Bay Planning Coalition

June 1, 2026

Philip Fine, Executive Officer/APCO
Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105
Via email: ruledevelopment@baaqmd.gov

Re: Comments on the Bay Area Air District Warehouse Indirect Source Rule Concept Paper

Dear Dr. Fine and Air District Staff:

Bay Planning Coalition (BPC) appreciates the opportunity to comment on the Bay Area Air Quality Management District's (Air District) Warehouse Indirect Source Rule (ISR) Concept Paper. BPC is a 40 year old, membership-based nonprofit organization representing a broad coalition of business, industry, infrastructure operators, and public agencies engaged in maritime activities, moving goods and people, and investing in resilience on the Bay and shoreline. Our members include refineries, ports, airports, and other businesses that would be directly affected by any warehouse ISR the Air District may adopt.

BPC supports the goals of improving regional air quality and reducing air pollution exposure in overburdened communities. We recognize the urgency created by CARB's withdrawal of the Advanced Clean Fleets (ACF) waiver, and understand the Air District is looking to identify alternative pathways to achieve meaningful emissions reductions. After reviewing the concept paper, we offer the below comments and questions, and ultimately recommend that you revise and reissue the concept paper before proceeding with a rulemaking.

Before addressing specific rule concepts, BPC wishes to note that Bay Area warehouse operators and trucking fleets have been the subject of significant recent regulation, including CARB's in-use truck regulations, clean truck sales mandates, Transport Refrigeration Unit (TRU) upgrade requirements, AB 617 community action obligations, and new statewide siting and design standards under Assembly Bill 98. Local jurisdictions have also adopted independent measures; Contra Costa County, for example, enacted a moratorium on new heavy distribution uses in North Richmond over diesel exposure concerns. The Air District's ISR concept should be designed with full awareness of this regulatory stack. Requirements that appear modest in isolation may impose disproportionate cumulative costs on businesses and communities that are already investing significantly in compliance, without generating meaningful improvements in air quality or public health.

I. Define "Warehouse" with Precision

The concept paper does not provide a working definition of "warehouse." The Air District should specify what constitutes a covered facility before proceeding further, including whether applicability is based on square footage under a single roof (as in WAIRE), trip-generation

thresholds, NAICS codes, property zoning, or some combination. It should also address how multi-building campuses are treated — whether adjacently sited buildings count as one facility or many — and how co-located facilities with shared logistics operations are handled. A square footage threshold may fail to account for vacancy rates, seasonal fluctuation, or utilization intensity. The concept paper also treats all warehouses as a single category, yet e-commerce fulfillment centers, cold storage, and traditional distribution warehouses have distinct truck trip profiles, dwell times, and emissions characteristics — and a one-size-fits-all framework may produce compliance obligations bearing little relationship to actual facility impacts.

The interaction between this rule and AB 98 also requires clarification. AB 98, effective January 1, 2026, imposes statewide siting, design, and operational standards on new and expanded logistics uses, including setback requirements, truck routing plans, and air quality study obligations for facilities near sensitive receptors. The Air District must articulate how the ISR definition of "warehouse" aligns with or differs from the "logistics use" definition in AB 98, and whether new facilities subject to AB 98 requirements will carry forward those obligations as a compliance baseline under any future ISR.

BPC recommends that the Air District publish a draft definitional framework for stakeholder review early in the engagement process.

II. Clarify Scope: New Facilities, Freight Corridors, and Leakage Risks

The concept paper suggests the rule will focus on existing warehouse operations, but several scope questions remain unresolved:

