



San Diego County Air Pollution Control District

Warehouse Working Group (WWG) Meeting
March 4

2024



Meeting Announcements

- Participants muted
- Save questions and comments until end of each section



Overview

- Attendance & Introductions (10 min)
- February Meeting Summary (5 min)
- Prioritization of impacted communities (40 min)
- WAIRE Implementation Options (25 min)
- Proposed Incentive Approach & Discussion (25 min)
- Non-agenda / Participant Comments (10 min)
- Action Items / Next Meeting (5 min)



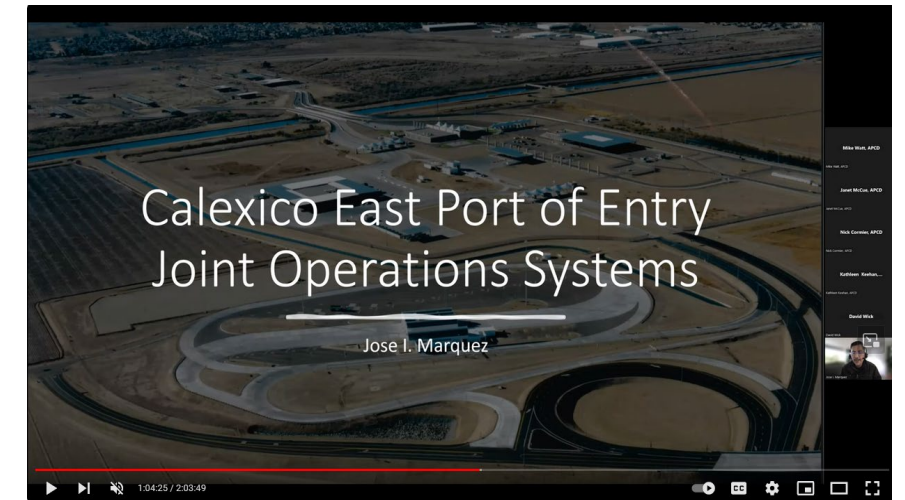
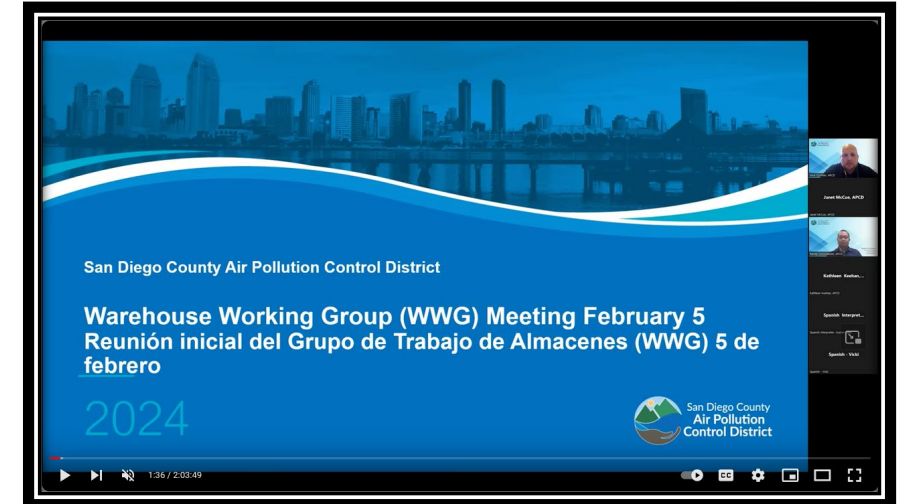
Attendance and Introductions



