



Proposed Rule 2306 – Freight Rail Yards Proposed Rule 316.2 – Fees for Rule 2306

Public Workshop

06/04/2024
1:00 pm (PST)

Join Zoom Webinar Meeting - from PC or Laptop
<https://scaqmd.zoom.us/j/99824774155>

Teleconference Dial In: +1 669 900 6833
Zoom Webinar ID: 998 2477 4155

Zoom Meeting ID (*Spanish*): 963 4776 6450

Agenda

Background

Proposed Rule 2306 – Freight Rail Yards

Proposed Rule 316.2 – Fees for Rule 2306

Socioeconomic Impact Assessment

California Environmental Quality Act

Other Supporting Material

Next Steps and Staff Contacts



BACKGROUND



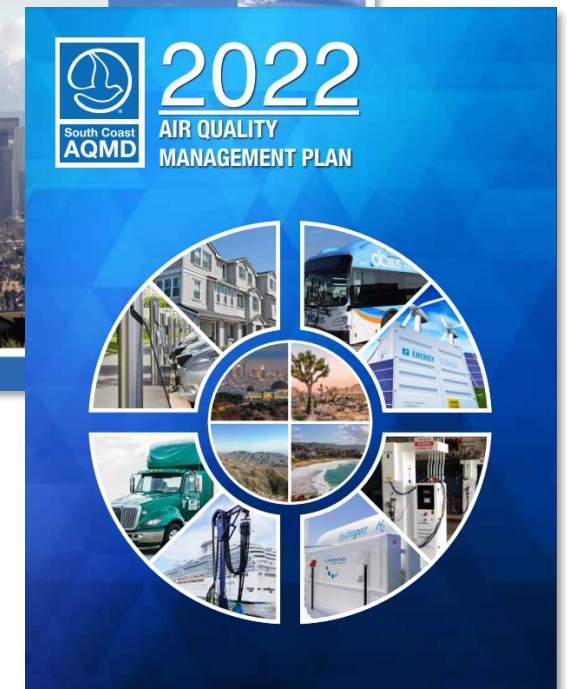
Regional Air Quality Challenges

- South Coast AQMD is a multi-county air pollution control agency responsible for monitoring and improving local air quality to meet federal and state air quality standards
- The region has the worst air quality in the nation:
 - “Extreme” nonattainment for ozone standards
 - “Serious” nonattainment for fine particulate matter (PM2.5) standards
- Nitrogen oxides (NOx) are the key contributing pollutant to both ozone and PM2.5 in our region
- Over 80 percent of NOx emissions in South Coast Air Basin are from mobile sources
 - ***About half of these are from mobile sources associated with goods movement, or freight transportation***



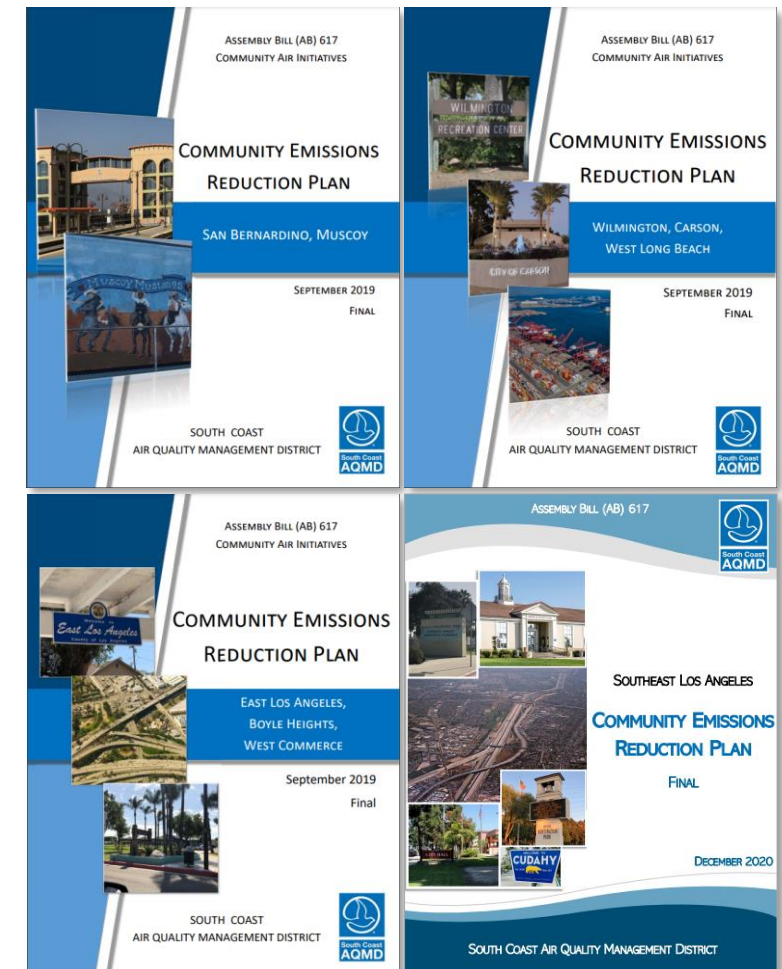
Plans: Facility-Based Mobile Source Measures in Air Quality Management Plans (AQMPs)

- The AQMP outlines the regional blueprint to attain federal and state air quality standards
- The 2016 and 2022 AQMPs included a suite of Facility-Based Mobile Source Measures, mainly to address freight emissions
 - MOB-03: Emission Reductions Warehouse Distribution Centers
 - Rule 2305 adopted in 2021 for warehouses
 - MOB-01: Emission Reductions at Commercial Marine Ports
 - Proposed Rule 2304 initiated in 2022 for ports
 - **MOB-02: Emission Reductions at Rail Yards and Intermodal Facilities**
 - **Proposed Rule (PR) 2306 resumed in November 2023 for rail yards**



Plans: AB 617 Community Emissions Reduction Plans (CERPs)

- CERP is a framework to reduce emissions and exposure for designated environmental justice communities
- Emissions from rail yards are listed as a key concern in four out of six CERPs
 - San Bernardino/Muscoy
 - Wilmington/Carson/West Long Beach
 - East Los Angeles/ Boyle Heights/West Commerce
 - Southeast Los Angeles
- Proposed Rule 2306 implements certain rail related actions outlined in these CERPs



Overview of PR 2306 & 316.2

PR 2306: Reduce NOx Emissions Associated with New and Existing Freight Rail Yards

