



Warehouse Indirect Source Rule Considerations

Stationary Source Committee

March 12, 2025

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AGENDA: 4

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."

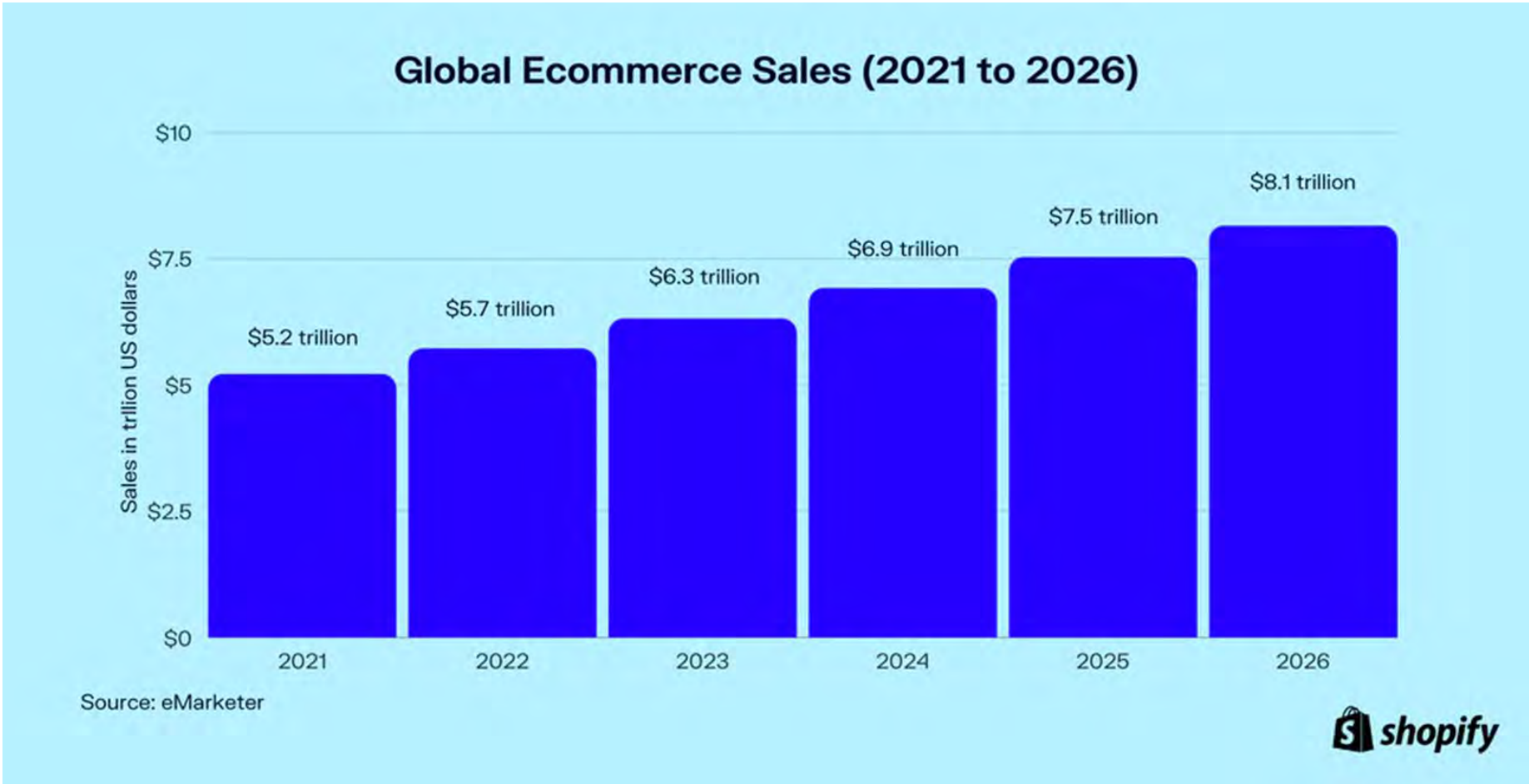
42 U.S.C. § 7410(a)(5)(C)

