

### BOARD OF DIRECTORS STATIONARY SOURCE COMMITTEE March 12, 2025

### COMMITTEE MEMBERS

KEN CARLSON – CHAIR DIONNE ADAMS JOHN GIOIA GABE QUINTO STEVE YOUNG LYNDA HOPKINS – VICE CHAIR BRIAN COLBERT RICO MEDINA LENA TAM

### MEETING LOCATION(S) FOR IN-PERSON ATTENDANCE BY COMMITTEE MEMBERS AND MEMBERS OF THE PUBLIC

Bay Area Metro Center 1st Floor Yerba Buena Room 375 Beale Street San Francisco, CA 94105

Alameda County Board of Supervisors
District 3
Office of Supervisor Lena Tam
101 Callan Ave., Suite #103
San Leandro, CA 94577

Santa Rosa Junior College Campus Doyle Library, Room 148 1501 Mendocino Ave. Santa Rosa, CA 95401 Office of Contra Costa County Supervisor John Gioia Conference Room 11780 San Pablo Ave., Suite D El Cerrito, CA 94530

Marin County - District 2 Supervisor Brian Colbert 3501 Civic Center Drive, Suite 326 San Rafael, CA 94903

Pittsburg City Hall 301A City Manager's Office Mayor/Council Conference Room 65 Civic Ave. – 3rd Floor Pittsburg, CA 94565

### THE FOLLOWING STREAMING OPTIONS WILL ALSO BE PROVIDED

These streaming options are provided for convenience only. In the event that streaming connections malfunction for any reason, the Stationary Source Committee reserves the right to conduct the meeting without remote webcast and/or Zoom access.

The public may observe this meeting through the webcast by clicking the link available on the air district's agenda webpage at <a href="https://www.baagmd.gov/bodagendas.">www.baagmd.gov/bodagendas</a>.

Members of the public may participate remotely via Zoom at <a href="https://bayareametro.zoom.us/j/88524841041">https://bayareametro.zoom.us/j/88524841041</a>, or may join Zoom by phone by dialing (669) 900-6833 or (408) 638-0968. The Webinar ID for this meeting is: 885 2484 1041

Public Comment on Agenda Items: The public may comment on each item on the agenda as the item is taken up. Members of the public who wish to speak on a matter on the agenda will have two minutes each to address the Committee on that agenda item, unless a different time limit is established by the Chair. No speaker who has already spoken on an item will be entitled to speak to that item again.

The Committee welcomes comments, including criticism, about the policies, procedures, programs, or services of the District, or of the acts or omissions of the Committee. Speakers shall not use threatening, profane, or abusive language which disrupts, disturbs, or otherwise impedes the orderly conduct of a Committee meeting. The District is committed to maintaining a workplace free of unlawful harassment and is mindful that District staff regularly attend Committee meetings. Discriminatory statements or conduct that would potentially violate the Fair Employment and Housing Act – i.e., statements or conduct that is hostile, intimidating, oppressive, or abusive – is *per se* disruptive to a meeting and will not be tolerated.

### STATIONARY SOURCE COMMITTEE MEETING AGENDA

WEDNESDAY, MARCH 12, 2025 10:00 AM

Chairperson, Ken Carlson

1. Call to Order - Roll Call

The Committee Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Committee members.

2. Pledge of Allegiance

### **CONSENT CALENDAR (ITEM 3)**

3. Approval of the Draft Minutes of the Stationary Source & Climate Impacts Committee Meeting of February 19, 2025

The Committee will consider approving the Draft Minutes of the Stationary Source & Climate Impacts Committee Meeting of February 19, 2025.

### INFORMATIONAL ITEM(S)

4. Warehouse Indirect Source Rule Considerations

The Committee will discuss the potential to regulate indirect sources, as a follow-up from past presentations at Committee meetings in 2024. The Committee will discuss air quality impacts generally from indirect sources, and specifically from warehouses, as well as follow-up actions, staffing, timeline, and prioritization. This item will be presented by Christopher Easter, Senior Air Quality Specialist, Rules and Strategic Policy Division.

5. Strategic Plan Rule Development Schedule

The Committee will discuss the draft five-year Rule Development Plan, including rule development efforts proposed to align with the Air District's Strategic Plan, an overview of rule development efforts currently being undertaken and those queued for development, and potential rule development projects considered for the five-year plan, including benefits, impacts, and a prioritization approach. This item will be presented by Victor Douglas, Director of Rules and Strategic Policy Division.

### **OTHER BUSINESS**

### 6. Public Comment on Non-Agenda Matters

Pursuant to Government Code Section 54954.3, members of the public who wish to speak on matters not on the agenda will be given an opportunity to address the Committee. Members of the public will have two minutes each to address the Committee, unless a different time limit is established by the Chair. The Committee welcomes comments, including criticism, about the policies, procedures, programs, or services of the District, or of the acts or omissions of the Committee. Speakers shall not use threatening, profane, or abusive language which disrupts, disturbs, or otherwise impedes the orderly conduct of a Committee meeting. The District is committed to maintaining a workplace free of unlawful harassment and is mindful that District staff regularly attend Committee meetings. Discriminatory statements or conduct that would potentially violate the Fair Employment and Housing Act – i.e., statements or conduct that is hostile, intimidating, oppressive, or abusive – is per se disruptive to a meeting and will not be tolerated.

### 7. Committee Member Comments

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

### 8. Time and Place of Next Meeting

Wednesday, April 9, 2025, at 10:00 a.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Stationary Source Committee members and members of the public will be able to either join in-person or via webcast.

