operator using methods that contemporaneously record the truck trips and that are verifiable.

WATTs shall be calculated according to the following equation and as specified in the WAIRE Program Implementation Guidelines.

$$WATTs = [Class 2b to 7 truck trips] + [2.5 \times Class 8 truck trips]$$

Table 2 – Annual Variable

Annual WAIRE Report Year*	Annual Variable		
	Phase 1	Phase 2	Phase 3
2022	0.33	0	0
2023	0.67	0.33	0
2024	1.0	0.67	0.33
2025	1.0	1.0	0.67
2026 and beyond	1.0	1.0	1.0

* This is the year that a warehouse is first required to submit its Annual WAIRE Report.

Review of Proposed Warehouse ISR

- Example using default Truck Trip value in rule (0.95 trips per thousand sq ft per day) for a 500k sq ft facility in 2024
- $0.95 \times 500 = 475$ trips per day or 173,375 annual trips
- **433** WPCO = $173,375 \times .0025 \times 1$

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

WAIRE Point Menu

Table 3 WAIRE Menu

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
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	1	1
Install MERV 16 or greater Filters or Filter Systems in Residences, Schools, Daycares, Hospitals, or Community Centers	Install Stand-Alone System	Number of systems installed	25 systems	55	55
	Replace Filters	Number of filters replaced	200 filters	51	51

Review of Proposed Warehouse ISR

- Example using default Truck Trip value in rule (0.95 trips per thousand sq ft per day) for a 500k sq ft facility in 2024
- $0.95 \times 500 = 475$ trips per day or 173,375 annual trips
- $173,375 \times .0025 \times 1 = 433$ WAIRE Point Obligation

- 433 WAIRE Points Equal...
 - 4 Zero Emission Class 8 Truck Purchases; or
 - 8 Near-Zero Emission Class 8 Truck Purchases; or
 - 31 Zero Emission Class 2b/3 Truck Purchases; or
 - 1 Zero Emission Yard Truck Purchased and Used at least 1,000 hours; or
 - 3,099 Zero Emission Class 8 Truck Visits; or
 - 3,763 Near-Zero Emission Class 8 Truck Visits; or
 - \$433,000 Mitigation Fee paid to District (1 WAIRE Point = \$1,000)

Review of Proposed Warehouse ISR

- Example using default Truck Trip value in rule (2.17 trips per thousand sq ft per day) for a 500k sq ft **COLD STORAGE** facility in 2024
- $2.17 \times 500 = 1085$ trips per day or 396,025 annual trips
- $396,025 \times .0025 \times 1 = 990$ WAIRE Point Obligation

- 990 WAIRE Equals...
 - 8 Zero Emission Class 8 Truck Purchases; or
 - 18 Near-Zero Emission Class 8 Truck Purchases; or
 - 71 Zero Emission Class 2b/3 Truck Purchases; or
 - 3 Zero Emission Yard Truck Purchased and Used at least 1,000 hours; or
 - 7,085 Zero Emission Class 8 Truck Visits; or
 - 8,604 Near-Zero Emission Class 8 Truck Visits; or
 - \$990,000 Mitigation Fee paid to District (1 WAIRE Point = \$1,000)

Review of Proposed Warehouse ISR

- WAIRE Point Compliance Obligation accrues every year based on actual number of truck trips over past 12 month period (July 1 – June 30).
- You may overcomply and bank points in any given year towards a future year's WPCO, but banked points expire after 3 years. No credit for existing projects.
- Entities with multiple regulated sites may transfer points between facilities, but at “discounted rate” on WAIRE Menu.
- Warehouse operator may submit “custom WAIRE plan”, subject to approval by Executive Officer.
- No WAIRE points for actions required by State and Federal regulation.

(A) WAIRE Points may not be earned from WAIRE Menu items in Table 3 if those same actions or investments are required by separate United States Environmental Protection Agency (U.S. EPA), California Air Resources Board (CARB), or South Coast AQMD rules and regulations during the compliance period in paragraph (d)(1). Actions or investments that go beyond U.S. EPA, CARB, or South Coast AQMD rules and regulations can earn WAIRE Points.