- The rule must state clearly whether it will apply to new or expanding facilities or only to those currently operating. This matters because AB 98 already imposes a set of design, siting, and environmental review obligations on new logistics uses statewide. The Air District should identify whether the ISR is intended to layer additional operational requirements on top of AB 98 for new facilities, and if so, articulate the regulatory rationale for doing so.
- The concept paper acknowledges that warehouses are not a unique source of heavy-duty diesel truck traffic in Bay Area communities. The same communities are burdened by freight corridors, seaports, airports, and other industrial uses. It is unclear how a warehouse strategy — absent a complementary strategy for freight corridors — achieves meaningful reductions.
- The concept paper also appears to blend several potential objectives, including regional NOx reductions, localized diesel PM exposure reduction, PM2.5 attainment, cumulative impacts in overburdened communities, and broader freight electrification goals. We encourage the Air District to clearly identify the primary objective of the proposed ISR and explain how the proposed applicability thresholds and compliance framework are designed to achieve that objective. If the primary purpose is reducing localized health risk, then truck activity, fleet characteristics, proximity to sensitive receptors, and cumulative exposure may be more informative indicators than facility size alone.
- The Air District should estimate and disclose leakage risks. If Bay Area compliance costs are not borne by warehouses in the San Joaquin Valley or other regions, operators may

relocate facilities outside the District's jurisdiction — shifting emissions and truck trips to other communities without net benefit. The Air District should also evaluate whether it would support a statewide ISR, such as that proposed in (now-inactive) AB 1777 (Garcia) which could produce more significant fleetwide and freight corridor impacts without creating competitive disadvantages for Bay Area operators.

For new facilities, land-use controls and CEQA-based mitigation requirements may represent valid and potentially more powerful tools to reduce exposure of sensitive receptors to warehouse-related emissions. The concept paper sets these aside without adequate explanation. The Air District must articulate why an operational ISR is preferred over updated land-use or permit conditions for facilities in overburdened communities.

III. Address the Complexity of Compliance Obligations and Responsible Parties

Warehouse operations in the Bay Area involve a layered web of owners, operators, tenants, third-party logistics providers, fleet owners, and fleet operators. The concept paper acknowledges this complexity but does not resolve it. Assigning compliance obligations to "warehouse owners and operators" without a precise definition of those terms, and without addressing multi-tenant and subleased facilities, may create significant enforcement challenges.

The concept paper also discusses multiple possible compliance frameworks, including concepts modeled after South Coast AQMD's WAIRE program as well as more facility-specific approaches. Because compliance obligations, administrative burden, enforceability, and emissions accounting differ substantially among these approaches, we encourage the Air District to identify its preferred regulatory architecture before proceeding to draft rule language, and clarify whether compliance will be based on approved actions, emissions reductions, health-risk reductions, or some combination thereof.

BPC identifies the following specific compliance design issues that should be addressed:

- The rule should establish clear credit for early movers. Facilities that have already invested in zero-emission trucks, electrification infrastructure, cleaner equipment, or anti-idling policies should receive baseline credit for those investments.
- The compliance menu's inclusion of "decrease in truck trips" as a creditable action raises two questions about methodology: 1. How will trips be counted? How will a single truck serving multiple facilities on one route be counted? How are partial loads or deadhead trips handled? 2. How will operational changes and reductions be distinguished from those caused by economic downturns? Measurement and a clear methodology will be critical for enforceability.
- Truck fleets are typically owned and managed by entities different from warehouse owners and operators. The Air District should clearly distinguish between actions within a warehouse owner's or operator's control (such as charging infrastructure, lease provisions, scheduling requirements, anti-idling measures, or contractual fleet requirements) and fleet decisions outside their control (such as truck purchasing decisions, fleet turnover schedules, and vehicle dispatch decisions). Without this distinction, the rule risks creating compliance obligations that are difficult to administer,

enforce, or achieve in practice. For example, will facilities receive credit for installing infrastructure or implementing contractual requirements even if they cannot guarantee fleet turnover or use of that infrastructure?

- The geographic nexus for mitigation fee expenditures must be specified. If the goal is reducing emissions in communities with sensitive receptors, a mitigation fee spent in a distant community does not advance that goal. How would the District ensure that mitigation fee expenditures provide measurable air quality or public health benefits?
- The Air District should clarify if covered facilities will be eligible for District or EPA grant programs to offset compliance costs. If the covered class is as small as 520 sites, the Air District should evaluate whether a structured incentive program could produce equivalent or greater reductions at lower administrative and economic cost.