Background: Goods Movement



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

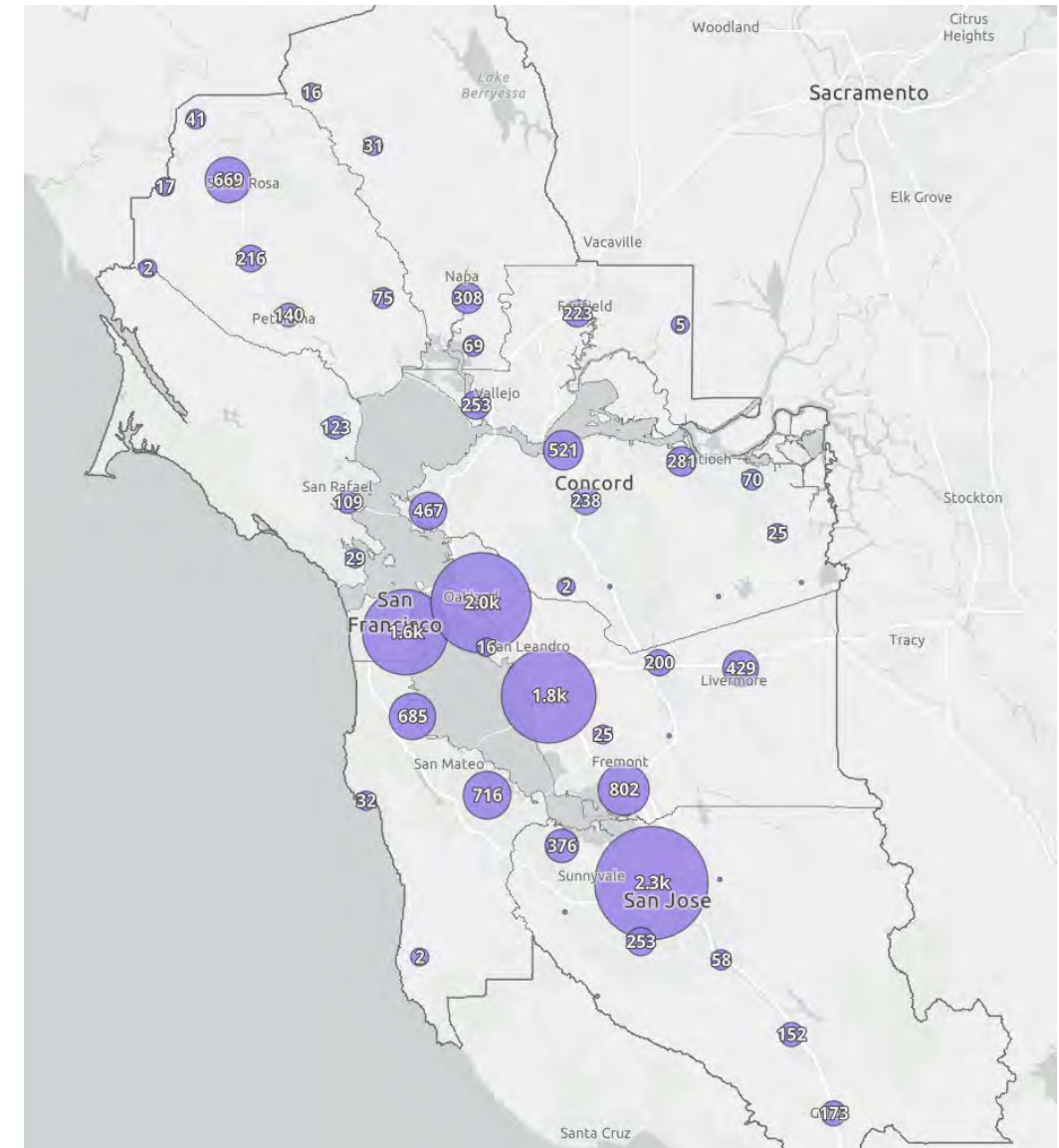
Background: Growth in e-commerce