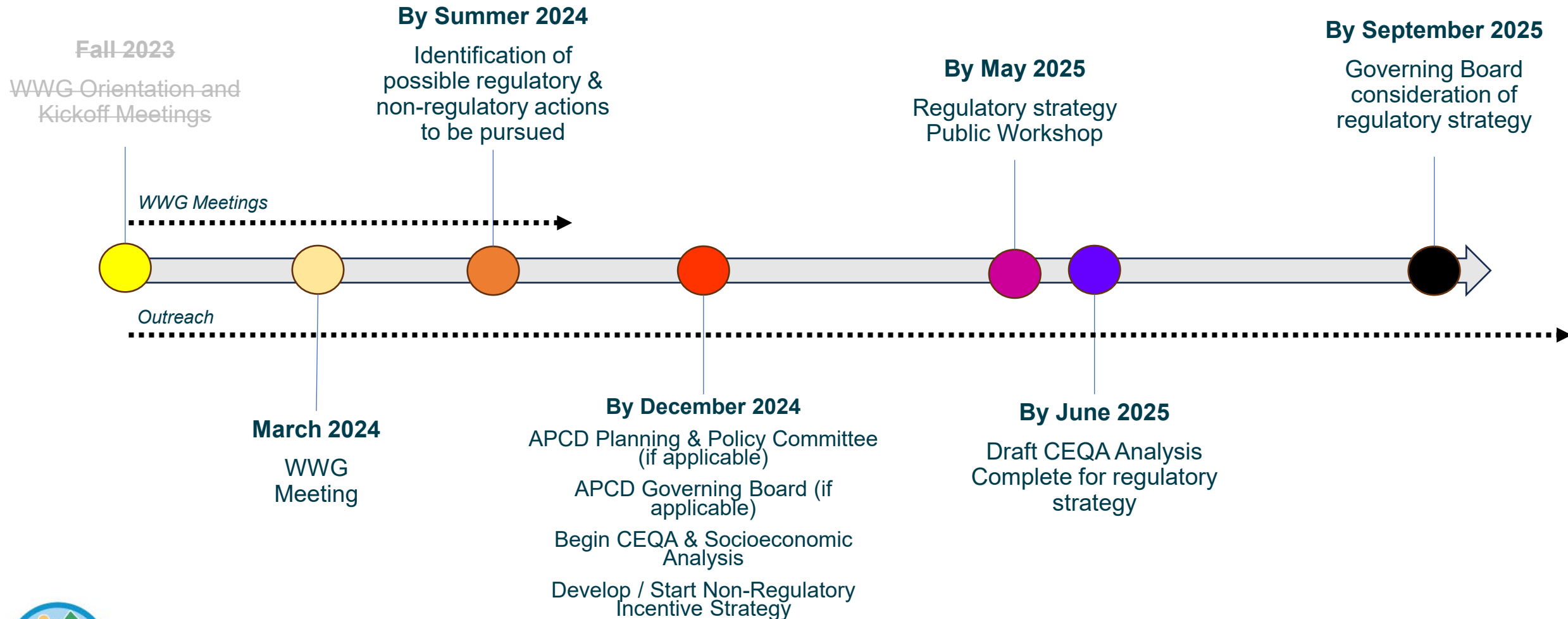
WWG Timeline Recap

- 2/5/24

- Caltrans presentation – Calexico East Port of Entry Joint Operations System (i.e., “Appointment system”)
- Incentive Program Listening Session with Warehouse Entities and Trucking Companies
- South Coast AQMD Training Video – Counting Truck Trips for Rule 2305
- Comments:
 - Warehouse tenants do not own or control trucks
 - Many products from Mexico delivered to a drop yard
 - Focus on independent truckers for incentive funding
 - Appointment system at POE should be prioritized
 - Logistical challenges to tracking truck trips



ISR Timeline Recap



Prioritization of Impacted Communities

- June 8, 2023, Governing Board
 - Proceed with Requested Action 1a (i.e., Warehouse Working Group) prioritizing impacted communities and consideration of smaller warehouses...)
- What does prioritization of impacted communities look like?



ACTION E.3.1:

Directing the San Diego County Air Pollution Control District to proceed with Requested Action 1a prioritizing impacted communities and consideration of smaller warehouses and return to the Board on August 10, 2023 with a timeline for action and proposed composition of the working group; ON MOTION of Member Birkbeck-Garcia, seconded by Member Elo-Rivera, the San Diego County Air Pollution Control District Governing Board took action, approving Requested Action 1a.

AYES: Birkbeck-Garcia, Bush, Elo-Rivera, Gomez, Martinez, Medina, Shu

NOES: Sanchez

ABSENT: Gloria, Lawson-Remer, Vargas



Prioritization of Impacted Communities

- Possible Concepts for Warehouses in Impacted communities - Regulatory

- Accrue more WAIRE points (i.e., select more menu items) in order to comply with a possible rule
- Comply faster than warehouses that are not in an impacted community.
- Earn more WAIRE points if utilizing the ZEV Truck acquisition and/or ZEV Truck visit options.
- Reduced registration and/or permitting fees for facilities that go “above and beyond” required compliance requirements of a possible rule.