Review of Proposed Warehouse ISR

- **Initial site reports due January 15 of year of initial requirement date. Must report:**
 - # of truck trips in past 12 months and anticipated # truck trips in next 12 months by class (2b-7 straight trucks vs. 8 tractors)
 - If applicable, fleet data (# trucks, VMT, dwell time, owned vs. leased)
 - Info on alt fuel stations, info on solar, info on yard trucks
- **Annual WAIRE report**
 - Report actual/anticipated truck trips
 - Remit WAIRE points
 - Unknown administrative, recordkeeping, & audit requirements. Staff indicates they will publish separate reporting guidelines.

Proposed Rule 2305

Table 1 – Initial Requirement Date

Phase	Warehouse Size (square feet)	Initial Reporting Date	Initial Compliance Period
1	≥ 250,000	August 2, 2022	The latter of the rule adoption date or July 1, 2021 to June 30, 2022
2	≥ 150,000- <250,000	August 1, 2023	July 1, 2022 to June 30, 2023
3	≥ 100,000- <150,000	July 31, 2024	July 1, 2023 to June 30 2024

Review of Proposed Warehouse ISR

- Phase-in schedule
 - 3 year phase-in
 - Increased variable in future?

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

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 subparagraph (d)(1)(B) or (d)(1)(C), as applicable

Stringency = 0.0025 WAIRE Points per WATT

Annual Variable = As specified in Table 2

Phase	Warehouse Size (square feet)
1	≥ 250,000
2	≥ 150,000- <250,000
3	≥ 100,000- <150,000

Table 2 – Annual Variable

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2022	0.33	0	0
2023	0.67	0.33	0
2024	1.0	0.67	0.33
2025	1.0	1.0	0.67
2026 and beyond	1.0	1.0	1.0

* This is the year that a warehouse is first required to submit its Annual WAIRE Report.

Review of Proposed Warehouse ISR

- **Warehouse Owner Requirements:**

- Must submit warehouse operations notification
 - Within 60 days of rule adoption
 - Within 14 days of new warehouse operator
 - Within 30 days of renovation w/ increase/decrease of warehouse space
 - Within 3 days of Executive Officer Request

(1) Warehouse Operations Notification

The notification required pursuant to subparagraph (d)(7)(A) shall be made in the manner specified by the Executive Officer and the WAIRE Program Implementation Guidelines. The notification shall include:

- (A) The legal name and contact information of any entity leasing at least 50,000 square feet of space at that warehouse and of the warehouse facility owner and land owner, or an affirmation if no entities lease at least 50,000 square feet of space at that warehouse;
- (B) The duration of the current lease term, if applicable;
- (C) The warehouse size(s) and the square footage that may be used for warehousing activities by each entity leasing at least 50,000 square feet of space at a warehouse; and
- (D) The last known legal name and contact information of the previous entity or entities leasing at least 50,000 square feet of space at that warehouse and the end date of the previous entity's lease, if applicable; and
- (E) How many square feet of the warehouse is used by the warehouse facility owner for warehousing activities.

Review of Proposed Warehouse ISR

- Companion rule PR 316 institutes a separate regulatory fee:
 - Due annually at the time the report is submitted.

Table 1

Report or Notification	Fee
Annual WAIRE Report	\$392.50
Initial Site Information Report	\$140.68
Warehouse Operations Notification	\$29.51

Warehouse ISR: Where Are We In Process?

- 3/2/21: Warehouse ISR Rule [“PR 2305”](#) and [“PR 316”](#) Draft Staff Report Comments due.
- 4/2/21: Rule to be considered by SCAQMD Governing Board.
- **Within 60 days of rule adoption: Warehouse owners must submit Warehouse Operations Notifications**
- **7/1/21: First compliance requirements for >250k sq ft facilities begin or upon adoption of rule.**
- **1/15/22: Initial site report for >250k facilities**
- **8/2/22: Annual WAIRE Report Due for >250k facilities**



An aerial photograph of a large, modern industrial facility. The building has a white facade and a flat roof covered with solar panels. A large parking lot with several cars is situated in front of the building. A multi-lane road runs along the left side of the facility. The surrounding landscape is arid and flat, with some distant hills under a clear sky. The word "Questions?" is overlaid in large white text in the center of the image.

Questions?

Thank You!

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