IV. Analyze Health Benefits, Additionality, and Economic Impacts Together

The concept paper's emissions benefits analysis reports preliminary estimates of up to 280 tons per year of NOx reduction and up to 1.3 tons per year of PM10 reduction. The concept paper acknowledges that these represent ""smaller total emission benefits compared to other recent rulemakings." It does not explain how these reductions compare to Bay Area emissions inventories, or translate into measurable localized exposure reductions. Critically, the figures are presented without public health translation, without demonstration of additionality to existing baselines, and without an economic impact analysis — making it difficult to evaluate whether this rule is an effective use of regulatory and private-sector resources.

Health benefits should be expressed in terms that affected communities and decision-makers can evaluate — estimated reductions in cancer risk incidence, premature deaths avoided, or changes in ambient DPM concentrations at specific sensitive receptor locations.

An equally rigorous economic impact analysis should accompany these health and additionality assessments. The concept paper presents compliance costs in isolation, but The Air District should model total compliance costs across the full regulatory stack. An April 2026 review of WAIRE conducted by Ramboll (a BPC member) found that WAIRE compliance costs were three to nine times higher than SCAQMD's initial estimates, and that increased costs are passed on to consumers and can force smaller operators out of business. Ramboll also found that the WAIRE program "did not generate creditable emissions reductions" beyond existing regulations – findings the Air District must incorporate into its own analysis.

The concept paper notes that smaller facilities are "less likely" to function as major truck-trip generators, but this appears to write off the cumulative impact of clusters of sub-100,000 square foot warehouses in overburdened communities. The 100,000 square foot threshold was selected in part for administrative simplicity and alignment with WAIRE — not because of a demonstrated fit with Bay Area warehouse size and emissions distributions. The Air District should present data justifying this threshold for Bay Area conditions specifically.

Finally, the concept paper identifies proximity to sensitive receptors — such as schools within 1,000 feet — as a potential reporting element that facilities themselves would self-certify. The

Air District already has GIS data on school, park, and residential locations and should publish this proximity data itself.

V. Pilot Before Regulating: Consider a Pre-Phase 1 Demonstration Program

BPC supports the phased implementation structure described in the concept paper. A Phase 1 focused on data collection and flexible compliance, followed by a more targeted Phase 2, is a sensible approach given the acknowledged gaps in current emissions and operational data.

BPC recommends that the Air District go further by adding a formal pilot phase before Phase 1. A pilot program — voluntary, time-limited, and focused on a representative cross-section of facility types and locations — would allow the Air District to more thoroughly test reporting systems, identify data gaps, evaluate compliance menu feasibility, validate emissions assumptions, and surface compliance challenges before imposing enforceable obligations.

The South Coast WAIRE Program's implementation record serves as a cautionary tale. Four years after adoption, only 63 percent of covered facilities had submitted compliance notifications, and SCAQMD had issued over 700 Notices of Violation as of August 2025. Widespread confusion about truck-trip counting, the WAIRE Points Compliance Obligation calculation, and the online portal — especially among smaller operators — drove these failures.

The Air District should design a reporting system with lower administrative friction than WAIRE. This means: a single, user-tested online portal with plain-language guidance; consolidated reporting deadlines; pre-populated data where the Air District can supply it (including sensitive receptor proximity, as noted above); and a dedicated compliance assistance program — particularly for smaller operators and non-English-speaking facility managers — before penalties are imposed.

Conclusion

At this time, we encourage the Air District to revise and reissue the concept paper: improving definitional clarity, accounting for reductions already achieved under existing regulations, fully describing the rule's public health benefits and compliance costs, and developing a clear and enforceable implementation framework.

Bay Planning Coalition looks forward to continued engagement with Air District staff on these concepts, and we welcome a meeting to discuss any of these points in greater detail.

Sincerely,

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