### 9. Adjournment

The Committee meeting shall be adjourned by the Chair.

CONTACT:
MANAGER, EXECUTIVE OPERATIONS
375 BEALE STREET, SAN FRANCISCO, CA 94105
vjohnson@baagmd.gov

(415) 749-4941 FAX: (415) 928-8560 BAAQMD homepage: www.baaqmd.gov

 Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the Air District's offices at 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

### Accessibility and Non-Discrimination Policy

The Bay Area Air District (Air District) does not discriminate on the basis of race, national origin, ethnic group identification, ancestry, religion, age, sex, sexual orientation, gender identity, gender expression, color, genetic information, medical condition, or mental or physical disability, or any other attribute or belief protected by law.

It is the Air District's policy to provide fair and equal access to the benefits of a program or activity administered by Air District. The Air District will not tolerate discrimination against any person(s) seeking to participate in, or receive the benefits of, any program or activity offered or conducted by the Air District. Members of the public who believe they or others were unlawfully denied full and equal access to an Air District program or activity may file a discrimination complaint under this policy. This non-discrimination policy also applies to other people or entities affiliated with Air District, including contractors or grantees that the Air District utilizes to provide benefits and services to members of the public.

Auxiliary aids and services including, for example, qualified interpreters and/or listening devices, to individuals who are deaf or hard of hearing, and to other individuals as necessary to ensure effective communication or an equal opportunity to participate fully in the benefits, activities, programs and services will be provided by the Air District in a timely manner and in such a way as to protect the privacy and independence of the individual. Please contact the Non-Discrimination Coordinator identified below at least three days in advance of a meeting so that arrangements can be made accordingly.

If you believe discrimination has occurred with respect to an Air District program or activity, you may contact the Non-Discrimination Coordinator identified below or visit our website at <a href="www.baaqmd.gov/accessibility">www.baaqmd.gov/accessibility</a> to learn how and where to file a complaint of discrimination.

Questions regarding this Policy should be directed to the Air District's Acting Non-Discrimination Coordinator, Diana Ruiz, at (415) 749-8840 or by email at <a href="mailto:druiz@baagmd.gov">druiz@baagmd.gov</a>.

### BAY AREA AIR DISTRICT 375 BEALE STREET, SAN FRANCISCO, CA 94105 FOR QUESTIONS PLEASE CALL (415) 749-4941

### **EXECUTIVE OFFICE:**MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

### **MARCH 2025**

TYPE OF MEETING	DAY	DATE	<u>TIME</u>	ROOM
Advisory Council Meeting - CANCELLED	Monday	10	10:00 a.m.	1 <sup>st</sup> Floor Board Room
Board of Directors Stationary Source Committee	Wednesday	12	10:00 a.m.	1 <sup>st</sup> Floor, Yerba Buena Room
Board of Directors Community Equity, Health, and Justice Committee	Wednesday	12	1:00 p.m.	1 <sup>st</sup> Floor, Yerba Buena Room
Board of Directors Policy, Grants, and Technology Committee	Wednesday	19	10:00 a.m.	1 <sup>st</sup> Floor Board Room
Board of Directors Finance and Administration Committee	Wednesday	19	1:00 p.m.	1 <sup>st</sup> Floor Board Room
Board of Directors Community Advisory Council Meeting	Thursday	20	6:00 p.m.	Trans Pacific Center California State University East Bay Oakland Professional Development & Conference Center 1000 Broadway, Suite 109 Grand Lake Conference Room Oakland CA 94607

### **APRIL 2025**

TYPE OF MEETING	DAY	DATE	<u>TIME</u>	ROOM
<b>Board of Directors Meeting</b>	Wednesday	2	10:00 a.m.	1 <sup>st</sup> Floor Board Room
Board of Directors Stationary Source Committee	Wednesday	9	10:00 a.m.	1 <sup>st</sup> Floor, Yerba Buena Room
Board of Directors Community Equity, Health, and Justice Committee	Wednesday	9	1:00 p.m.	1 <sup>st</sup> Floor, Yerba Buena Room
Board of Directors Policy, Grants, and Technology Committee	Wednesday	16	10:00 a.m.	1 <sup>st</sup> Floor Board Room
Board of Directors Finance and Administration Committee	Wednesday	16	1:00 p.m.	1 <sup>st</sup> Floor Board Room

SR 3/6/25 - 12:16 p.m.

G/Board/Executive Office/Moncal

#### **BAY AREA AIR DISTRICT**

Memorandum

To: Chairperson Ken Carlson and Members

of the Stationary Source Committee

From: Philip M. Fine

Executive Officer/APCO

Date: March 12, 2025

Re: Approval of the Draft Minutes of the Stationary Source & Climate Impacts

Committee Meeting of February 19, 2025

### RECOMMENDED ACTION

Approve the Draft Minutes of the Stationary Source & Climate Impacts Committee Meeting of February 19, 2025.

### **BACKGROUND**

None.

### **DISCUSSION**

Attached for your review and approval are the Draft Minutes of the Stationary Source & Climate Impacts Committee Meeting of February 19, 2025.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: <u>Marcy Hiratzka</u>
Reviewed by: Vanessa Johnson

### ATTACHMENT(S):

1. Draft Minutes of the Stationary Source Committee Meeting of February 19, 2025

Bay Area Air Quality Management District 375 Beale Street, Suite 600 San Francisco, CA 94105 (415) 749-5073

Stationary Source Committee Meeting Wednesday, February 19, 2025

#### **DRAFT MINUTES**

This meeting was webcast, and a video recording is available on the website of the Bay Area Air Quality Management District at www.baagmd.gov/bodagendas

### CALL TO ORDER

1. **Opening Comments:** Stationary Source Committee (Committee) Chairperson, Ken Carlson, called the meeting to order at 10:00 a.m.

