



## Rule 2305 - Frequently Asked Questions (Released January 2023)

### Applicability

#### 1. Where does this rule apply?

This rule applies to warehouses located in the jurisdiction of South Coast Air Quality Management District (South Coast AQMD). A map of our jurisdiction can be found [here](#).

#### 2. If I operate less than 50,000 square feet of warehouse in a building that is more than 100,000 square feet, do I need to comply with the rule?

Yes, but only with limited reporting portions of the rule. The Initial Site Information Report (ISIR) must be submitted by an authorized official of the warehouse operator through the WAIRE Program Online Portal (POP). No additional reporting is required in the ISIR if the warehouse operator’s lease does not allow the use of  $\geq 50,000$  square feet for warehousing activities.

#### 3. Do I need to earn WAIRE Points if I am a warehouse owner? What if my tenant doesn’t earn WAIRE Points?

Warehouse owners are only required to earn WAIRE Points if they are also a warehouse operator. If a warehouse owner is not an operator, they are not required to earn WAIRE Points even if the operator in their warehouse does not earn the required number of WAIRE Points.

### Requirements

#### 4. What are WATTs?

[Rule 2305](#) requires warehouse operators to calculate the total number of truck trips. Tractors and tractor-trailers are weighted 2.5 times higher than smaller, straight trucks due to their higher emissions. [Rule 2305](#) refers to the combined truck count as Weighted Annual Truck Trips (WATTs). The equation to determine the WATTs is below:

$$\text{WATTs} = [\text{Class 2b to 7 truck trips}] + [2.5 \times \text{Class 8 truck trips}]$$

OR

$$\text{WATTs} = [\text{Straight trucks}] + [2.5 \times \text{tractors or tractor-trailers}]$$

#### 5. How is truck trip calculated?

Truck trips are defined as one-way trips that tractors and straight trucks make to a warehouse facility when delivering goods to or from another location. Truck trips are counted when a truck enters or exits a site. A single ‘visit’ from a truck is equal to two trips. Absent more specific information, all tractors that can pull a trailer should be counted as Class 8, and all straight trucks should be counted as Class 2b-7.

#### 6. What is the Stringency?

The Stringency is a numeric value that determines the compliance obligation for warehouse operators. It is set at 0.0025 WAIRE Points per WATT, phased in over 3 years. The compliance year below is the period for which a warehouse operator is first required to earn WAIRE Points.

Compliance Year	WAIRE Program Stringencies for Warehouse Building Size Bins		
	$\geq 250,000$ sf	$\geq 150,000-249,999$ sf	$\geq 100,000-149,999$ sf
2022	0.000825	No WPCO	No WPCO
2023	0.001675	0.000825	No WPCO
2024	0.0025	0.001675	0.000825
2025	0.0025	0.0025	0.001675
2026 and beyond	0.0025	0.0025	0.0025



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### 7. How is the WAIRE Points Compliance Obligation (WPCO) calculated?

The WATTs are multiplied by the Stringency factor and the Annual Variable to determine the WPCO for the warehouse. The Stringency factor is defined as 0.0025 WAIRE Points per WATT, and the annual variable is determined by the phase-in schedule of the warehouse. Below a simplified diagram of how WPCO is calculated based on the number and type of trucks that enter or exit a warehouse site.



### 8. What are the requirements for warehouses operators $\geq 250,000$ square feet (Phase 1 facilities)?

Requirements are different for warehouse owners and operators. Owners of all warehouses  $\geq 100,000$  square feet are required to submit a Warehouse Operations Notification by September 1, 2021. Phase 1 warehouse operators must submit their Initial Site Information Report (ISIR) by July 1, 2022 and Annual WAIRE Report (AWR) by January 31, 2023. For the ISIR, warehouse operators would need to collect records from the previous 12-month period (beginning July 1, 2021). Warehouse operators that lease  $\geq 50,000$  square feet for warehousing activities in a warehouse  $\geq 250,000$  square feet are required to obtain WAIRE Points.

### 9. I am a warehouse owner, what reports do I have to submit?

Warehouse owners must submit a Warehouse Operations Notification (WON) by an authorized official of the warehouse owner by September 1, 2021 or within 14 days of warehouse operator change or 30 days after renovation that changes the square footage. Further details on WON are available on Page 7 and Table 4 of the [WAIRE Implementation Guidelines](#).

In addition, if a warehouse owner chooses to earn WAIRE Points on behalf of a warehouse operator in their building, they must submit an Annual WAIRE Report (AWR) by January 31 in the year after the WAIRE Points were earned.

All reports must be submitted through the online WAIRE POP system available at [www.aqmd.gov/waire](http://www.aqmd.gov/waire).

### 10. I am a warehouse operator, what reports do I have to submit?

Warehouse operators must submit an Initial Site Information Report (ISIR) for the first year that they operate a warehouse. ISIRs are only submitted once, during the first compliance period a warehouse operator is occupying a warehouse. Additional ISIRs would be required to be submitted by the warehouse operator should they relocate to a different warehouse subject to [Rule 2305](#). The ISIR will include information about operations at the warehouse.