Annual Meeting and Mobile Ecommerce Trends Transforming The Industry In 2023

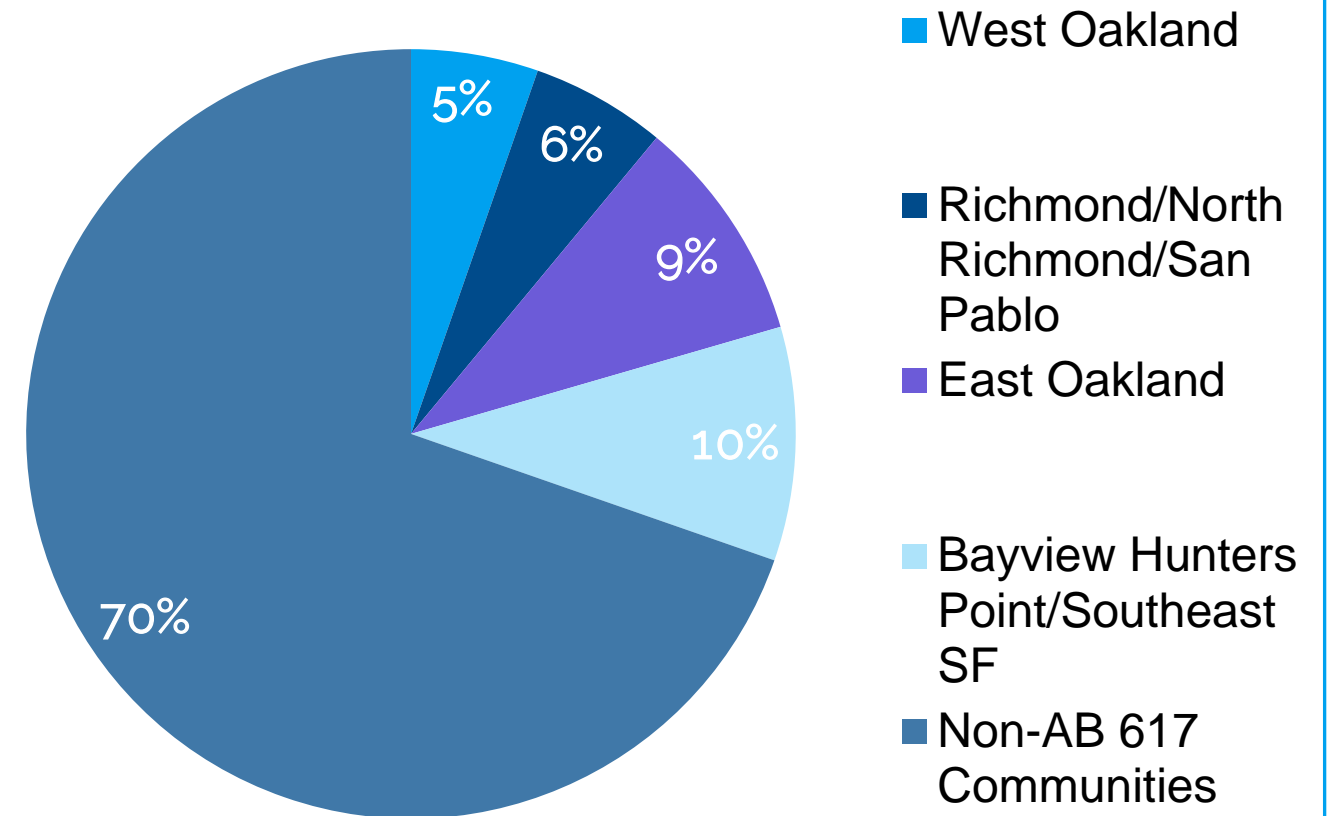
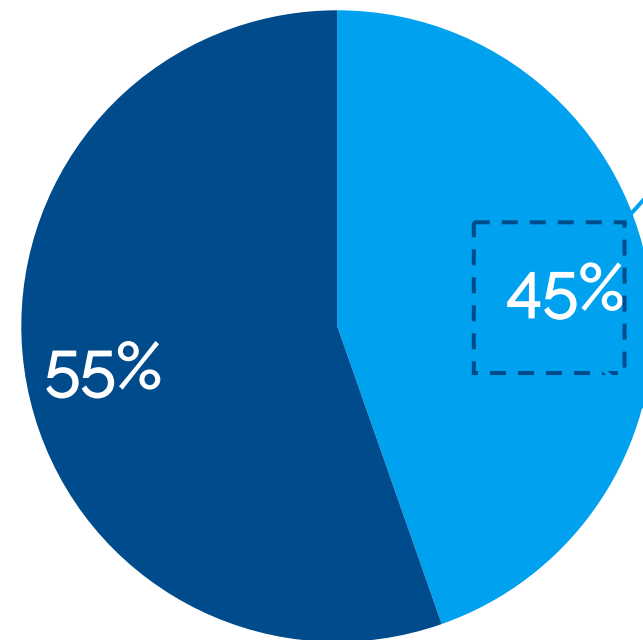
Warehouses in the Bay Area