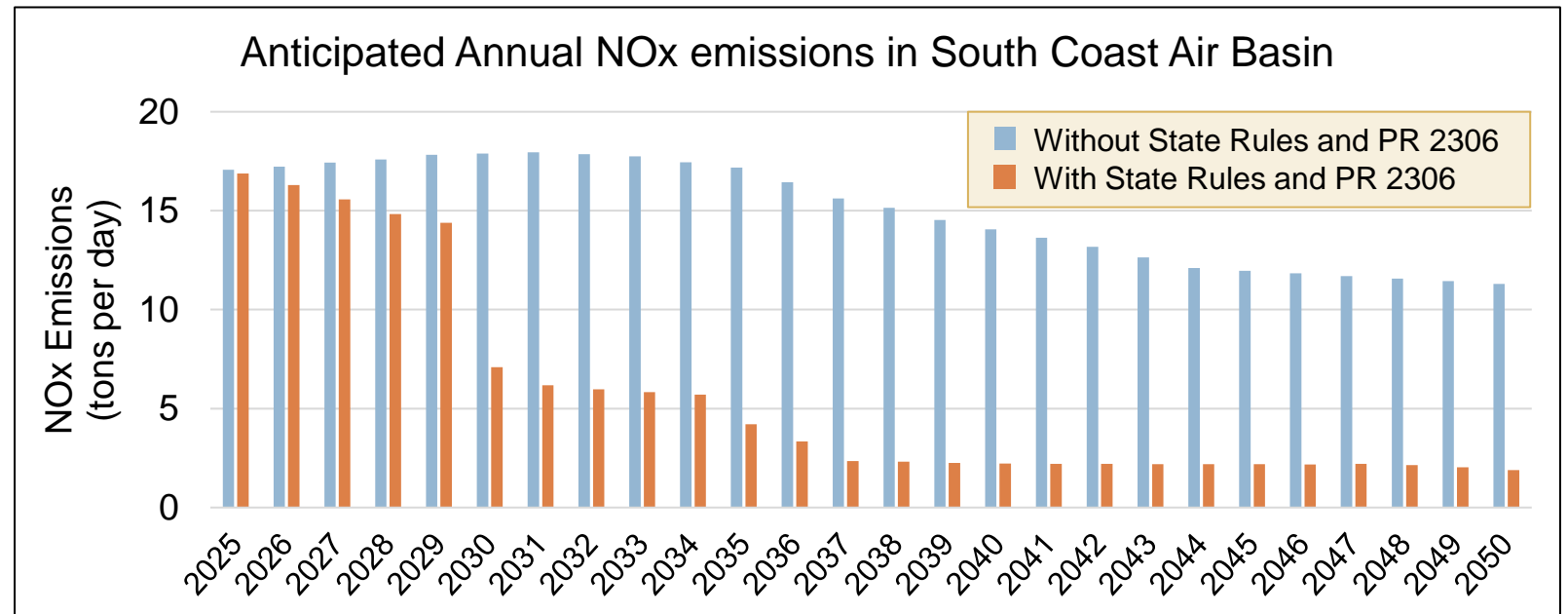
- Ensure proportional or greater ***NOx reductions*** at facility-level and in our region relative to reductions throughout California from implementation of recent statewide regulations
- Require ***reporting and demonstration*** of facility NOx reductions from mobile sources attracted to freight rail yards and engaged in freight transportation
- Allow flexibility in achieving emission reductions
 - No mitigation fee or market trading options
- Regular reporting on the planning, development, and use of ***zero emission infrastructure***
 - Freight rail yard must request grid upgrade by local electrical utilities shortly after such a need is identified
- State/local agency responsibility
- Effective upon federal approval

PR 316.2: Fees

- Establishes fees to recover South Coast AQMD reasonable costs to implement PR 2306