Operators must also submit an Annual WAIRE Report (AWR) to demonstrate what their WAIRE Points Compliance Obligation (WPCO) is for every compliance period, and also how they earned the required number of points. Warehouse owners who voluntarily opt in to earn WAIRE Points must also submit an AWR at the end of the compliance period when the Points were earned. Further details on the ISIR and AWR are available on Page 7 and Table 4 of the [WAIRE Implementation Guidelines](#).

All reports must be submitted through the online WAIRE POP system available at [www.aqmd.gov/waire](http://www.aqmd.gov/waire).



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### **11. I am a warehouse operator with a calculated WPCO <10. Can I submit my AWR prior to the compliance year?**

Warehouse operators with a calculated WPCO <10 are exempt from the requirement to earn WAIRE Points but they are still required to submit both the one-time Initial Site Information Report and an Annual WAIRE Report after each compliance period to verify their WPCO.

### **12. How do I submit my report to South Coast AQMD?**

A new web portal is being created for all warehouse operators and owners to submit all required reports. The WAIRE Program Online Portal (POP) will be released in stages, with the first stage anticipated for public release in summer 2021. All reports will be required to be submitted through the WAIRE POP tool once it is made available online at [www.aqmd.gov/waire](http://www.aqmd.gov/waire). Online training courses on the WAIRE POP tool will be made available to provide guidance to the regulated industry. Interested stakeholders are encouraged to sign up to the listserv to be notified when updates are available ([www.aqmd.gov/sign-up](http://www.aqmd.gov/sign-up), 'WAIRE Program Compliance').

### *Earning WAIRE Points*

### **13. Can I lease a vehicle to acquire WAIRE points? If I purchase a vehicle that is delivered next year, in what year do I earn WAIRE points?**

Yes, acquisition could include purchasing, leasing, or renting trucks, and you earn WAIRE Points for the year in which the truck is delivered and available for service. If a truck is leased or rented, the WAIRE Points earned for that temporary acquisition are proportional to the amount of the compliance period that the truck is leased or rented. For example, if a truck is leased for 6 months of a 12-month compliance period, the number of WAIRE Points earned would be half of the amount shown in Table 3 of [Rule 2305](#). If a warehouse operator purchases a truck in December 2022 and it is delivered and available for service in April 2023, WAIRE Points will be earned for the 2023 compliance year.

### **14. Can I earn WAIRE Points for leased or rented zero emission charging infrastructure?**

Yes, leasing or renting onsite zero emission charging infrastructure (commonly referred to as Electric Vehicle Supply Equipment or EVSE) for on-road vehicles and yard trucks can earn WAIRE Points as follows. The WAIRE Implementation Guidelines describe three milestones for the installation of electric charging infrastructure (based on Table 3 – WAIRE Menu in Rule 2305): 1) EVSE purchase, 2) initiating onsite construction, and 3) finalization of permit sign-off or charger energization. For the first milestone, an owner or operator may not earn WAIRE Points for the temporary acquisition of an electric charging station, including leased or rented equipment, according to the points set forth in the WAIRE Menu. Only EVSE that is purchased can earn WAIRE Points for the acquisition milestone based on the WAIRE Menu. However, an owner or operator may submit a Custom WAIRE Plan, pursuant to Rule 2305(d)(4), for South Coast AQMD's consideration to earn WAIRE Points for the temporary acquisition of leased or rented EVSE. The methodology for calculating WAIRE Points in a Custom WAIRE Plan is outlined in the WAIRE Program Implementation Guidelines. Rule 2305(d)(4) includes the requirements for earning WAIRE Points using a Custom WAIRE Plan.

An owner or operator may earn WAIRE Points for the other two milestones (initiating onsite construction and/or the latter of final permit sign-off or charger energization) for leasing or renting onsite EVSE if these actions are achieved during the compliance period. WAIRE Points for these two milestones can only be earned once per each EVSE that is installed, even if the EVSE charger is subsequently replaced with a similar or higher-powered unit. If an additional EVSE is installed, WAIRE Points for these two milestones can only be earned if the additional EVSE required the initiation of a new construction effort and/or final permit sign-off or charger energization and these activities were achieved during the compliance period.



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The warehouse owner or operator would earn the full amount of WAIRE Points listed on the WAIRE menu for the construction and finalization milestones if these actions were achieved during the compliance period. WAIRE Points will be earned for the compliance year that a milestone is achieved.

Leased or rented EVSE can also earn WAIRE Points for the use of the charging infrastructure based on the kilowatt-hours of electricity dispensed in accordance with the WAIRE Menu.

The table below describes the milestones and examples of how WAIRE Points are or are not earned for leased or rented EVSE using the milestones as listed in the WAIRE Menu.