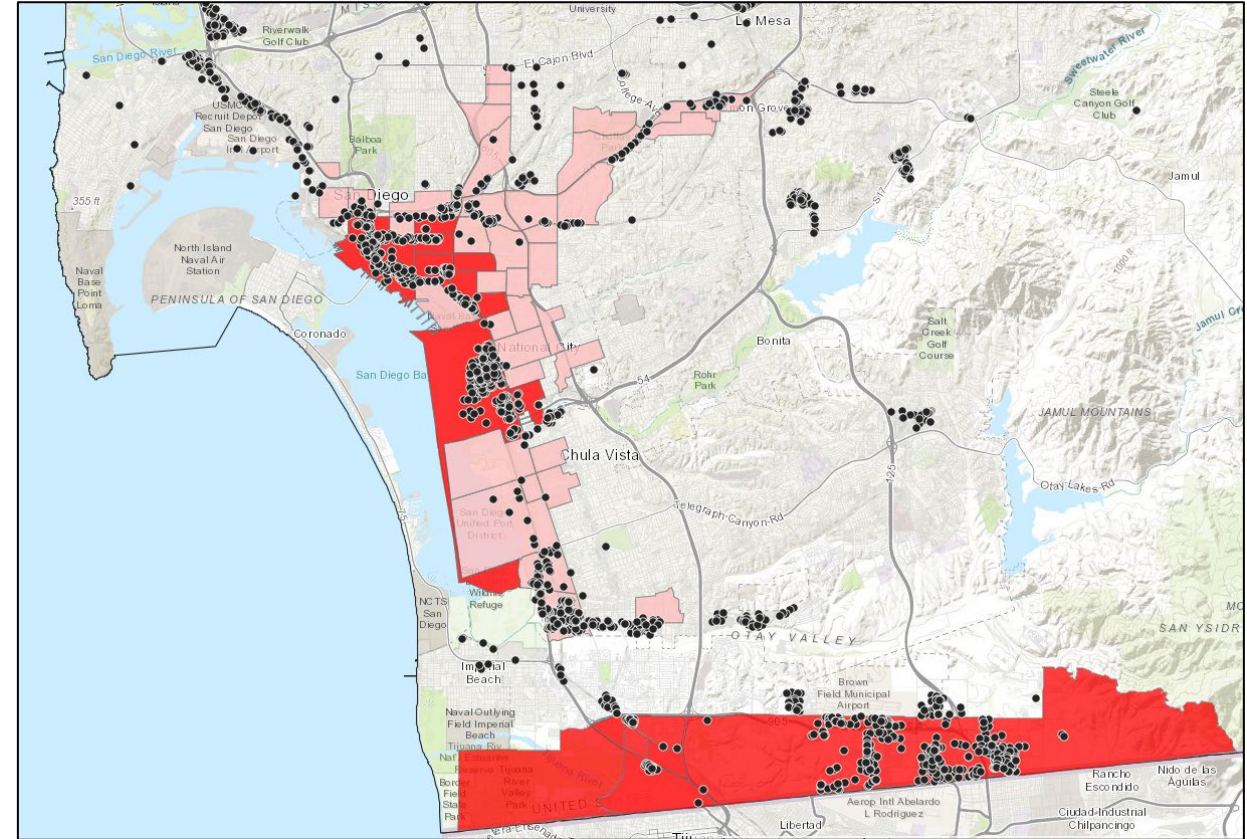
- Possible Concepts for Warehouses in Impacted communities - Non-Regulatory

- “First in line” and offered the right of first refusal for incentive funding options available.
- Higher funding levels



Question or Comments

- 'Raise hand' feature or dial *9
- 'Chat' feature
- Question: What do you think is the best way for APCD to prioritize impacted communities in a non-regulatory and/or regulatory approach in reducing indirect source emissions from warehouses?