### **Roll Call:**

<u>Present, In-Person (Bay Area Metro Center, 375 Beale Street, 1st Floor Board Room, San Francisco, California, 94105):</u> Chairperson Ken Carlson.

Present, In-Person (Office of Contra Costa County Supervisor John Gioia, 11780 San Pablo Ave., Suite D Conference Room, El Cerrito, CA 94530): Directors Dionne Adams, John Gioia, Gabe Quinto, and Steve Young.

<u>Present, In-Person (Office of Alameda County Supervisor Lena Tam,103 Callan Ave., Suite #103, San Leandro, CA 94577):</u> Director Lena Tam.

Absent: Vice Chairperson Lynda Hopkins, and Director Brian Colbert.

2. PLEDGE OF ALLEGIANCE

### **CONSENT CALENDAR**

3. APPROVAL OF THE DRAFT MINUTES OF THE STATIONARY SOURCE COMMITTEE MEETING OF NOVEMBER 13, 2024

Public Comments

No requests received.

**Committee Comments** 

None.

Draft Minutes - Stationary Source Committee Meeting of February 19, 2025

### Committee Action

Director Young made a motion, seconded by Director Gioia, to **approve** the Draft Minutes of the Stationary Source Committee meeting of November 13, 2024; and the motion **carried** by the following vote of the Committee:

AYES: Carlson, Gioia, Quinto, Tam, Young.

NOES: None. ABSTAIN: None.

ABSENT: Adams, Colbert, Hopkins.

### **INFORMATIONAL ITEM**

#### 4. OVERVIEW OF WOODSMOKE REGULATORY CONSIDERATIONS

Dr. Julia Luongo, Principal Air Quality Specialist, gave the staff presentation *Overview of Woodsmoke Regulatory Considerations*, including: outline; woodsmoke background; impetus for this policy initiative; design value trends: fine Particulate Matter (PM); woodsmoke white paper; device population and emissions inventory; modeled geographic variation; modeled disparities in context; PM Spare the Air alerts by year; policies to mitigate woodsmoke impacts; white paper recommendations; lowering the burn ban threshold; PM<sub>2.5</sub> emissions reduction comparison; device elimination: incentive program scale; white paper public comments; and next steps – initiate rule amendment process.

### **Public Comments**

Public comments were given by Tony Fisher, Coalition for Clean Air; and Todd Osterberg.

### **Committee Comments**

The Committee and staff discussed current rule exemptions for sole source of heat, loss of utility service, and temporary non-functional heaters; whether the phase-out of older, higher-polluting wood-burning devices includes incentives or decommissioning or replacements at point of property sale; the efficacy of requirements for existing Regulation 6, Rule 3, Section 111 (Limited Exemption, Non-functional, Permanently Installed Heater), which requires repair documentation of a non-functioning heater to be submitted to the Air District; whether natural gas fireplaces are subject to current or forthcoming Air District regulations; whether a firepit in a residential backyard is subject to Rule 6-3; and realtors' opposition in 2015 on an Air District proposal that would have mandated the replacement of all uncertified wood-burning devices with gas-fueled, electric or Environmental Protection Agency-certified heating devices that meet or exceed New Source Performance Standard Subpart AAA, upon the sale or transfer of residential or commercial property, and whether the Air District should resume such a rulemaking.

#### Committee Action

No action taken.

### **OTHER BUSINESS**

### 5. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

### 6. **COMMITTEE MEMBER COMMENTS**

None.

### 7. TIME AND PLACE OF NEXT MEETING

Wednesday, March 12, 2025, at 10:00 a.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Stationary Source Committee members and members of the public will be able to either join in-person or via webcast.

### 8. ADJOURNMENT

The meeting was adjourned at 10:35 p.m.

Marcy Hiratzka Clerk of the Board

### **BAY AREA AIR DISTRICT**

Memorandum

To: Chairperson Ken Carlson and Members

of the Stationary Source Committee

From: Philip M. Fine

Executive Officer/APCO

Date: March 12, 2025

Re: Warehouse Indirect Source Rule Considerations

#### RECOMMENDED ACTION

None; the Committee will discuss, but no action is requested at this time.

#### **BACKGROUND**

Air District staff will provide an update on indirect sources, rule development opportunities, and other policy tools. It serves as an opportunity to gather feedback and discuss next steps. The Clean Air Act defines an indirect source as "...a facility, building, structure, installation, real property, road, or highway which attracts, or may attract, mobile sources of pollution." Staff previously presented on Indirect Source Regulation (ISR) at the Stationary Source Committee (Committee) meetings in March, September, and November 2024, providing an overview of regulatory efforts across the state and examining emissions from various sources, including trucks, trains and ocean-going vessels.

This presentation responds to the Committee's concerns about warehouses as indirect sources. Air District staff consulted with South Coast Air Quality Management District (SCAQMD) on their ISR efforts and committed to following up with the Committee on potential approaches for addressing emissions impacts from indirect sources, particularly in relation to SCAQMD's Warehouse Actions and Investments to Reduce Emissions (WAIRE), Rule 2305.

This presentation reviews the regulatory landscape for warehouses as indirect sources, evaluates potential emissions reductions, and discusses key considerations for rule development, including resource needs, should a warehouse indirect source rule be pursued.