Electric Charger Installation Milestone	Examples of How WAIRE Points are Earned
Purchase of the charger(s) (also called EVSE)	A warehouse operator may not earn WAIRE Points pursuant to the WAIRE Menu for the temporary acquisition of EVSE, including leased or rented equipment. However, a warehouse operator may earn WAIRE Points for leasing or renting EVSE under a Custom WAIRE Plan that fulfills the requirements of Rule 2305(d)(4) and is approved by the South Coast AQMD.
Initiating onsite construction	A warehouse operator may earn WAIRE Points for initiating onsite construction for one EVSE project. WAIRE Points can be earned if an additional EVSE is added to the site (after all other chargers are energized or have received final permit sign-off) which require the initiation of a new construction effort onsite. Documentation must be retained and, if requested, provided to show that a separate construction effort was required to support the additional EVSE that was or will be installed at the site.
The latter of final energization or permit sign-off for the system	A warehouse operator may earn WAIRE Points for the final permit sign-off and/or charger energization of one EVSE project. WAIRE Points may be earned for additional EVSE projects if a separate final permit-sign off or charger energization was required for the additional EVSE project. Documentation of these separate actions must be retained and, if requested, provided to South Coast AQMD.

### 15. Can I receive partial WAIRE Points for installing charging infrastructure?

Yes, a long lead time may be needed to complete the installation of electric charging infrastructure at some sites, and WAIRE Points may be earned for milestones that are achieved during the compliance period. WAIRE Points can be earned for purchasing the charging equipment (also called Electric Vehicle Supply Equipment or EVSE), initiation of construction, and the latter of final permit sign off or charger energization. Further details are available on Page 13 of the [WAIRE Implementation Guidelines](#).



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### 16. Can I earn WAIRE Points prior to my compliance phase in?

Yes, warehouse operators can implement actions on the WAIRE Menu prior to the compliance year by submitting an Annual WAIRE Report to certify the WAIRE Points for that year. The WAIRE Points can be banked for future use at that site in any of the next three compliance periods. After this time, any remaining banked WAIRE Points will expire and can no longer be used.

### 17. Can I use existing funding programs to earn WAIRE Points?

Existing CARB funding programs like Carl Moyer, Proposition 1B, and the Hybrid Voucher Incentive Program prohibit using those funds to comply with a regulation. Each funding program has its own requirements, and warehouse operators and owners should consult each funding program’s guidance documents and staff for specific questions. If awarded funds from one of these programs, the warehouse operator therefore has the option of either receiving incentives to reduce the purchase price of an NZE or ZE truck or foregoing the incentives to earn WAIRE Points for the NZE/ZE truck acquisition. Funding programs typically do not have requirements about where trucks are operated, therefore trucks purchased with incentive funds can be used to earn WAIRE Points from truck visits.

### 18. Can I sell or transfer my points?

[Rule 2305](#) does not recognize points transferred between different warehouse operators. Points may only be earned through transfer in the narrow circumstances specifically identified in [Rule 2305](#). First, WAIRE Points in excess of the warehouse operator’s WPCO may be transferred to a different warehouse under that operator’s control. Second, a warehouse operator and owner may transfer points between themselves (for example if the owner voluntarily earns points on behalf of their tenant or if a warehouse operator vacates a property midway through the year and the activity earning the WAIRE Points remains at that warehouse). Further details are available on Page 21 of the [WAIRE Implementation Guidelines](#).

### 19. Can I earn points if the level of implementation is below the annual metrics listed on the WAIRE Menu (such as using a ZE yard truck for 200 hours, which is below the annual metric of 1,000 hours in the WAIRE menu)?

Yes. The WAIRE User Menu calculator will proportionally calculate the amount of WAIRE Point earned to reflect the level of implementation of WAIRE Points listed on the WAIRE Menu.

## Fees

### 20. What fees are associated with the reporting?

Warehouse operators and owners who submit reports or notifications required by [Rule 2305](#) shall pay fees according to Table 1 in [Rule 316](#) (see below). The applicable administrative fees must be submitted via e-check or credit card at the time that the applicable report or notification is due.

Report or Notification	Fee
Annual WAIRE Report	\$392.50
Initial Site Information Report	\$140.68
Warehouse Operations Notification	\$29.51

### 21. When do I pay the mitigation fee?

The fees are due at the time that the Annual WAIRE Report is submitted pursuant to [Rule 2305](#) and [Rule 316](#). A Mitigation Program Administrative Fee of 6.25 percent of the mitigation fee also applies, and must be paid together with the mitigation fee. Further details on the WAIRE Mitigation Fee are available on page 21 of the [WAIRE Implementation Guidelines](#).

### 22. Are there any penalties associated with [Rule 2305](#)?

Neither [Rule 2305](#) nor [Rule 316](#) specify penalties. However, like other South Coast AQMD rules, if a warehouse owner or operator is found to be in non-compliance with either rule, a notice of violation may



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be issued. If a Notice of Violation is issued, the South Coast AQMD General Counsel's office may pursue a penalty. Further details are available on the [South Coast AQMD compliance website](#).

### *Compliance and Inspection*

#### **23. When can I expect an inspector at my site what documents do I need to keep onsite?**

South Coast AQMD will periodically conduct both desktop and field audits for compliance with the WAIRE Program. An inspector may visit your site any time to verify compliance with air quality rules and regulations, policies, and state law (California Health and Safety Code Section 41510). [Rule 2305](#) requires that all records used to demonstrate compliance be maintained by warehouse operators or owners, as applicable, for a period of no less than seven years and made available to South Coast AQMD upon request during normal business hours in order to determine compliance.