- ~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 in Overburdened Communities (OBC)
- Warehouses Outside OBC



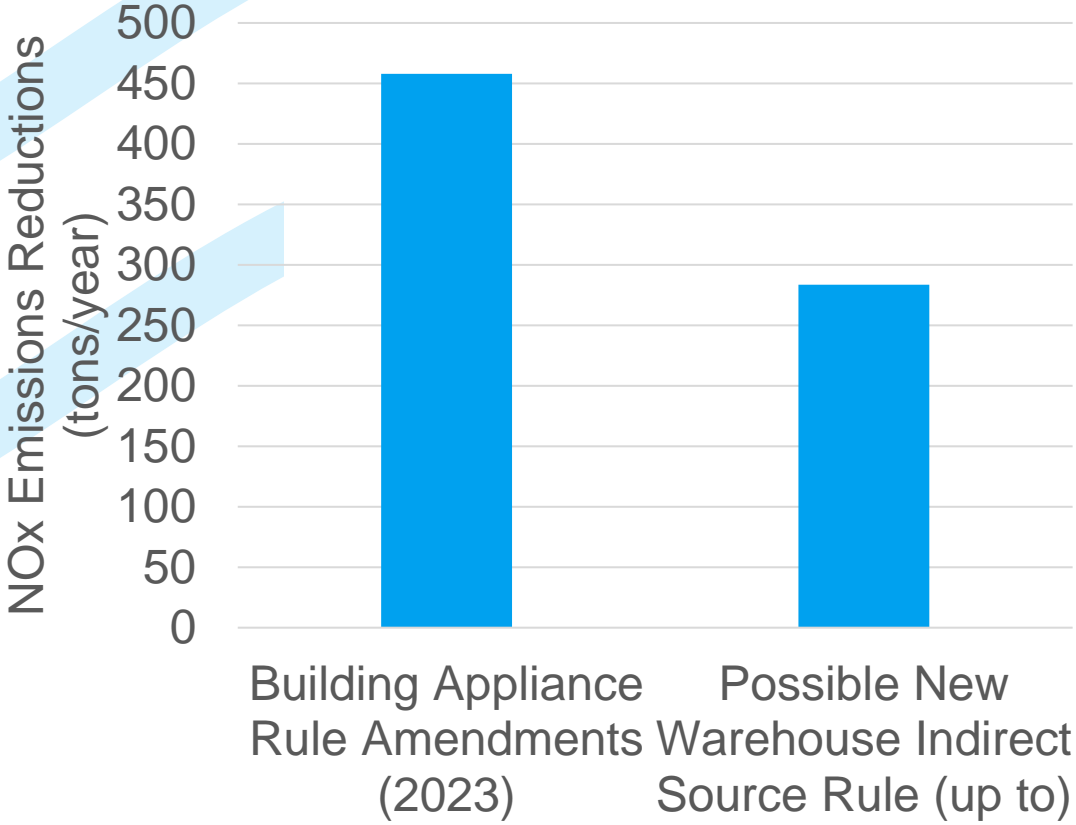
Indirect Source Rules in Other Air Districts