### **DISCUSSION**

Indirect sources and their impacts on nearby communities have continued to grow across California, with goods movement activities and associated emissions as a key concern. The public, Assembly Bill (AB) 617 Community Steering Committees, and the Board of Directors (Board) have raised concerns about air quality impacts from goods movement infrastructure and planned warehouse developments in the San Francisco Bay Area, particularly in AB 617 and other overburdened communities.

### Warehouses in the Bay Area

Air District staff obtained information from a commercial real estate analytics firm to identify the number, size, and location of existing warehouses in the Bay Area. This preliminary, screening-level inventory includes sites classified as warehouses, distribution centers, manufacturing facilities, refrigeration/cold storage locations, truck terminals, and flex spaces.

Based on an initial screening of real estate data, staff estimates that the region contains approximately 16,000 warehouses, ranging in size from less than 1,000 square feet to over 1 million (M) square feet of indoor floor space. Of these, approximately 45 percent of warehouses are located within Overburdened Communities (OBC), as defined by Regulation 2, Rule 1: Permits - General Requirements.

#### Indirect Source Rules in Other Air Districts

Various rules, regulations, policies, and ordinances address the impacts of indirect sources—such as locations that attract trucks, ships, and locomotives—to varying degrees. Some air districts have adopted rules specifically targeting indirect sources. For example, SCAQMD has developed and implemented rules for multiple sectors, including warehouses, freight rail yards, and commercial marine ports. Additionally, state and federal agencies regulate different categories of mobile source equipment.

The San Joaquin Valley Air Pollution Control District manages emissions growth from new land development in the Central Valley through Rule 9510: Indirect Source Review. In May 2021, SCAQMD adopted Rule 2305, the WAIRE Program. This first-of-its-kind air district rule aims to reduce diesel particulate matter (DPM) and nitrogen oxide (NOx) emissions from the freight sector in the Greater Los Angeles region.

SCAQMD's WAIRE Rule applies to approximately 3,320 warehouses in the greater Los Angeles region, covering all facilities with 100,000 square feet or more of indoor floor space in a single building used for warehousing activities. Affected warehouses must either earn a specified number of points annually by implementing approved emissions reduction measures from a menu or pay a mitigation fee to meet compliance requirements.

### Estimating Potential Emissions Reductions in the Bay Area from a Warehouse Indirect Source Rule Similar to SCAQMD WAIRE Program

Air District staff conducted a preliminary assessment of the emissions reduction potential of adopting a local warehouse indirect source rule similar to SCAQMD's WAIRE Rule. This screening-level analysis is intended to provide context for decision-making, with more detailed evaluations to be conducted if rule development is pursued. A comparable rule regulating warehouses of 100,000 square feet or more in the Bay Area would be expected to yield proportional air quality and public health benefits, given the region's smaller number of qualifying warehouses (approximately 1,000 in the Bay Area compared to 3,320 in SCAQMD's jurisdiction).

Based on initial estimates, a local rule could reduce NOx emissions by up to 280 tons per year and particulate matter ( $PM_{10}$ ), primarily diesel particulate matter, by up to 1.3 tons per year. These reductions would complement existing regulations and provide NOx emissions benefits on a scale similar to recent rulemakings, such as the 2023 building appliance rule amendments.

SCAQMD's WAIRE Rule is primarily focused on NOx reductions to support attainment of National Ambient Air Quality Standards for ozone and  $PM_{2.5}$  in the South Coast Air Basin, as NOx is a precursor to the formation of both pollutants. While a local warehouse rule would contribute to reductions in directly emitted  $PM_{2.5}$ , substantial particulate matter reductions are expected to come from California Air Resources Board (CARB) regulations, potentially limiting the additional impact of a Bay Area indirect source rule following a similar approach to WAIRE.

### Relevant Regulatory Activity

For warehouses, the primary sources of indirect emissions are medium- and heavy-duty trucks. CARB has adopted several regulations aimed at reducing truck emissions, including the Truck & Bus Rule, Advanced Clean Trucks Regulation, Low NOx Omnibus Rule, and Heavy-Duty Inspection and Maintenance Regulation. These measures are expected to significantly reduce emissions over the next five to fifteen years and beyond.

CARB's Advanced Clean Fleets (ACF) Regulation, adopted in 2023, requires certain fleets to transition to zero-emission vehicles (ZEVs) through a phased approach. The regulation mandates that targeted fleets gradually adopt ZEVs and that manufacturers produce only ZEV trucks beginning with the 2036 model year. Under the Clean Air Act, California has the authority to seek a waiver from federal preemption, allowing the state to enforce its own emissions standards for new nonroad engines and vehicles. CARB initially submitted a waiver request on November 15, 2023. However, on January 13, 2025, California withdrew its request, affecting specific provisions of the ACF Regulation.

As a result, CARB is not enforcing portions of the ACF Regulation that require a federal waiver, including those applying to high-priority and drayage fleets. However, not all aspects of the regulation are affected; requirements for state and local government fleets remain in place.

Other CARB programs, such as the Advanced Clean Trucks Regulation and heavy-duty truck incentives programs, are expected to continue providing local emissions reduction benefits. The potential emissions reductions presented here, based on a WAIRE Rule-style implementation in the Bay Area, do not account for any emissions reductions from the implementation of the Advanced Clean Fleets Regulation.

### Considerations for Next Steps

A high-level assessment of the resources required for the Air District to develop an indirect source rule similar to SCAQMD's WAIRE Rule was conducted. Initial estimates indicate that rule development would require approximately three full-time equivalent staff over a three-year period, in addition to substantial legal support.