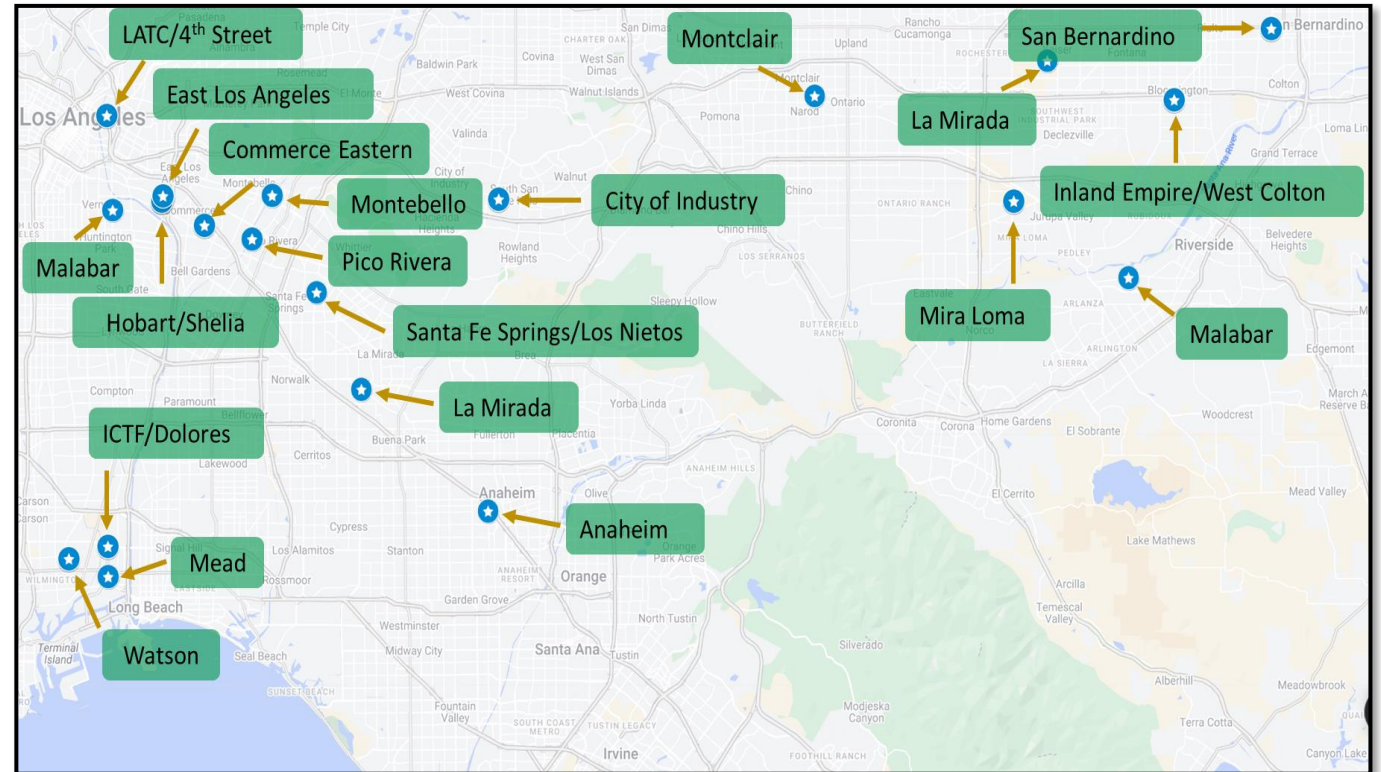
Emission Reductions from PR 2306

- Consistent with California Air Resources Board (CARB) projected statewide emission reductions from implementation of
 - In-Use Locomotive Regulation
 - Advanced Clean Fleets Regulation – Drayage Truck Requirements
- If proportional or greater emission reductions occur in South Coast AQMD relative to reductions throughout California
 - On average greater than 9 tons per day of NO_x emission reductions anticipated between 2025-2050



Potentially Affected Freight Rail Yards

- 25 known freight rail yards within the South Coast AQMD jurisdiction are expected to be subject to PR 2306 and PR 316.2
 - Operated by Class I railroads
 - Owned by operator or a government agency
 - Full list provided in the Preliminary Draft Staff Report*
- Proposed full exemption for:
 - On-port switching rail yards
 - Rail yards expected to be addressed in the ports measure



Public Process

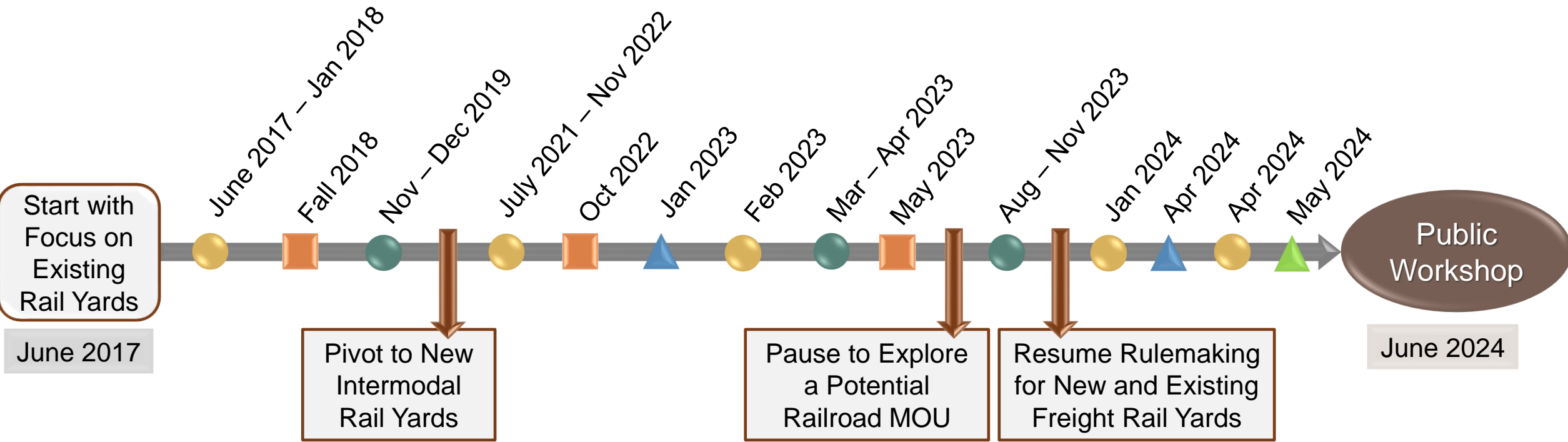


Chart Legend

- Working Group Meeting
- Community Meeting
- South Coast AQMD Staff's Visit to Facility Sites
- ▲ Release of Initial Preliminary Draft Rule Language
- ▲ Release of Preliminary Draft of Rule Documents



Staff will hold a virtual Community Workshop on June 5th at 6:00 pm to provide members of the community an additional opportunity to learn more about PR 2306 and PR 316.2



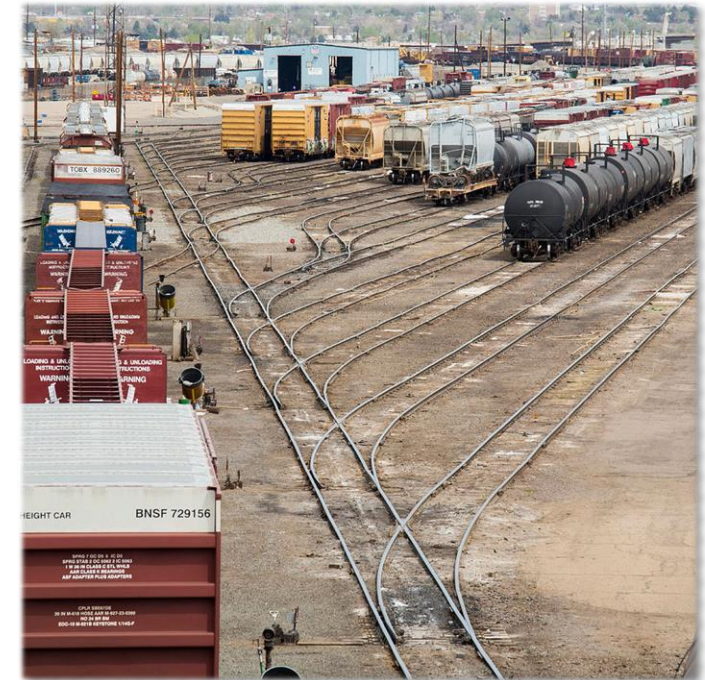
PR 2306 – FREIGHT RAIL YARDS



Subdivision (a) – Purpose

Subdivision (b) – Applicability

- Purpose of PR 2306 is to reduce NOx emissions associated with freight rail yards and mobile sources attracted to those facilities
 - Ensures proportional or greater emission reductions at the freight rail yard level within South Coast AQMD from implementation of CARB's In-Use Locomotive and Advanced Clean Fleet Regulations, due to attainment needs
- PR 2306 is applicable to:
 - Owners and operators of proposed, new, and existing freight rail yards within South Coast AQMD
 - State or local government agency that opens/reopens a contractual agreement with freight rail yard owner or operator subject to PR 2306 in relation to facility lease, construction, or operation



