



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

NOTICE OF DECISION

To: Office of the Secretary of the
California Natural Resources Agency
General Counsel's Office
1416 9th Street, Suite 1311
Sacramento, CA 95814

From: South Coast Air Quality Management
District
Planning, Rule Development and Area Sources
21865 Copley Drive
Diamond Bar, CA 91765

Subject: Filing of Notice of Decision in compliance with Public Resources Code Section 21080.5(d)(2)(E), CEQA Guidelines Section 15252(b), and South Coast AQMD Rule 110(f)

Project Title: Final Environmental Assessment for Proposed Rule 2305 – Warehouse Indirect Source Rule – Warehouse Actions and Investments To Reduce Emissions (WAIRE) Program and Proposed Rule 316 – Fees for Rule 2305

Lead Agency: South Coast Air Quality Management District (South Coast AQMD)

SCH Number: 2020110225

Date Certified: May 7, 2021

South Coast AQMD Number: 11132020RB

Contact Person: Ryan Bañuelos

Telephone Number: (909) 396-3479

Project Location: Rules 2305 and 316 apply to existing and new warehouses located throughout the South Coast Air Quality Management District's (South Coast AQMD) jurisdiction, which includes the four-county South Coast Air Basin (all of Orange County and the non-desert portions of Los Angeles, Riverside, and San Bernardino counties), and the Riverside County portion of the Salton Sea Air Basin and the non-Palo Verde, Riverside County portion of the Mojave Desert Air Basin.

Project Description: The project is comprised of Rule 2305 and Rule 316. Rule 2305 was adopted to facilitate local and regional emission reductions associated with existing and new warehouses with an indoor warehouse floor space equal to or greater than 100,000 square feet within a single building and the mobile sources attracted to these warehouses. Under Rule 2305, operators of applicable existing and new warehouses are subject to an annual Warehouse Actions and Investments to Reduce Emissions (WAIRE) Points Compliance Obligation (WPCO) intended to reduce regional and local emissions from warehouse indirect sources. To meet the WPCO, WAIRE Points can be earned by warehouse operators and/or owners by selecting from a menu of emissions reduction measures: 1) acquiring and/or using near-zero emissions (NZE) and zero-emission (ZE) trucks; 2) acquiring and/or using ZE yard trucks; 3) installing and/or using ZE charging/fueling infrastructure (e.g., electric charger, hydrogen fuel station) for cars, trucks, and/or transport

refrigeration units; 4) installing and/or using onsite energy systems (e.g., solar panels); and 5) implementing community benefits (e.g., Minimum Efficiency Reporting Value (MERV 16) or greater filters or filter systems). In addition, warehouse operators may apply to earn WAIRE Points through a Custom WAIRE Plan specific to their operations that satisfy prescribed performance metrics. WAIRE Points may be earned only for “surplus” actions that go beyond existing state and federal regulations. In lieu of satisfying the WPCO via implementation measures, a warehouse operator may choose to pay an optional mitigation fee to South Coast AQMD that will be used in a mitigation program to achieve the emissions reductions. Similar to the measures used to earn WAIRE Points, the mitigation program will implement measures such as subsidizing the purchase of NZE and ZE trucks and/or the installation of charging and fueling infrastructure for ZE trucks. The mitigation program will prioritize use of the mitigation fees in areas near the warehouses using this compliance option. Implementation of Rule 2305 is expected to result in long-term and permanent emission reductions of nitrogen oxides and particulate matter in the South Coast AQMD, including diesel particulate matter and reduced associated public health impacts from warehouse activities which will vary depending upon the implementation measures employed. There may be additional industrial properties and warehouse operators and owners that will only be required to provide reports but will not be required to earn WAIRE Points. Rule 2305 will be submitted into the State Implementation Plan.

Rule 316 was adopted to establish fees to be paid by warehouses subject to Rule 2305 to recover South Coast AQMD administrative costs associated with submittal and review of various notifications and reports, Custom WAIRE Plan evaluation, and implementing a program using mitigation fees from warehouse operators that chose to pay a mitigation fee, as well as compliance activities such as conducting desktop audits, onsite inspections, and reviewing records.

This is to advise that the South Coast AQMD has certified the Final EA and approved the above described project pursuant to the provisions of the California Environmental Quality Act (CEQA), and has made the following determinations:

1. The requirements for an Environmental Impact Report were triggered pursuant to South Coast AQMD’s Certified Regulatory Program (Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(1); codified in South Coast AQMD Rule 110) and CEQA Guidelines Section 15081, and that a Final EA, a substitute document allowed pursuant to CEQA Guidelines Section 15252 and South Coast AQMD’s Certified Regulatory Program, was prepared.
2. The Final EA concluded that the project will have the potential to generate significant and unavoidable adverse environmental impacts for the topics of: 1) aesthetics; 2) agriculture and forestry resources; 3) air quality and greenhouse gas emissions; 4) biological resources; 5) cultural resources; 6) energy; 7) geology and soils; 8) hazardous materials and solid and hazardous waste; 9) hydrology and water quality; 10) mineral resources; 11) noise; 12) transportation; and 13) utilities and service systems.
3. Because the Final EA concluded that the project will have significant and unavoidable adverse impacts on the environment, pursuant to CEQA Guidelines 15252(a)(2)(A), the Final EA includes an alternatives analysis and analysis of mitigation measures. However, no feasible mitigation measures were identified that would reduce or eliminate the significant adverse impacts for the aforementioned affected environmental topic areas.

Thus mitigation measures were not made a condition of project approval and were not adopted. Further, since mitigation measures were not adopted for the project, a Mitigation, Monitoring, and Reporting Plan, pursuant to Public Resources Code Section 21081.6 and CEQA Guidelines 15097 was neither required nor adopted.

4. Because the Final EA concluded that the project will have potentially significant and unavoidable adverse impacts on the environment, Findings were made pursuant to Public Resources Code Section 21081.6 and CEQA Guidelines Section 15091 and a Statement of Overriding Considerations pursuant to CEQA Guidelines Section 15093 was adopted.
5. Pursuant to CEQA Guidelines Section 15092(b)(2)(B), the South Coast AQMD has determined that the remaining significant effects on the environment found to be unavoidable in accordance with the Findings made pursuant to CEQA Guidelines Section 15091 are acceptable due to overriding concerns described in the Statement of Overriding Considerations prepared pursuant to CEQA Guidelines Section 15093.

The Final EA, supporting documentation, and record of project approval may also be examined at: South Coast AQMD, 21865 Copley Drive, Diamond Bar, CA 91765.

Date Received for Filing

Signature: *Lijin Sun*
Lijin Sun, J.D.
Program Supervisor, CEQA
Planning, Rule Development and Area Sources