SCAQMD Rule 2305 Compliance Report Results

Top 10 Options Being Used to Comply with Rule 2305 in Year 1

SCAQMD WAIRE Program Report

https://www.aqmd.gov/docs/default-source/planning/fbmsm-docs/annual_report_waire_program_012023.pdf?sfvrsn=8



Menu Item Name	WAIRE Points	Occurrence
ZE Hostler Usage	71,575.8	59
NZE Class 8 Truck Visits	49,926.1	57
ZE Hostler Acquisitions	13,275	56
ZE Class 8 Truck Visits	10,223.5	84
ZE Class 8 Truck Acquisitions	6,930	8
Mitigation Fee Points	5,544.8	109
NZE Class 4-7 Truck Visits	4,020.6	17
Finalize TRU Plug Project	3,444	2
Begin Construction on TRU Plug Projects	2,760	7
Finalize 19.2 - 350 kW Charger Project	2,360	40



SCAQMD Rule 2305 Compliance Report Results

- Other menu options being utilized (in order of WAIRE points, largest to smallest)

Menu Item Name	WAIRE Points	Occurrence
Rooftop Solar Panel Installations	2353.6	6
TRU Plug Acquisition	1641	4
Charger Usage	1537.1	72
150 - 350 kW EVSE Acquisition	1298	11
TRU Plug Usage	1089.5	6
Solar Panel Usage	509	45
Up to 19.2 kW EVSE Acquisition	275	55
Finalize up to 19.2 kW Charger Project	250	50
19.2 - 50 kW EVSE Acquisition	208	8
Begin Construction on 19.2 - 350 kW Charger Project	189	21
Begin Construction on up to 19.2 kW Charger Project	140	28
ZE Class 4-7 Truck Acquisitions	136	2
ZE Class 2b-3 Truck Acquisitions	98	2
Hydrogen Station Usage	83.9	3
Filter System Installations	50.6	2
Filter Purchases	29.2	2
ZE Class 2b-3 Truck Visits	7.4	4
ZE Class 4-7 Truck Visits	6.7	4



SCAQMD Rule 2305 Compliance Report Results

- Main Takeaways from WAIRE points accrued in Year 1:
 - Entities are complying utilizing multiple menu options (*NOTE: key aspect in Judge's decision uphold Rule 2305 in 12/2023*)
 - 67% of points accrued were from options that did not require equipment purchases from the rule (i.e., utilizing existing ZE Yard Hostlers and receiving Near Zero Emission (i.e., CNG))
 - <4% of points accrued were from ZEV truck acquisitions (Class 2b through 8)
 - <2% of points accrued were from solar panel installations and/or usage
 - <0.1% of points accrued were from air filter installations and/or purchases.
 - Mitigation fee option was utilized the most times by entities to comply, but did not necessarily equate to accruing the most WAIRE points



SCAQMD Rule 2305 Compliance Report Results

- Considerations for Data Reported:
 - Only initial year of reporting; not comprehensive to all facilities
 - Pending litigation could be delaying facilities from making significant long-term investments to comply with rule
 - Infrastructure projects and ZEV truck purchases with long lead times could have been “in-process” but not completed to report in 1st year



Question or Comments

- 'Raise hand' feature or dial *9
- 'Chat' feature
- Question: What are your main takeaways in reviewing the AQMD reported data for compliance in Year 1?



Proposed Incentive Approach

- Have discussed various incentive pathways in various WWG meetings
- Consideration of available APCD resources and speed in which a program could be developed and approved through AB617 Steering Committees and CARB
- Three-Tier Approach being considered at this time:
 1. Amend the existing **Portside SDAPCD Short Haul Zero Emission Truck Pilot** to initially expand funding opportunities for warehouse entities & trucking companies that operate in under-resourced communities to procure or utilize ZEV trucks (subject to CSC/CARB approval)
 2. Ensuring existing funding pathway for existing **Carl Moyer & AB617 CAPP programs (i.e., “Clean Air For All” Program)** continues to allow for funding opportunities for warehouse entities & trucking companies to purchase/install ZEV infrastructure. Program can cover up to 50-75% of eligible costs up to \$1 million with no cost-effectiveness limit assigned.
 3. If rule is developed, any funds collected through mitigation fee option would be used to further expand Zero Emission Truck Pilot project for warehouse entities & truck companies that operate outside of under-resourced communities to procure or utilize ZEV trucks (subject to CSC/CARB approval)



Proposed Incentive Approach

- Existing Portside Short Haul Zero-Emission Pilot Project Requirements:
 - Operate diesel truck > 14,000 lbs within Portside community for the past 2 years
 - Demonstrate at least 52 trips completed per year in Portside community
 - Must be in compliance with current air quality regulations
 - No scrappage of old vehicle required
 - **ZEV Pilot Project is still accepting applications!** More information can be found at:
<https://www.sdapcd.org/content/sdapcd/grants/grants-equipment/heavy-duty-trucks/zero-emission-truck-pilot-project.html>
- Clean Air For All Grant Solicitation Website: <http://tinyurl.com/sdapcd-moyer>
- Subscribe to receive Grant updates from APCD:
<https://public.govdelivery.com/accounts/CASDCAPCD/subscriber/new>