Further consideration should be given to the resources needed for ongoing rule implementation following adoption, as well as the prioritization of this effort relative to other rule development and amendment initiatives.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine Executive Officer/APCO

Prepared by: <u>Christopher Easter and Julia Luongo</u>
Reviewed by: <u>Jennifer Lam and Victor Douglas</u>

### ATTACHMENT(S):

1. Warehouse Indirect Source Rule Considerations



# Warehouse Indirect Source Rule Considerations

Stationary Source Committee

March 12, 2025

Christopher Easter
Senior Air Quality Specialist
Rules & Strategic Policy



### Presentation Outline

- Background
- Warehouses and Distribution Centers in the Bay Area
- Potential Indirect Source Rule (ISR) Impacts and Considerations
- Updates on Relevant Regulatory Activity
- Possible Timeline and Options for Future Actions



# Background

### What is an Indirect Source?

Any Facility that attracts mobile sources of emissions...defined by United States Environmental Protection Agency (US EPA) within the Clean Air Act as "... a facility, building, structure, installation, real property, road, or highway which attracts, or may attract, mobile sources of pollution."
 42 U.S.C. § 7410(a)(5)(C)



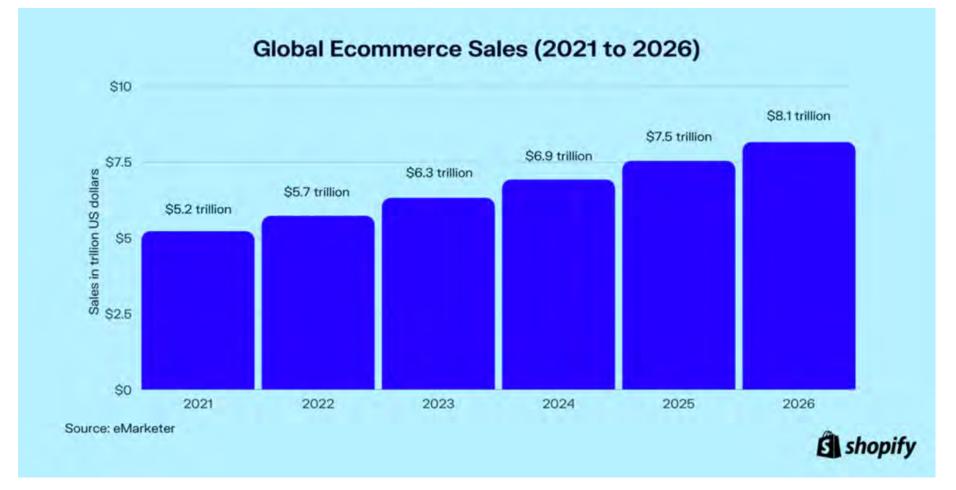
# Background: Goods Movement



LAO, "Overview of California's Ports, August 23, 2022



# Background: Growth in e-commerce

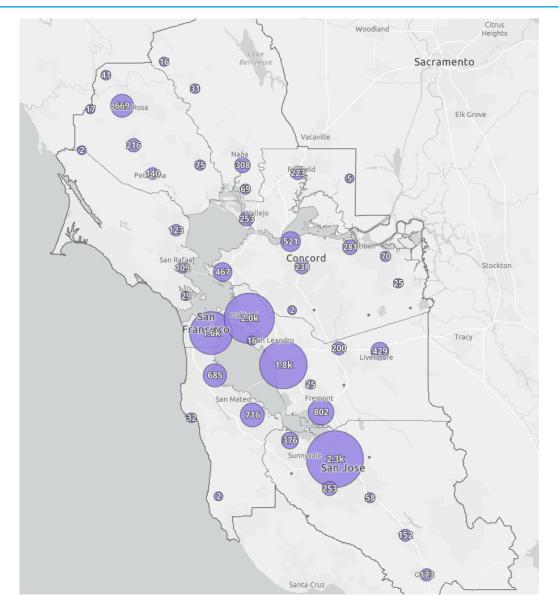


Annual Meeting and Mobile Ecommerce Trends Transforming The Industry In 2023



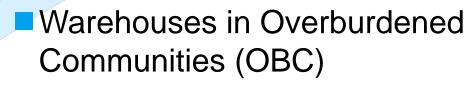
# Warehouses in the Bay Area

- ~16,000 total warehouses
- Individual sites range from less than 1000 square feet to more than 1 million (M) square feet

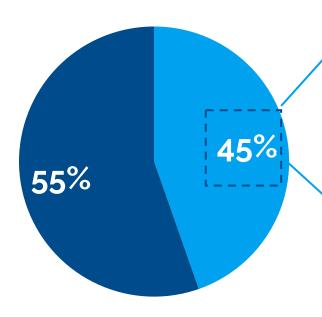


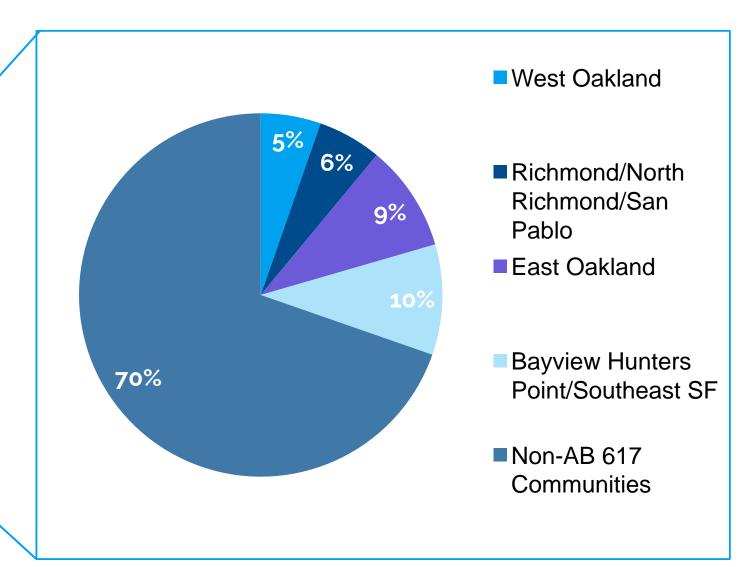


# Warehouses in the Bay Area



■ Warehouses Outside OBC







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### Indirect Source Rules in Other Air Districts