Subdivision (c) - Definitions

- AGGREGATE EMISSION FACTOR (AEF)
- APPLICABLE MOBILE SOURCES
- BASE PERIOD (BP)
- CARGO HANDLING EQUIPMENT (CHE)
- CLASSIFICATION YARD
- CONTRACTUAL AGREEMENT
- DRAYAGE TRUCK
- FREIGHT RAIL YARD
- FREIGHT RAIL YARD OPERATIONS
- FREIGHT RAIL YARD OPERATOR
- FREIGHT RAIL YARD OWNER
- INTERMODAL RAIL YARD
- LINE HAUL LOCOMOTIVE
- MILESTONE YEAR (MY)
- NEW FREIGHT RAIL YARD
- OTHER ON-SITE SUPPORT EQUIPMENT (OSE)
- REFERENCE SCENARIO
- SWITCH LOCOMOTIVE or SWITCHER
- SWITCHING ACTIVITY
- THROUGH TRAFFIC
- TRANSPORTATION
- REFRIGERATION UNIT (TRU)
- TRUCK TRIP
- WORK CREW
- ZERO EMISSION (ZE) CONFIGURATION
- ZERO EMISSION (ZE) INFRASTRUCTURE

Subdivision (c) – Key Definitions Related to Applicability

(11) FREIGHT RAIL YARD OPERATOR means a Railroad that is, controls, or is under common control with the entity who conducts day-to-day business operations at a Freight Rail Yard, either with its employees or through contracting out of services for all or parts of the Freight Rail Yard Operations.

(9) FREIGHT RAIL YARD means any Rail Yard where Switching Activities occur or where containerized or non-containerized freight, including empty containers and chassis, are loaded to or unloaded from Railcars for transportation to or from a location outside of the Freight Rail Yard by Locomotive(s) operated by the Freight Rail Yard Operator, including but not limited to Intermodal Rail Yards and Classification Yards.

(23) RAIL YARD means a facility, structure, installation, or real property within the South Coast AQMD jurisdiction that may consist of one or more contiguous properties, the whole or part of which is laid with a system of rail tracks, crossovers, and/or switches that may be connected or adjacent to but are not part of the main line, branch line, or other rail tracks used by Through Traffic, which are in actual physical contact or separated solely by a roadway or other right-of-way, are owned or operated by the same entity or by entities under common control, and where one or more Work Crews are assigned to conduct day-to-day business operations such as Freight Rail Yard Operations.

- Defines who is considered the operator that is subject to PR 2306 requirements

- Provides information on the type of facility that is covered by the rule

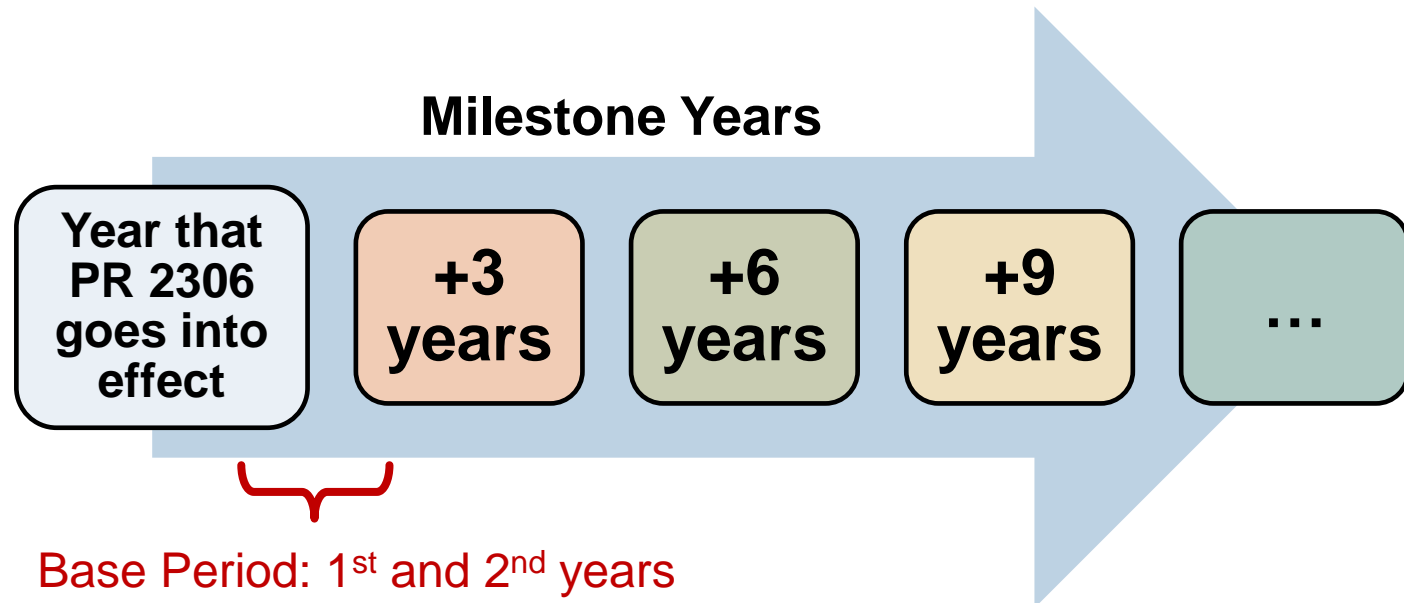
- Provides information on the scope or domain of a rail yard

Subdivision (c) – Key Definitions in Reference to Time

- Emission reduction requirements for “milestone years”
- Reporting requirements for the “base period” and “milestone years”

(3) **BASE PERIOD (BP)** means the period over the first two full calendar years immediately following the calendar year when the rule becomes effective, except that for a New Freight Rail Yard, “Base Period” means the first two full calendar years immediately following the calendar year when the New Freight Rail Yard begins Freight Rail Yard Operations.