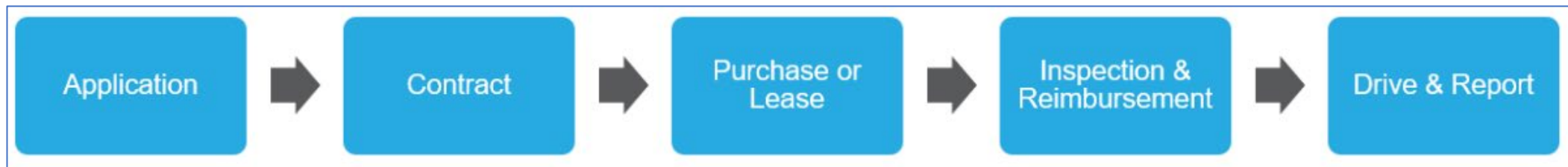
Proposed Incentive Approach

- Funding currently offered:

- Up to 90% or \$250,000 of eligible ZEV truck cost (whichever is less) OR up to 90% of a three-year lease payment
- Ability to match funding from Port of San Diego (if eligible/offered)
- First-come, first-served

- New Vehicle Requirements:

- Must operate new ZEV truck within Portside community for a minimum of 3 years, 52 trips per year, and 104 miles per year
- Must demonstrate access to charging infrastructure (public or private)
- Vehicle must be insured, available for at least 3 outreach events, and submitting 3 annual reports to APCD



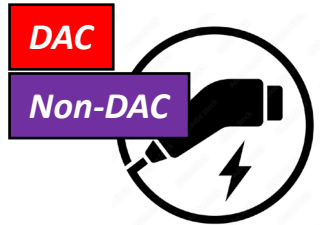
Proposed Incentive Approach



Existing truck owner that operates in under-resourced community

Equipment owner applies to amended* **SDAPCD Short Haul Zero Emission Truck Pilot Grant Program**

Grant funding for new ZEV equipment



Owner/operator interested in infrastructure funding (all SD County)

Equipment owner applies to existing **SDAPCD Clean Air For All Grant Program**

Grant funding for new ZEV infrastructure



Existing equipment that operates outside of under-resourced community

Equipment owner would apply to expanded* **SDAPCD Short Haul Zero Emission Truck Pilot Grant Program** utilizing possible mitigation fees from ISR Rule

Grant funding for new ZEV equipment

**Amendment to program requires AB 617 Community Steering Committee and CARB approvals*



Proposed Incentive Approach

- Possible revisions APCD would be investigating for ZEV Truck Pilot Project and Carl Moyer Programs that will (1) enhance opportunities for Warehouse Entities & Trucking Companies, and (2) prioritize under-resourced communities
 - Adjust funding levels to encourage small/medium-sized warehouse entity or trucking company serving in an under-resourced community to receive more funding than a large entity would that is not operating in an under-resourced community
 - Ensure expanded program would have no minimum California-only operational requirements (to encourage fleets operating binationally across the Border to be eligible)
 - Investigate if (1) “trucking as a service” operations, and (2) incentives to cover the cost of a company to participate in a Commercial Vehicle Appointment System at Otay Mesa POE with a ZEV truck, could be incorporated into possible program revisions.
 - Prioritize any ZEV infrastructure project for funding for warehouse applicants/trucking companies that demonstrate the project would be located (or charge) ZEV trucks that operating in an under-resourced community



Question or Comments

- 'Raise hand' feature or dial *9
- 'Chat' feature
- Question: What are your thoughts about APCD's proposed non-regulatory approach?



Non-Agenda & Participant Comments

- 'Raise hand' feature or dial *9
- 'Chat' feature



Next Meeting

- Monday, May 6, 2024, 3:00 p.m. to 5:00 p.m.
 - Topics to be determined
- No meeting in April



Staff Contacts

- Randy Consolacion, Associate Engineer
 - Randy.Consolacion@sdapcd.org
 - 858-586-2752
- Nick Cormier, Rule Development Supervisor
 - Nick.Cormier@sdapcd.org
 - 858-586-2798