- 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



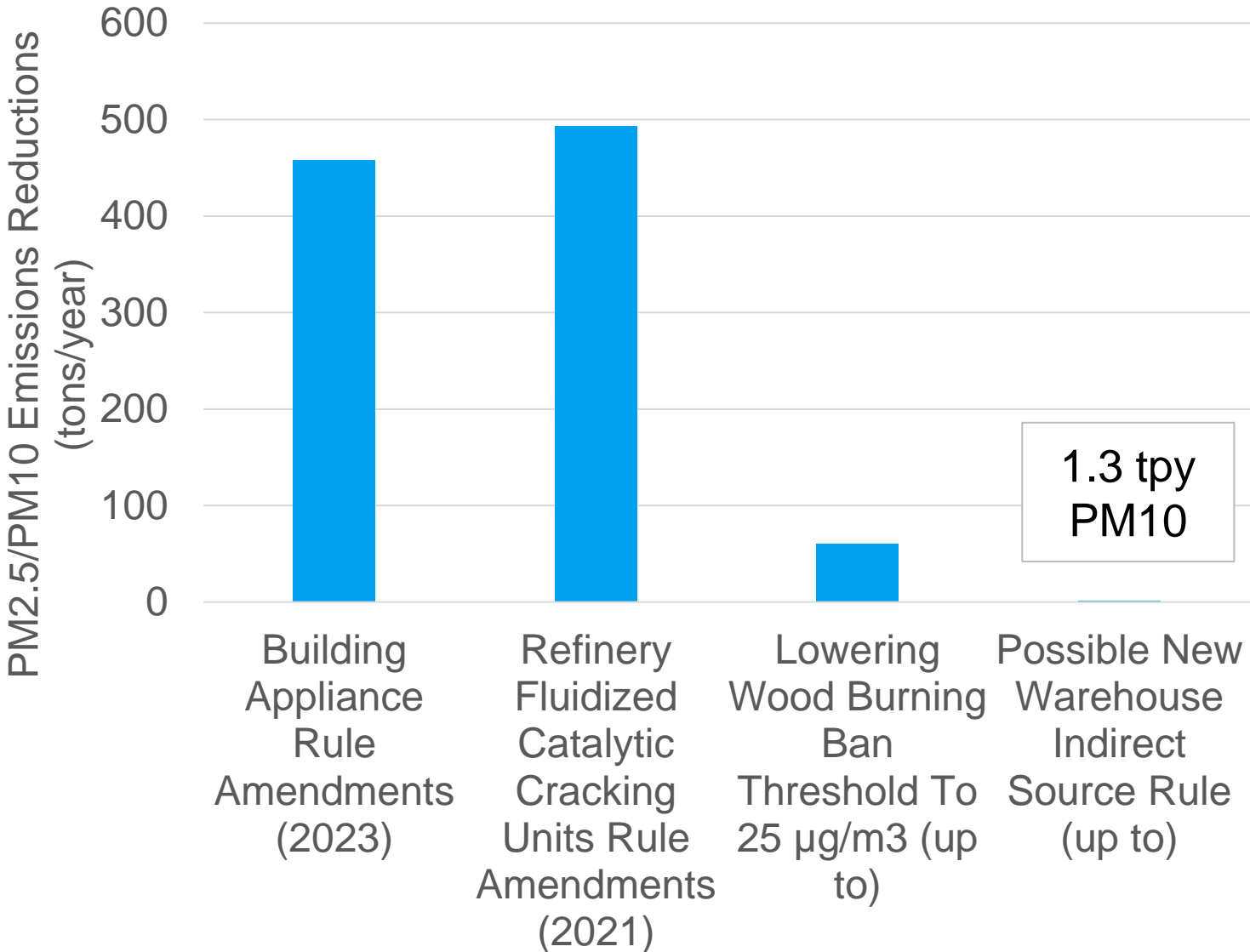
Potential Nitrogen Oxides (NOx) Reductions in the Bay Area



