



Air Pollution Control District Governing Board

San Diego County Air Pollution Control District

AGENDA ITEM #B.1

DATE: May 14, 2026

TO: SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD

SUBJECT:

UPDATE ON STRATEGIES TO REDUCE INDIRECT SOURCE EMISSIONS FROM WAREHOUSES AND DISTRIBUTION CENTERS IN SAN DIEGO COUNTY

REQUESTED ACTION:

Pursuant to the District's analysis in the Warehouse Indirect Source Rule (ISR) Framework Supplement and Strategies to Reduce Indirect Source Emissions at Warehouses and Distribution Centers White Paper, direct the Air Pollution Control Officer to prioritize alternative strategies (as detailed in Section 5.0 of the White Paper) to reduce emissions from indirect sources at warehouses and distribution centers to advance compliance with state and federal air quality standards and improve conditions in communities most impacted by air pollution.

OVERVIEW:

This item was continued from the 4/9/26 Governing Board meeting.

In 2019, California Assembly Bill 423 (Gloria, 2019) (AB 423) amended State law to include a requirement for the San Diego County Air Pollution Control District (District) to "consider adopting an indirect source rule to address pollution from mobile sources that is associated with stationary sources, such as ports, warehouses, and distribution centers." The Clean Air Act defines an indirect source as "...a facility, building, structure, installation, real property, road, or highway which attracts, or may attract, mobile sources of pollution" but does not include direct sources of emissions associated with these locations (42 U.S.C. §7410(a)(5)(C)), as codified in California Health and Safety Code Section 40100.6.5(a)(6). Pursuant to AB 423, starting in November 2021, staff began evaluation of potential strategies to reduce emissions from indirect sources such as ports, warehouses, and distribution centers located throughout San Diego County.

In April 2025, the District released a report titled "Warehouse Indirect Source Rule (ISR) Framework Supplement", also referred to as the "Supplement" (Attachment B). The Supplement presented an update to pertinent sections found in the initial ISR report titled "Options and Considerations for Reducing Indirect Source Emissions at Warehouses, Distribution Centers, and Ports", also referred to as the "ISR Framework" (Attachment A) for warehouses and distribution centers. The Supplement also

provided new or updated information through analysis that was either directed by the Governing Board, Planning and Policy Committee, and/or discussed through the Warehouse Working Group (WWG).

The Supplement and the in-depth technical analysis it contains helped inform the District's current evaluation of the feasibility of adopting a warehouse ISR in San Diego County. To present this evaluation, on January 16, 2026, the District released a final report titled "Strategies to Reduce Indirect Source Emissions at Warehouses and Distribution Centers White Paper", also referred to as the "White Paper" (Attachment C). The follow is a summary of the findings and considerations that informed the conclusions of the White Paper. See the referenced sections for more detailed discussions on each item.

- The estimated emission reductions from a potential warehouse ISR in San Diego County are projected to be significantly less than the reductions anticipated from other rulemakings (White Paper, Section 3.1).
- The estimated public health benefits, both regionwide and in under-resourced communities, of a potential warehouse ISR are less than the benefits anticipated from recent and potential future rulemakings (White Paper, Section 3.2).
- The estimated compliance costs of a potential warehouse ISR are greater than the costs anticipated from other rulemakings (White Paper, Section 3.3).
- The estimated cost-effectiveness values of a potential warehouse ISR significantly exceed those for other District rulemakings, as well as cost-effectiveness thresholds used in other air districts (White Paper, Section 3.4).
- A substantial percentage of the facilities identified as "warehouses" in the District's inventory may not be conducting warehousing activities. This will likely reduce the number of facilities that would potentially be subject to a potential warehouse ISR (White Paper, Section 3.5).
- The estimated one-time and on-going District costs for rule development and administration are substantial, in light of current fiscal uncertainty (White Paper, Section 3.6).
- A warehouse ISR in San Diego County modeled after the South Coast Air Quality Management District (SCAQMD) Rule 2305, which is the only warehouse ISR that has withstood litigation to date, is anticipated to require significant District staff effort for program implementation, outreach, and compliance/enforcement activities (White Paper, Section 3.7).
- SCAQMD Rule 2305 was developed with the goal of reducing regional emissions to attain the federal and State Ozone and PM2.5 ambient air quality standards while achieving localized emission reductions as a co-benefit (White Paper, Section 4.1).
- The District considered applicable comments received (White Paper, Section 4.2).
- An analysis of warehouse buildings located in under-resourced communities compared to the rest of the county demonstrated that a majority of potential warehousing locations (over 70%) are located outside of identified under-resourced communities (White Paper, Section 4.3.2).
- Other State activities, such as Assembly Bill 98 and a possible statewide ISR if adopted in the future, would likely achieve and support mobile source emission reductions from warehousing operations (White Paper, Section 4.4).

- Other potential non-regulatory alternatives for consideration, such as a focused Transport Refrigeration Unit (TRU) incentive program, may provide comparable emission reductions at lower costs and/or resources than anticipated with an ISR (White Paper, Section 5.0).