(18) **MILESTONE YEAR (MY)** means any of the calendar years including the third calendar year immediately after the calendar year when the rule becomes effective and every third calendar year thereafter, except that for a New Freight Rail Yard, a “Milestone Year” means any of these calendar years that does not overlap with its Base Period.



Subdivision (c) – Key Definitions Related to Emission Reduction Compliance Pathways

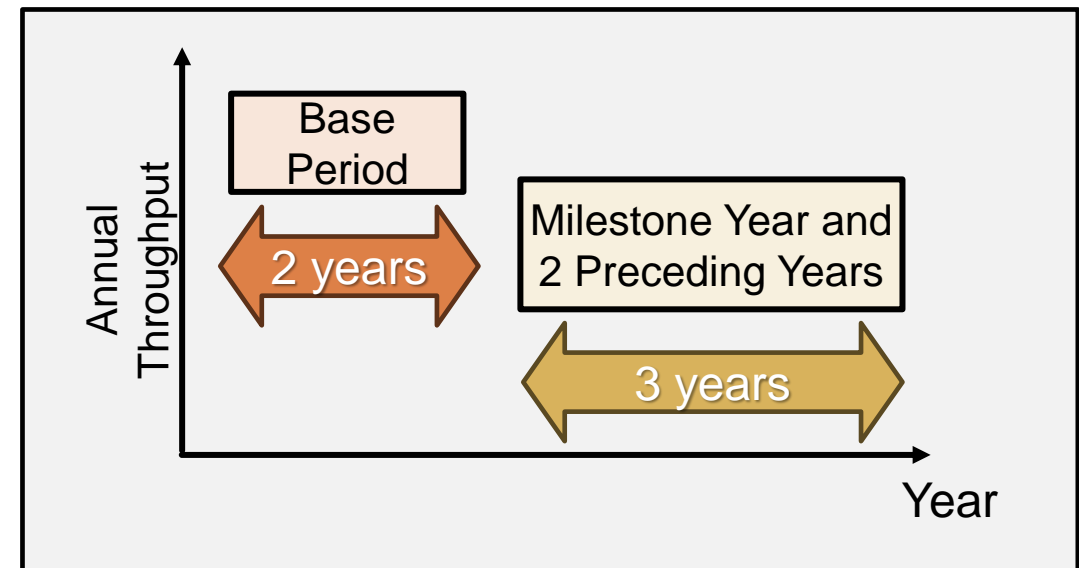
(28) REFERENCE SCENARIO means a scenario of Freight Rail Yard emissions in a Milestone Year absent the In-Use Locomotive Regulation and the Advanced Clean Fleets Regulation in the California Code of Regulations (CCR), and also absent this rule.

- PR 2306 provides freight rail yards with multiple pathways to demonstrate compliance
- Under specific compliance paths, freight rail yard's emission reductions are compared against emissions under *Reference Scenario* to determine actual percent reductions in NOx emissions

Subdivision (c) – Key Definitions Related to Emission Reduction Compliance Pathways (*cont.*)

- Throughput is required to be reported in initial and milestone reports
- A freight rail yard may comply with PR 2306 through reduced throughput compliance option, if annual average throughput during a milestone year and its two preceding calendar years is lower than the annual average throughput over base period – **Paragraph (d)(3)**

(34) THROUGHPUT means the total number of visits by Railcars that move through a Freight Rail Yard over a set period of time. A Railcar entering a Freight Rail Yard and then leaving that yard counts as one visit.



Emission Reduction Requirements

Freight Rail
Yard
Milestone
NOx
Emission
Reduction
Targets

Multiple
Pathways
to Meet or
Exceed
Targets 

Compliance
Flexibility

1

Default Target (Projections)

- Based on projected statewide implementation of applicable state rules
- Emission reductions compared to the reference scenario

2

Alternative Target (Actual*)

**If compliant with CARB regulations*

- Consistent with operator's actual statewide compliance with applicable state rules
- Emission reductions compared to the reference scenario

3

Additional Option for Facilities with Reduced Throughput

Optional

- Same target setting as in ① or ②
- Emission reductions compared to the base period
- No dirtier equipment used/visited

Subdivision (d) – Requirements

Subparagraph (d)(1)(A) – Table 1 Emission Reduction Targets

- Any freight rail yard operator is required to meet or exceed the emission reduction targets listed in Table 1 for each milestone year
- Table 1 emission reduction targets are calculated using the **projected statewide NOx emissions for locomotives and drayage trucks** with the implementation of CARB’s In-Use Locomotive and ACF regulations, compared to the state’s baseline NOx emissions from these sources without these two regulations

(d) Requirements

(1) For each of its operated Freight Rail Yards, the Freight Rail Yard Operator shall meet or exceed:

(A) The NOx emission reduction target for each Milestone Year, as specified in Table 1 – Emission Reduction Targets for the corresponding calendar year; or

Table 1 – Emission Reduction Targets

Calendar Year	Percent Emission Reduction Targets (%)
2027	9.2
2028	13.6
2029	16.9
2030	56.5
2031	61.0
2032	61.7
2033	62.3
2034	62.2
2035	71.6
2036	76.3
2037	82.4
2038	81.8
2039	81.3
2040	80.7
2041	80.0
2042	79.0
2043	77.8
2044	76.4
2045	76.0
2046	75.6
2047	74.6
2048	74.9
2049	75.7
2050	76.5

Subdivision (d) – Requirements (cont.)

Subparagraph (d)(1)(B) – Alternative Emission Reduction Targets

- Alternative compliance pathway based on Freight Rail Yard Operator’s actual emissions from all their Freight Rail Yards within California compared to the Reference Scenario

- (B) The NOx emission reduction target based on emission reductions occurring during the corresponding Milestone Year from all Freight Rail Yards within the State of California operated by the same Freight Rail Yard Operator, provided that the Freight Rail Yard Operator:
- Has not been issued a citation, notice of violation, or any equivalent document by the California Air Resource Board (CARB) during or prior to the corresponding Milestone Year for noncompliance with the In-Use Locomotive Regulation or the Advanced Clean Fleets Regulation;
 - Submits Freight Rail Yard Operator’s statewide data for the corresponding Milestone Year pursuant to subparagraph (f)(1)(H), as an attachment to the corresponding Milestone Compliance Report as specified in paragraph (f)(1); and
 - Calculates the NOx emission reduction target using Equation A.1 and the methodology as specified in Rule 2306 Calculation Methodology, using the Freight Rail Yard Operator’s statewide data for the corresponding Milestone Year pursuant to subparagraph (f)(1)(H).