- 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_{2.5}) 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:

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Strategic Plan Rule Development Schedule

Stationary Source Committee

March 12, 2025

Victor Douglas

Director

Rules and Strategic Policy

AGENDA: 5

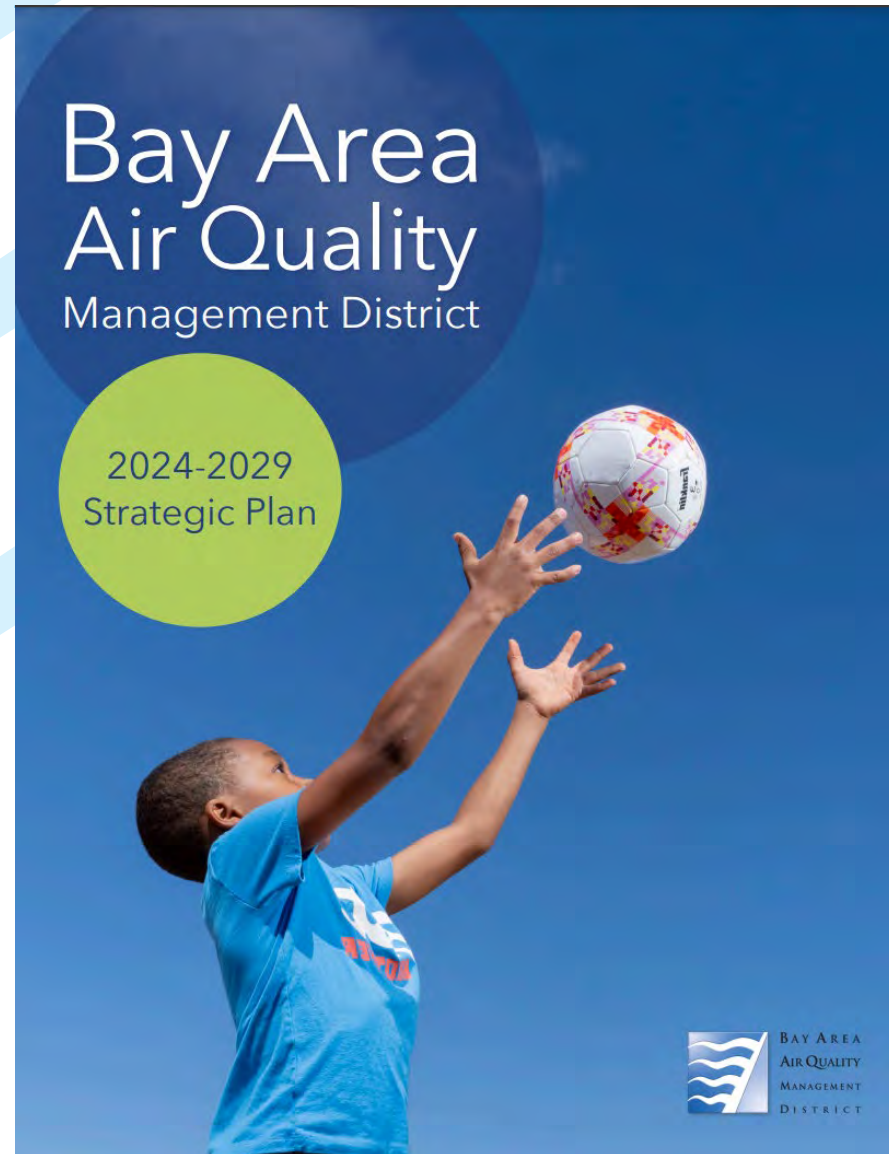
Presentation Outline

- 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 style="list-style-type: none"> • SP 1.1, 1.2; WOCAP; PTCA; Advisory Council (see note below)
Metal Recycling and Shredding Operations (Rule 6-4)	<ul style="list-style-type: none"> • SP 1.1, 1.2; WOCAP; PTCA
Toxic Risk at Existing Facilities Phase I (Rule 11-18)	<ul style="list-style-type: none"> • SP 1.1, 1.2; PTCA
Appliance Rules Flexibility (Rules 9-4 & 9-6)	<ul style="list-style-type: none"> • SP 1.1, 1.2; Health Protection; Particulate Matter Attainment
Woodburning Devices (Rule 6-3) and Open Burning (Reg 5)	<ul style="list-style-type: none"> • SP 1.1, 1.2; WOCAP; PTCA

Note:

- **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)	<ul style="list-style-type: none"> • SP 2.1, BOD, WOCAP, PTCA
Refinery Fenceline Monitoring (Rule 12-15)	<ul style="list-style-type: none"> • SP 2.2, 4.4, PTCA, Staff
Refinery Emissions Inventory (Rule 12-15)	<ul style="list-style-type: none"> • SP 2.1, 2.2, 4.1, PTCA, Staff
Backup Generators (Rules 2-1& 2-5)	<ul style="list-style-type: none"> • PTCA, Staff
State Implementation Plan (SIP) - (Federal Clean Air Act Requirements) Amendment Package	<ul style="list-style-type: none"> • RACT/RACM

Note:

- **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)	<ul style="list-style-type: none"> • SP 1.3, PTCA
Permitting Efficiencies / BACT (Rules 2-1 & 2-2)	<ul style="list-style-type: none"> • SP 4.1, 4.2, 4.3, 4.7
Backup Generators / Data Centers (new)	<ul style="list-style-type: none"> • SP 2.1, PTCA