- San Joaquin Valley Air Pollution Control District
  - Rule 9510: Indirect Source Review
- San Diego Air Pollution Control District
  - Warehouse Indirect Source Rule under evaluation
- South Coast Air Quality Management District (South Coast AQMD)
  - Rule 2305 Warehouse Indirect Source Rule Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program
  - Annual WAIRE points (or mitigation fee) compliance obligation
  - Only applies to warehouses >100,000 square feet (sq. ft.)



# Warehouses Greater Than 100,000 Sq Ft

Bay Area

1,000 sites

~200 Million Sq Ft South Coast

3,320 sites

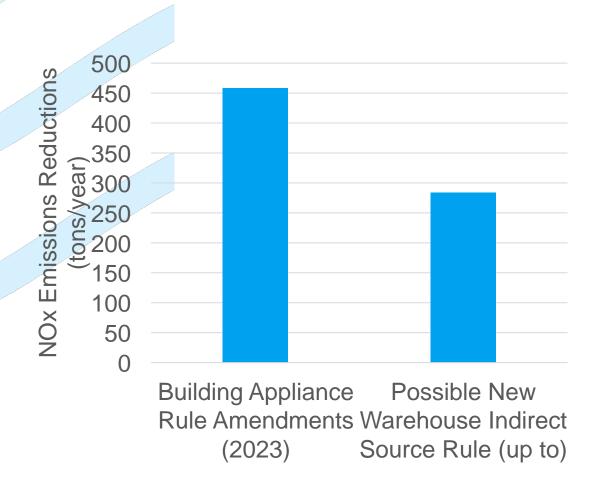
~800 Million Sq Ft San Diego

243 sites

~50 Million Sq Ft



### Potential Nitrogen Oxides (NOx) Reductions in the Bay Area

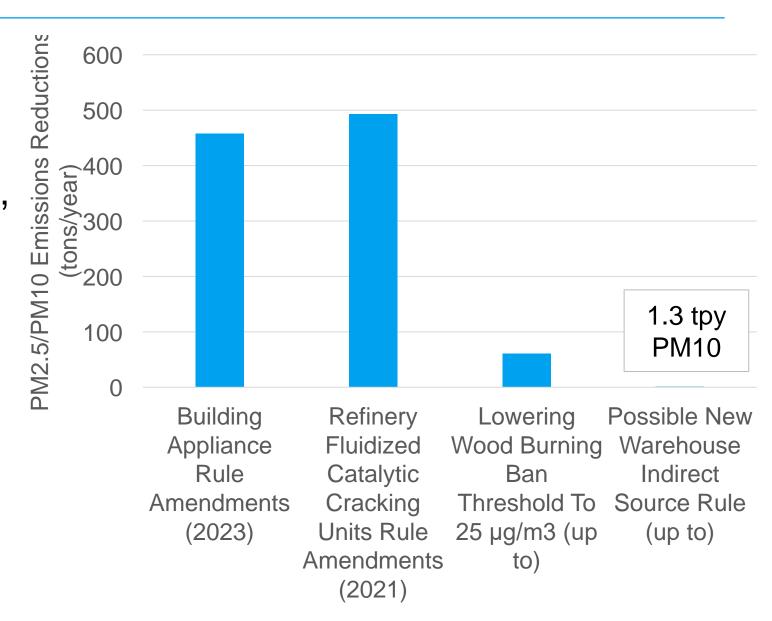


- Screening-level assessment assuming a similar approach as WAIRE
- WAIRE is a NOx-focused rule supporting efforts to attain ozone and fine particulate matter (PM<sub>2.5</sub>) National Ambient Air Quality Standards



### Potential Particulate Matter (PM) Reductions in the Bay Area

- California Air Resources Board (CARB) Truck & Bus, Advanced Clean Trucks, Low NOx Omnibus, and Heavy-Duty Inspection and Maintenance Regulations impact baseline emissions from heavy duty trucks
- Primarily diesel particulate matter reductions





### Relevant Regulatory Activities

# Advanced Clean Fleets waiver request withdrawn by CARB on 1/13/25

- Advanced Clean Trucks (supply side) program still in effect
- Implementation of additional CARB programs, including incentives in disadvantaged communities, can function to fill the gap
- Requirements for state and local public fleets will continue to move forward
- Emissions estimates assume no Advanced Clean Fleets implementation



### Considerations for Next Steps

- Rule Development Process
  - 3 Full Time Equivalent (FTE) staff (~one-third of rulemaking team), plus significant Legal support
  - Approximately 3 years
- Rule and Program Implementation
  - Dependent on rule/program design
  - South Coast AQMD estimated 5 FTE plus technology/data infrastructure needs
- Rule Development Prioritization



### Questions/Feedback

### For more information:

Christopher Easter
Senior Air Quality Specialist – Rules & Strategic Policy
<a href="mailto:ceaster@baaqmd.gov">ceaster@baaqmd.gov</a>



### **BAY AREA AIR DISTRICT**

Memorandum

To: Chairperson Ken Carlson and Members

of the Stationary Source Committee

From: Philip M. Fine

Executive Officer/APCO

Date: March 12, 2025

Re: Strategic Plan Rule Development Schedule

#### RECOMMENDED ACTION

None; the Committee will discuss, but no action is requested at this time.