$$ER_{Statewide}^{MY} = \left(1 - \frac{\sum_y CAFRYEm_y^{MY}}{\sum_y CAFRYEm_{RS,y}^{MY}} \right) \times 100 \quad (Equation 1)$$

Where:

$ER_{Statewide}^{MY}$ = Percent emission reduction achieved for all Freight Rail Yards within the State of California that are operated by the same Freight Rail Yard Operator compared to the Reference Scenario (RS) for Milestone Year MY

$CAFRYEm_y^{MY}$ = Sum of actual NOx emissions from all Locomotives and Drayage Trucks operating at and travelling to and from any Freight Rail Yard y within the State of California that is operated by the same Freight Rail Yard Operator in Milestone Year MY, as calculated using Rule 2306 Calculation Methodology

$CAFRYEm_{RS,y}^{MY}$ = Sum of NOx emissions from all Locomotives and Drayage Trucks operating at and travelling to and from any Freight Rail Yard y within the State of California that is operated by the same Freight Rail Yard Operator in Milestone Year MY under Reference Scenario (RS), as calculated using Rule 2306 Calculation Methodology

Subdivision (d) – Requirements (*cont.*)

Paragraph (d)(2) – Compliance Demonstration

- Freight rail yard operators are required to demonstrate compliance with applicable emission reductions target for each rail yard using Equation 2
- The detailed calculations are required to be submitted in the Milestone Compliance Report
- Operator may include NOx emission reductions achieved from other applicable mobile sources operating at the freight rail yard (CHE, TRU, and OSE) to meet the applicable targets

- (2) The Freight Rail Yard Operator shall demonstrate compliance with the requirements of paragraph (d)(1) in the Milestone Compliance Report as specified in paragraph (f)(1), using Equation A.2 and the methodology specified in Rule 2306 Calculation Methodology.

$$ER_{Achieved}^{MY} = \left(1 - \frac{FRYEm^{MY} - OER^{MY}}{FRYEm_{RS}^{MY}}\right) \times 100 \quad (Equation 2)$$

Where:

$ER_{Achieved}^{MY}$ = Percent emission reduction achieved for the Freight Rail Yard for Milestone Year MY , compared to the Reference Scenario (RS)

$FRYEm^{MY}$ = Sum of actual NOx emissions from all Locomotives and Drayage Trucks operating at and travelling to and from the Freight Rail Yard in Milestone Year MY , as calculated using Rule 2306 Calculation Methodology

$FRYEm_{RS}^{MY}$ = Sum of NOx emissions from all Locomotives and Drayage Trucks operating at and travelling to and from the Freight Rail Yard in Milestone Year MY under Reference Scenario (RS), as calculated using Rule 2306 Calculation Methodology

OER^{MY} = Sum of actual NOx emission reductions from other Applicable Mobile Sources operating at and travelling to and from the Freight Rail Yard in Milestone Year MY , including TRUs, CHE, and OSE, compared to NOx emissions from the same equipment category in Milestone Year MY under Reference Scenario (RS), using the following equation:

Subdivision (d) – Requirements (*cont.*)

Paragraph (d)(3) – Reduced Throughput Option

- PR 2306 uses calculations that compare future conditions with a Reference Scenario
 - Reference Scenario is based on CARB calculations which assume growth
 - Additional calculation methodology needed for reduced throughput
- Operator must show, compared to base period:
 - No dirtier equipment, as demonstrated through calculation of Aggregate Emission Factor

- (3) For any Freight Rail Yard with an annual average Throughput during a Milestone Year and its two preceding calendar years that is less than the annual average Throughput over the Base Period, the Freight Rail Yard Operator may elect to comply with the following in lieu of paragraph (d)(2):
- (A) Demonstrate in the Milestone Compliance Report as specified in paragraph (f)(1), that the Aggregate Emission Factor for the corresponding Milestone Year as calculated and reported pursuant to subparagraph (f)(1)(E) are less than or equal to the annual average Aggregate Emission Factor as calculated and reported for the Base Period pursuant to subparagraph (e)(1)(E); and
 - (B) Demonstrate compliance with the requirements of paragraph (d)(1) in the Milestone Compliance Report as specified in paragraph (f)(1), using Equation A.3 and the methodology specified in Rule 2306 Calculation Methodology.

$$ER_{Achieved}^{MYBP} = \left(1 - \frac{FRYEm_{AMS}^{MY}}{FRYEm_{AMS}^{BP}} \right) \times 100 \quad (Equation 3)$$