Toxic Risk at Existing Facilities Phase II (Rule 11-18)	<ul style="list-style-type: none"> • SP 2.1, PTCA
Refinery Nitrogen Oxides (NOx) Emissions (new)	<ul style="list-style-type: none"> • SP 2.1, PTCA
Refinery Sulfur Oxides (SOx) Emissions (new)	<ul style="list-style-type: none"> • SP 2.1, PTCA

Note:

- **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)	<ul style="list-style-type: none"> • SP 2.1, PTCA
Health-Based PM Rules (new)	<ul style="list-style-type: none"> • SP 1.1, 1.2; PTCA; Staff
Toxic New Source Review / Cumulative Impacts (Rule 2-5)	<ul style="list-style-type: none"> • SP 1.1, 1.2; PTCA; Staff
Organics Materials Handling and Composting Operations	<ul style="list-style-type: none"> • SP 4.1, 4.2, 4.3; Staff
Organic Storage Tanks (Rule 8-5)	<ul style="list-style-type: none"> • SP 1.1, 1.2; Staff
Industrial Boilers, Steam Generators, Process Heaters (Rule 9-7)	<ul style="list-style-type: none"> • SP 1.1, 1.2; Staff
Autobody Operations (Rule 8-45)	<ul style="list-style-type: none"> • WOCAP, PTCA

Note:

- **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)	<ul style="list-style-type: none"> Milpitas Odor Study / SP 1.7 / Staff
Soil Vapor Extraction Permitting Efficiency (Rule 8-47)	<ul style="list-style-type: none"> SP 4.1, 4.2, 4.3; Staff
Research Operations Permitting Efficiency (new)	<ul style="list-style-type: none"> SP 4.1, 4.2, 4.3, 4.7; Staff
Metal Foundries and Forging Evaluation (Rule 12-13)	<ul style="list-style-type: none"> WOCAP
Periodic Review of Controls and Impacts at Permit Renewal	<ul style="list-style-type: none"> SP 4.1, 4.2, 4.3, 4.7; Staff
Asbestos Demolition MOP Update (Rule 11-2)	<ul style="list-style-type: none"> SP 4.1, 4.2, Staff

Note:

- **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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