#### **BACKGROUND**

The Air District Strategic plan specifies four specific goals:

- 1. Achieve Impact
- 2. Advance Environmental Justice
- 3. Foster Cohesion and Inclusion
- 4. Be Effective, Accountable, and Customer-Oriented.

To achieve these goals, Air District staff is developing a rule development schedule that would span the duration of the Strategic Plan and beyond. The rule development efforts that may be included in this schedule would come from several sources. First the Mid-Year Updates in July and the revised Update in September that lists the efforts that are currently underway and scheduled to begin in the next couple of years. Second, the regulatory measures listed in the two adopted community emissions reduction plans – the West Oakland Community Action Plan "Owning Our Air" and the Richmond-North Richmond-San Pablo "Path to Clean Air." Also, rule development efforts identified by Air District staff from across the agency as needed to improve operational efficiency and effectiveness.

#### DISCUSSION

The Strategic Plan contains four specific Goals, listed above. Of these four goals, 1. Achieve Impact, 2. Advance Environmental Justice, and 4. Maintain an Effective, Accountable, and Customer-Oriented Organization are closely related to rule development. Included under Goal 1: Achieve Impact are several strategies, including Strategy 1.1: Change Approach to Air Quality; Strategy 1.2: Stronger

Regulations; and Strategy 1.3: Minimize Flaring. Under Goal 2: Advance Environmental Justice, Air District staff will continue working with our community partners to identify solutions to the air quality problems that impact them. These solutions include rule development efforts. Under Goal 4: Be Effective, Accountable, and Customer-Oriented, staff would work to improve the timeliness of permitting decisions (Strategy 4.1); improve our permitting process to be more transparent and accountable to applicants and the public (Strategy 4.2); ensure Air District regulation and associated air quality permits issued are clear, consistent, and enforceable so that air pollution affecting communities is minimized (Strategy 4.3); and update the design and operations of air quality monitoring networks to improve reliability, efficiency, data quality, and accessibility to better meet monitoring objectives and to support efforts to understand local exposure to air pollution.

All of the rule development efforts that are being considered for inclusion in the Strategic Plan Rule Development Schedule would be associated with at least one of the three mentioned goals and strategies. For example, staff is in the early stages of initiating rule development efforts for Strategy 1.3: Minimizing Flaring. This effort would require developing amendments to Rule 12-11: Flare Monitoring at Petroleum Refineries, and Rule 12-12: Flares at Petroleum Refineries. For the effort, staff has begun reaching out to the affected refineries and the Western States Petroleum Association, the Richmond-North Richmond-San Pablo Community Steering Committee, refinery community members, and other parties that would have an interest in this important rule development effort. It would also require educating and working closely with the representatives of the communities most impacted by flaring events; these actions are covered under Strategy 2.1: Community Partnership, and 2.6: Talk with Communities.

### **BUDGET CONSIDERATION/FINANCIAL IMPACT**

None.

Respectfully submitted,

Philip M. Fine Executive Officer/APCO

Prepared by: <u>Victor Douglas</u>
Reviewed by: <u>Greq Nudd</u>

### ATTACHMENT(S):

1. Strategic Plan Rule Development Schedule



# Strategic Plan Rule Development Schedule

Stationary Source Committee

March 12, 2025

Victor Douglas
Director
Rules and Strategic Policy



### Presentation Outline

- Background
- Current and Planned Rule Development
- Considered Rule Development
- Prioritization Criteria
- Next Steps
- Questions / Discussion

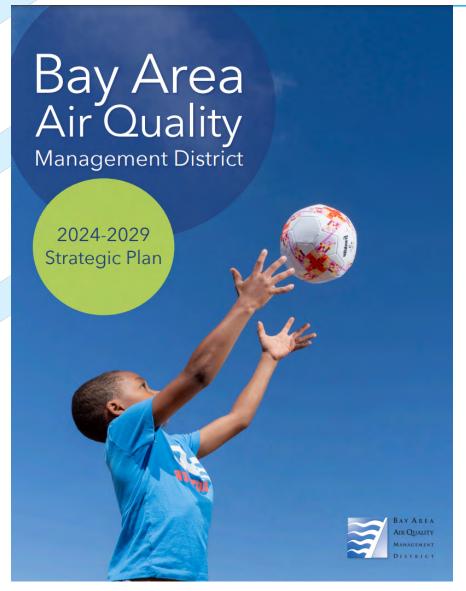


# Background

- This is an overview of potential rule development efforts associated with the Strategic Plan including:
  - Efforts presented in the recent updates to this Committee
  - Additional efforts stemming from the Strategic Plan including:
    - Board Direction
    - Community Emissions Reduction Plans (CERPs)
    - Statutory Mandates
    - Staff Recommendations



# Strategic Plan Goals



### **Four Primary Goals:**

- Achieve Impact
- Advance Environmental Justice
- Foster Cohesion and Inclusion
- Maintain an Effective, Accountable, and Customer-Oriented Organization



