



Update on Facility-Based Mobile Source Measures

SEPTEMBER 7, 2018

Summary of May 2018 Board Direction

Sector	Direction
Airports	Pursue MOUs to implement airport clean air action plans
Ports	Pursue MOUs to implement specific CAAP measures; pursue introduction of cleaner vessels
New/Redevelopment	Continue to work with stakeholders to develop rule concepts and preliminary costs/benefits
Warehouses	Develop rule concept; conduct economic impacts study to inform rule concept
Rail yards	Pursue rulemaking; explore potential for new agreements/MOUs beyond the 1998 and 2005 agreements

AIRPORTS – Board Direction

MOU approach in lieu of ISR

- Develop separate MOU with each commercial airport
 - Late 2019 timeframe
- MOUs to be based on clean air plans developed by each airport
- Regular progress updates to the Governing Board
 - Airports commitment to develop clean air plans
- If MOU process not successful, staff to recommend regulatory approach subject to Governing Board approval



AIRPORTS – Status Update

- **Initiated discussions with the airports**
 - All airports have so far expressed their commitment to developing own clean air plans and MOU approach
 - Draft MOU framework prepared by AQMD staff submitted to the airports
 - Received initial verbal comments/concerns on the draft MOU framework
- **Staff has offered assistance to airports in developing their clean air plans**
 - Inventory Baseline/Forecast
 - Evaluation of control strategies
- **Follow-up meetings with airports being planned for October on the airports plan development and MOU framework**

PORTS – Board Direction



MOU approach in lieu of an ISR

- MOU between AQMD and ports on specific CAAP measures in 2019 timeframe (e.g., Clean Truck Program)
- Regular progress updates to the Governing Board
- Exploring new incentive strategies to address emissions from ocean-going vessels
- If MOU process not successful, staff to seek direction from the Governing Board on potential regulatory/voluntary approaches

PORTS – Status Update

- Initiated discussions with the Ports and provided potential draft MOU framework
 - Prospective SIP creditable CAAP measures meeting EPA's Integrity Elements
 - Ports to commit to performance targets for CAAP measures that are:
 - Reasonable and achievable
 - Technically feasible and cost-effective
 - Maintain ability to use incentive funding
 - Public process for MOU development
 - AQMD to commit to backstop any potential emission reduction shortfall
 - Recordkeeping/Reporting for tracking progress

PORTS – Status Update (cont'd)

- Ports staff have expressed concern about the MOU approach and submitted letter raising concerns about the MOU framework
 - Recommending an interagency process (U.S. EPA, CARB, AQMD, Ports)
 - Proposing other options for SIP credits (retrospective credits)
 - Not providing future SIP creditable reductions
 - Expressing concern about quantifying potential emission benefits for CAAP measures
 - Not willing to commit to quantifiable outcomes for CAAP measures (e.g., emission reductions or number of truck replacements)
- Staff to meet with ports to try to reach resolution
 - Update will be provided to Mobile Source Committee

NEW DEVELOPMENT & REDEVELOPMENT – Board Direction

- On May 4, 2018, the Board stated concerns about the following:
 - Scope of proposed emission reduction strategies
 - Type of projects affected (e.g. affordable housing projects)
 - Effects on real-estate prices
 - Job and economic impacts
- The Board directed staff to continue to work with the Working Group on developing emission reduction strategies



NEW DEVELOPMENT & REDEVELOPMENT – Status Update

- **WG members requested a study to address the Board's concerns**
 - Topics of interest:
 - Scope of the program
 - Opportunities for incentives
 - Affordable housing impacts
 - Green infrastructure
 - Local economic impacts
- **Next steps:**
 - Pursue a study to address the Board's concern through an RFP process
 - Provide the Mobile Source Committee with quarterly progress reports
 - Return to the Board in one year for an update on the Working Group's progress

WAREHOUSE DISTRIBUTION CENTERS – Board Direction

- **Begin Indirect Source rulemaking activities**
 - Interim Analyses
 - Anticipated Emission Reductions
 - Cost of Compliance
 - Economic Impact Study + 3rd party review
 - Industrial Real Estate Market Impact
 - Technological Availability
- **Continue exploring non-regulatory options**
 - New CEQA Air Quality Mitigation Fund
 - Warehouse Guidance Document (with CARB)
 - Green Delivery (e.g., opt-in fee to fund cleaner fleet)

WAREHOUSE DISTRIBUTION CENTERS – Status Update

Working Group Meetings

- August 1st, 2018 Discussed initial concepts of a potential ISR, coupled with voluntary fleet certification
- August 23rd, 2018 Subgroup meeting on initial concept of a CEQA Air Quality Impact Mitigation Fund for new warehousing projects

Outreach and Research

- Ongoing discussion with industry, community, and other stakeholders
 - Facility and community site visits
 - Gather feedback on initial concepts
- ***Research different business models for warehouses and truck fleets***

Warehouse Econ. Study RFP

- Board-directed Economic Impact Study
 - Cost of ISR compliance for warehouses/fleets
 - Impact on regional freight operations (e.g., cargo diversion)
 - Impact on industrial real estate market
 - Informed by ongoing ICF Study of ZE/NZE truck deployment costs and benefits
- RFP on September Board agenda

RAIL YARDS – Board Direction

- **Begin Indirect Source Rulemaking**
 - Any ISR approved by the Board would require harmonization with federal regulatory requirements before the rule is enforceable
- Continue to explore possible additional agreements beyond the existing 1998 and 2005 MOUs

RAIL YARDS – Status Update

Working Group Meetings

- Upcoming working group meeting - tentatively planning for early Fall

Outreach and Research

- Engaging industry, community, and other stakeholders
 - Facility and community site visits
 - Keep abreast of CARB's rulemaking activities
- Continue to assess facility-specific emissions inventories

Voluntary Measures

- Some initial concepts for warehouse may be applicable for rail yards
 - Voluntary fleet certification to facilitate reducing emissions from trucks visiting rail yards
- Exploring other potential measures