As detailed above and in the White Paper, the District’s analysis supports prioritizing the alternative strategies detailed in Section 5.0 of the report. These strategies offer a practical, efficient, and cost-effective path to achieving emission reductions, advancing compliance with State and federal air quality standards, and improving conditions in communities most impacted by pollution.

One alternative evaluated in Section 5.0 includes a focused Transport Refrigeration Unit (TRU) incentive program, which if successful, could provide comparable emission reductions, both regionally and at the community level, to those anticipated with a warehouse ISR. The District believes such a strategy could be administered more quickly than an ISR, at a lower cost, and could potentially achieve comparable diesel emission reductions in areas where the public congregates (i.e., grocery stores, restaurants, schools, healthcare facilities, etc.).

Given the relatively high estimated cost of implementing a local rule, staff believes that focusing on these alternatives represents the most efficient use of resources at this time. To maintain flexibility and transparency, the District will designate a potential warehouse ISR as a “Further Study Measure” in the upcoming District-prepared plan to attain State ozone standards (i.e., Regional Air Quality Strategy (RAQS)). This ensures the measure remains under active review, with status updates provided to stakeholders as part of the regular RAQS development process. If future evaluations confirm that the measure is both feasible and cost-effective, formal rulemaking activities would commence when appropriate and it may be considered for adoption.

Should the selected alternative strategies encounter delays or fail to deliver expected results, the District can reassess the need for a local warehouse ISR, taking into account statewide developments and implementation progress. This approach balances immediate action with long-term adaptability, ensuring the District remains positioned to achieve air quality goals efficiently and equitably.

FISCAL IMPACT:

There is no immediate fiscal impact associated with today’s requested action. As described within the White Paper, District estimated costs of approximately \$500,000 for socioeconomic and environmental analyses associated with potential development and implementation of a warehouse ISR have been partially incorporated in the Air Pollution Control Officer’s Adopted FY 2025-26 budget. If directed to pursue a warehouse ISR, these costs as well as additional estimated costs of approximately \$335,000 for development of a web-based reporting system and legal costs may be incorporated as part of the Air Pollution Control Officer’s Proposed FY 2026-2027 budget.

ENVIRONMENTAL STATEMENT:

Pursuant to Section 15060(c)(2) of the California Environmental Quality Act (CEQA) Guidelines, CEQA applies only to government actions that will result in a direct or reasonably foreseeable indirect

physical change in the environment. Consideration of a potential ISR to reduce emissions from warehouses and distribution centers in San Diego County, and proposed recommendations, is not a project subject to CEQA; CEQA does not apply to this action. Additionally, if the Governing Board approves the alternative strategies outlined in Section 5.0 of the White Paper, District grants to incentivize replacement of diesel TRUs or trucks with zero-emission TRUs or trucks is categorically exempt under CEQA Guidelines Section 15308 as an action taken to assure the protection of the environment. For any grants supporting charging infrastructure, CEQA review of individual construction projects will be analyzed at the appropriate time. If recommended to proceed with a rule by the Governing Board, District staff will evaluate the proposed rule under CEQA during project development and will propose CEQA recommendations for the Governing Board's consideration when the District returns with final proposed documents.

PREVIOUS RELEVANT BOARD ACTIONS:

October 12, 2023 (F.2), Update on District Indirect Source Activities; June 8, 2023 (E.3), Provide Update and Seek Direction on Potential Strategies to Reduce Indirect Source Emissions from Warehouses, Distribution Centers, and Ports in San Diego County; August 11, 2022 (E.3), Update on the San Diego County Air Pollution Control District's Evaluation of an Indirect Source Rule.

PUBLIC ENGAGEMENT AND OUTREACH:

Between September 2023 and October 2024, staff conducted 10 virtual public meetings with WWG participants, comprising almost 20 hours of in-depth, technical conversations about indirect source emissions. The WWG was composed of key local community, environmental, industrial, and government stakeholders interested in the freight and warehousing sectors, community health, and air quality. Participation in the WWG meetings included representatives from at least 90 different organizations, public agencies, or companies. Feedback from these meetings is summarized in Attachment B. Additionally, the District released the White Paper for public review on January 16, 2026 (revision released February 25, 2026). Since the release of the Supplement in April 2025, staff also continued to meaningfully engage with various industry and environmental stakeholders to elicit feedback on the District's consideration of strategies to reduce indirect source emissions from warehouses. This included meetings held with the County of San Diego Environmental Justice Working Group, members of the Industrial Environmental Association (IEA), Commercial Real Estate Development Association (NAIOP), and Port of San Diego. Staff also presented an update on the White Paper to the Portside and International Border Community Steering Committees in March 2026.

EQUITY IMPACT STATEMENT

Today's item supports the District's vision of 'Clean Air for All' by providing information about potential emission control strategies to help attain national ozone standards and reduce air pollution emissions in communities across the region.

RECOMMENDED BY:

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ATTACHMENTS:

[Item B1_AttA_ISR Framework \(English\).pdf](#)

[Item B1_AttB_ISR Framework Supplement.pdf](#)

[Item B1_AttC_ISR White Paper.pdf](#)

[Item B1_AttD_ISR Background.pdf](#)

[Item B1_Public Comment_Various.pdf](#)

[Item B1_Public Comment_Biocom.pdf](#)