# Strategic Plan Goals and Strategies

# Effective rules are critical to achieving Goals 1 and 2

Our rules and regulatory development efforts are powerful tools that will help achieve beneficial impacts and further address environmental justice concerns





# Current and Planned Rule Development

Project	Impetus / Source
Fugitive Dust (Rules 6-1 & 6-6)	<ul> <li>SP 1.1, 1.2; WOCAP; PTCA; Advisory Council (see note below)</li> </ul>
Metal Recycling and Shredding Operations (Rule 6-4)	• SP 1.1, 1.2; WOCAP; PTCA
Toxic Risk at Existing Facilities Phase I (Rule 11-18)	• SP 1.1, 1.2; PTCA
Appliance Rules Flexibility (Rules 9-4 & 9-6)	<ul> <li>SP 1.1, 1.2; Health Protection; Particulate Matter Attainment</li> </ul>
Woodburning Devices (Rule 6-3) and Open Burning (Reg 5)	• SP 1.1, 1.2; WOCAP; PTCA

- Strategic Plan (SP) 1.1: Change Approach to Air Quality
- SP 1.2: Stronger Regulations

- WOCAP: West Oakland Community Action Plan
- PTCA: Path to Clean Air



### Current and Planned Rule Development (cont.)

Project	Impetus / Source
Indirect Source Rule (Reg 11 or 12)	• SP 2.1, BOD, WOCAP, PTCA
Refinery Fenceline Monitoring (Rule 12-15)	• SP 2.2, 4.4, PTCA, Staff
Refinery Emissions Inventory (Rule 12-15)	• SP 2.1, 2.2, 4.1, PTCA, Staff
Backup Generators (Rules 2-1& 2-5)	PTCA, Staff
State Implementation Plan (SIP) - (Federal Clean Air Act Requirements) Amendment Package	• RACT/RACM

- **SP 2.1:** Community Partnership
- SP 2.2: Collect Community Data
- SP 4.1: Timely Permits
- SP 4.4: Improve Air Monitoring

- RACT: Reasonably Available Control Technology
- RACM: Reasonably Available Control Measure
- BOD: Board of Directors



# Considered Rule Development

Project	Impetus / Source
Minimize Flaring (Rules 12-11 & 12-12)	• SP 1.3, PTCA
Permitting Efficiencies / BACT (Rules 2-1 & 2-2)	• SP 4.1, 4.2, 4.3, 4.7
Backup Generators / Data Centers (new)	• SP 2.1, PTCA
Toxic Risk at Existing Facilities Phase II (Rule 11-18)	• SP 2.1, PTCA
Refinery Nitrogen Oxides (NOx) Emissions (new)	• SP 2.1, PTCA
Refinery Sulfur Oxides (SOx) Emissions (new)	• SP 2.1, PTCA

- **BACT:** Best Available Control Technology
- **SP 1.3:** Minimizing Flaring
- SP 2.1: Community Partnership
- **SP 4.1**: Timely Permits

- **SP 4.2:** Transparent Permit Process
- SP 4.3: Consistent Permits
- SP 4.7: Customer Service



# Considered Rule Development (cont.)

Project	Impetus / Source
Refinery-Specific Toxic Rules (new)	• SP 2.1, PTCA
Health-Based PM Rules (new)	• SP 1.1, 1.2; PTCA; Staff
Toxic New Source Review / Cumulative Impacts (Rule 2-5)	• SP 1.1, 1.2; PTCA; Staff
Organics Materials Handling and Composting Operations	• SP 4.1, 4.2, 4.3; Staff
Organic Storage Tanks (Rule 8-5)	• SP 1.1, 1.2; Staff
Industrial Boilers, Steam Generators, Process Heaters (Rule 9-7)	• SP 1.1, 1.2; Staff
Autobody Operations (Rule 8-45)	WOCAP, PTCA

- PM: Particulate Matter
- **SP 1.1:** Change Approach to Air Quality
- **SP 1.2:** Stronger Regulations

- **SP 4.1**: Timely Permits
- SP 4.2: Transparent Permit Process
- SP 4.3: Consistent Permits



# Other Potential Rule Development Efforts

Project	Impetus / Source
Landfill Gas (Rule 8-34)	Milpitas Odor Study / SP 1.7 / Staff
Soil Vapor Extraction Permitting Efficiency (Rule 8-47)	• SP 4.1, 4.2, 4.3; Staff
Research Operations Permitting Efficiency (new)	• SP 4.1, 4.2, 4.3, 4.7; Staff
Metal Foundries and Forging Evaluation (Rule 12-13)	• WOCAP
Periodic Review of Controls and Impacts at Permit Renewal	• SP 4.1, 4.2, 4.3, 4.7; Staff
Asbestos Demolition MOP Update (Rule 11-2)	• SP 4.1, 4.2, Staff

- SP 1.7: New Climate Solutions
- **SP 4.1**: Timely Permits
- SP 4.2: Transparent Permit Process

- **SP 4.3:** Consistent Permits
- **SP 4.7:** Customer Service



### **Prioritization Criteria**

- Board Direction
- Air Quality Benefits & Impacts
- Air Quality Mandates (e.g., SIP, legislation)
- Community Emissions Reduction Plans
- Strategic Plan Alignment
- Air District Resource Constraints





# Next Steps

- Further review and prioritize rules list and create 5-year schedule
- Socialize with Air District stakeholders:
  - Community Partners: Community Steering Committees, Community Advisory Council
  - Regulated Industry Representatives & Associations
- Report to the Stationary Source Committee
- Revise rules list as appropriate



### Questions?

### For more information:

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