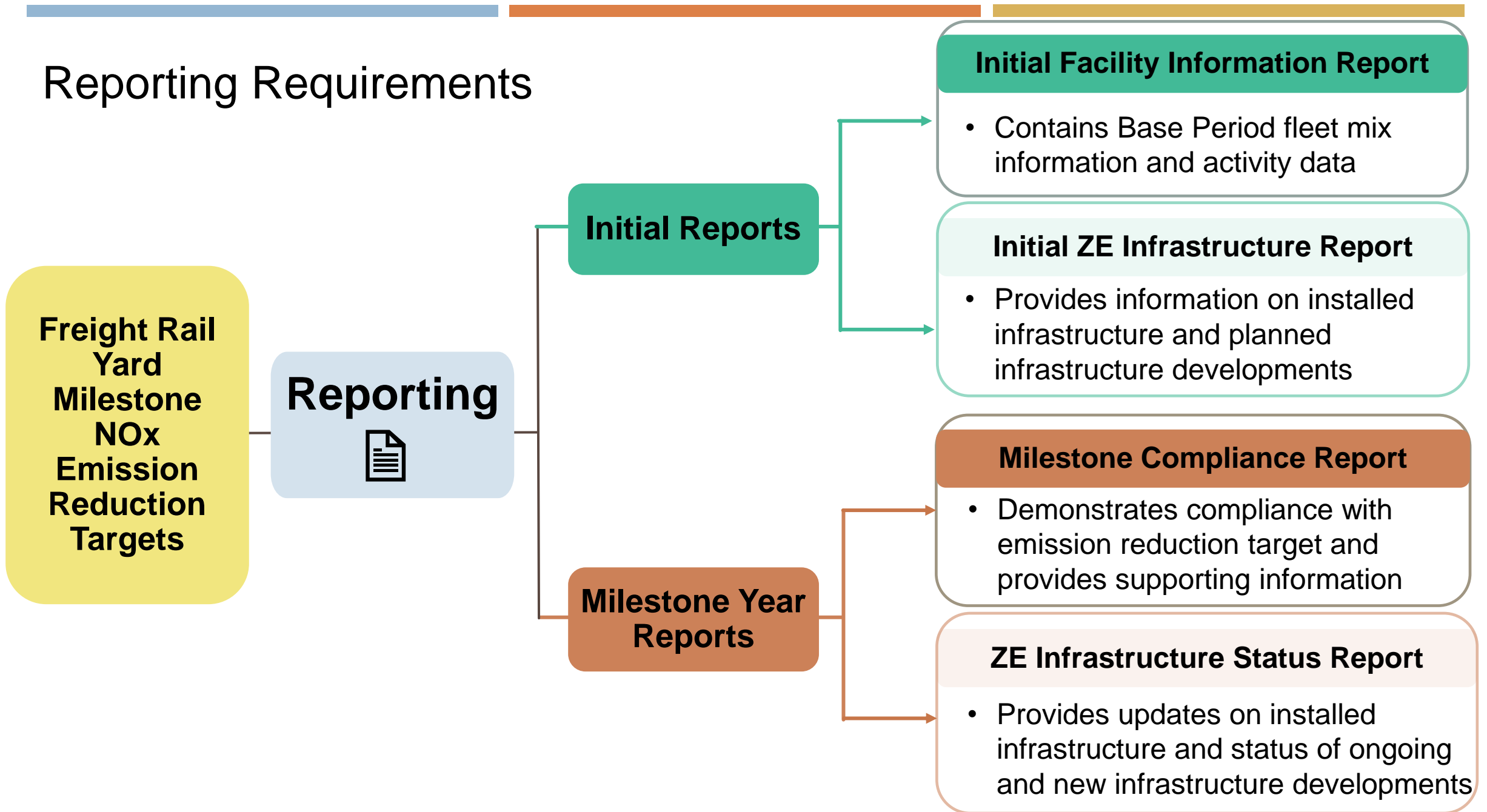
Where:

$ER_{Achieved}^{MYBP}$ = Percent emission reduction achieved for the Freight Rail Yard for Milestone Year MY , compared to the Base Period (BP)

$FRYEm_{AMS}^{MY}$ = Sum of actual NOx emissions from Applicable Mobile Sources (AMS) operating at and travelling to and from the Freight Rail Yard in Milestone Year MY , as calculated using Rule 2306 Calculation Methodology

$FRYEm_{AMS}^{BP}$ = Annual average of the respective sums of actual NOx emissions from Applicable Mobile Sources (AMS) operating at and travelling to and from the Freight Rail Yard in each calendar year of the Base Period (BP), as calculated using Rule 2306 Calculation Methodology

Reporting Requirements



Subdivision (d) – Requirements

Initial Facility Information Report

Subparagraph (d)(4)(A) – Initial Facility Information Report

- The current Freight Rail Yard Operator is required to prepare and submit an *Initial Facility Information Report* within 90 calendar days after the Base Period or after a Freight Rail Yard Shutdown

Example: If base period ends on December 31, 2026, the Initial Facility Information Report is due on/before March 31, 2027

- (4) The following reports shall be prepared in the manner specified by the Executive Officer, certified and signed by a Responsible Official of the Freight Rail Yard Owner and/or Freight Rail Yard Operator, as applicable, for the truthfulness, accuracy, and completeness of its submitted report, and submitted to the Executive Officer:
- (A) The Initial Facility Information Report as specified in paragraph (e)(1) shall be:
- (i) Submitted no later than 90 calendar days after the Base Period ends, or no later than 90 calendar days after a Freight Rail Yard Shutdown date as specified in subparagraph (g)(3)(F), if the Shutdown occurs during the Base Period; and
 - (ii) Prepared and submitted by the current Freight Rail Yard Operator, or if applicable, the former Freight Rail Yard Operator preceding the Shutdown, for each Freight Rail Yard;

Subdivision (e) – Initial Reports

Paragraph (e)(1) – Initial Facility Information Report

- Base period information including:
 - Freight Rail Yard information
 - Owner, operator, location, etc.
 - Information on all applicable mobile sources operated at and traveling to and from the freight rail yard
 - Days of Switching Activities
 - In relation to the low-activity exemption
 - Annual throughput
 - Annual Aggregate Emission Factor

(e) Initial Reports

(1) Initial Facility Information Report

The Freight Rail Yard Operator required to submit an Initial Facility Information Report pursuant to paragraph (d)(4) and subparagraph (d)(4)(A) shall include in the report the following information about the Base Period:

- (A) Freight Rail Yard information as specified in Table 2 – Freight Rail Yard Information;
- (B) Applicable Mobile Sources information as specified in Table 3 – Applicable Mobile Sources Information for each Locomotive, Drayage Truck, TRU, and each unit of CHE and OSE operating at and travelling to and from the Freight Rail Yard;
- (C) Total number of calendar days within a calendar year when Switching Activities occur at the Freight Rail Yard, for each calendar year of the Base Period, and the annual average over the Base Period;
- (D) Annual Throughput of the Freight Rail Yard for each calendar year of the Base Period, and the annual average Throughput over the Base Period; and
- (E) Annual Aggregate Emission Factors for each calendar year of the Base Period, and the annual average over the Base Period, along with detailed steps of the calculations using the methodology specified in Rule 2306 Calculation Methodology.

Subdivision (e) – Initial Reports (cont.)

Table 2 – Freight Rail Yard Information

Information Type	Information Description
REQUIRED	(i) Name of the Freight Rail Yard
	(ii) Address of the Freight Rail Yard
	(iii) Footprint of the Freight Rail Yard in square footage
	(iv) Map of the Freight Rail Yard and the immediately surrounding public roadway and/or public right-of-way
	(v) Freight Rail Yard Owner
	(vi) Freight Rail Yard Operator
	(vii) Duration of Contractual Agreement between Freight Rail Yard Owner and Freight Rail Yard Operator (if applicable)

Paragraph (e)(1) – (cont.)

- All Table 2 information must be reported
- Only applicable Table 3 information must be reported

Table 3 – Applicable Mobile Sources Information

Information Type	Information Description
Locomotive	
REQUIRED	(i) Locomotive road number
	(ii) Locomotive serial number
	(iii) Engine tier
	(iv) Engine power rating in horsepower
	(v) Original engine build date
	(vi) Latest remanufacture date

Table 3 – Applicable Mobile Sources Information (Cont.)

Information Type	Information Description
Locomotive (Cont.)	
OPTIONAL	(xv) Locomotive model number
	(xvi) Engine serial number
	(xvii) Engine family
	(xviii) Engine manufacturer name
	(xix) Date acquired
Drayage Truck	

Subdivision (d) – Requirements *Milestone Compliance Report*

Subparagraph (d)(4)(C) – Milestone Compliance Report

- Freight Rail Yard Operator is required to prepare and submit *Milestone Compliance Report* by July 15th of calendar year after Milestone Year, or within 90 days of Freight Rail Yard Shutdown

Example: If a Milestone Year is in 2030, the corresponding Milestone Compliance Report is due on/before July 15, 2031

(4) The following reports shall be prepared in the manner specified by the Executive Officer, certified and signed by a Responsible Official of the Freight Rail Yard Owner and/or Freight Rail Yard Operator, as applicable, for the truthfulness, accuracy, and completeness of its submitted report, and submitted to the Executive Officer:

- (C) The Milestone Compliance Report as specified in paragraph (f)(1) shall be:
- (i) Submitted no later than July 15 of the calendar year following a Milestone Year, or no later than 90 calendar days after a Freight Rail Yard Shutdown date as specified in subparagraph (g)(3)(F), if the Shutdown occurs during the Milestone Year; and
 - (ii) Prepared and submitted by the current Freight Rail Yard Operator, or if applicable, the former Freight Rail Yard Operator preceding the Shutdown, for each Freight Rail Yard; and

Subdivision (f) – Milestone Year Reports

Paragraph (f)(1) – Milestone Compliance Report

- Due every three years
- Operator must declare compliance pathway
- Operator must report background data:
 - Any changes in facility information compared to the previously submitted reports
 - Mobile source data (Table 3)
 - Days of Switching Activity
 - Annual Throughput

(1) Milestone Compliance Report

The Freight Rail Yard Operator required to submit a Milestone Compliance Report pursuant to paragraph (d)(4) and subparagraph (d)(4)(C) shall include in the report the following information:

- (A) Any changes in Freight Rail Yard information compared to the Initial Facility Information Report previously submitted pursuant to subparagraph (e)(1)(A), or compared to the most recent Milestone Compliance Report pursuant to this subparagraph;
- (B) Applicable Mobile Sources information as specified in Table 3, for each Locomotive and Drayage Truck, and if applicable pursuant to paragraph (d)(2), for each TRU and each unit of CHE and OSE operating at and travelling to and from the Freight Rail Yard during the corresponding Milestone Year;
- (C) Total number of calendar days within a calendar year when Switching Activities occur at the Freight Rail Yard, for the corresponding Milestone Year and each of its two preceding calendar years, and the annual average over these three calendar years;
- (D) Annual Throughput of the Freight Rail Yard for the corresponding Milestone Year and each of its two preceding calendar years, and the annual average over these three calendar years;

Subdivision (f) – Milestone Year Reports *(cont.)*

Paragraph (f)(1) – (cont.)

- Report must include calculations and demonstration of compliance with emission reduction targets
 - Calculations must follow PR 2306 Appendix and Preliminary Draft PR 2306 Calculation Methodology
 - For alternative emission reduction target option, the operator must submit statewide data from each freight rail yard they operate in California

- (E) Annual Aggregate Emission Factor for the corresponding Milestone Year, along with detailed steps of the calculations using the methodology specified in Rule 2306 Calculation Methodology, if the Freight Rail Yard Operator elects to comply with the requirements in paragraph (d)(3) in lieu of paragraph (d)(2);
- (F) Emission reduction target
 - (i) Emission reduction target elected by the Freight Rail Yard Operator for the corresponding Milestone Year pursuant to paragraph (d)(1); and
 - (ii) If the alternative emission reduction target is elected pursuant to subparagraph (d)(1)(B):
 - (A) Attestation of the Freight Rail Yard Operator’s eligibility for electing the alternative target pursuant to clause (d)(1)(B)(i); and
 - (B) Detailed steps of the calculations pursuant to clause (d)(1)(B)(iii), to demonstrate the determination of the alternative emission reduction target;
- (G) Demonstration of compliance with the requirements specified in paragraph (d)(1), by including detailed steps of the calculations pursuant to paragraph (d)(2), or paragraph (d)(3) if applicable, for the corresponding Milestone Year; and
- (H) Attachment: Statewide Data
All applicable information as specified in Table 3 for each Locomotive and Drayage Truck operating at and travelling to and from any of the Freight Rail Yards within the State of California that are operated by the same Freight Rail Yard Operator during the corresponding Milestone Year, if the



Zero Emission Infrastructure Requirements

Subdivision (d) – Requirements *Zero Emission Infrastructure Reports*

Subparagraph (d)(4)(B) – Initial ZE Infrastructure Report and (d)(4)(D) ZE Infrastructure Status Update Report

- Freight Rail Yard Owners and Operators both have a role with ZE Infrastructure and both must participate in the ZE Infrastructure reporting
 - Can be submitted individually for each or jointly for all freight rail yards operated by the same operator

Due Date Example: If Base Period ends on December 31, 2026, the Initial Facility Information Report is due on/before April 30, 2027

(4) The following reports shall be prepared in the manner specified by the Executive Officer, certified and signed by a Responsible Official of the Freight Rail Yard Owner and/or Freight Rail Yard Operator, as applicable, for the truthfulness, accuracy, and completeness of its submitted report, and submitted to the Executive Officer:

(B) The Initial Zero Emission Infrastructure Report as specified in paragraph (e)(2) shall be:

- (i) Submitted no later than 120 calendar days after the Base Period ends; and
- (ii) Prepared and submitted by the Freight Rail Yard Owner and Freight Rail Yard Operator, either individually for each Freight Rail Yard or jointly for multiple Freight Rail Yards operated by the same Freight Rail Yard Operator;

(D) The Zero Emission Infrastructure Status Update Report as specified in paragraph (f)(2) shall be:

- (i) Submitted no later than October 15 of the calendar year following a Milestone Year; and
- (ii) Prepared and submitted by the Freight Rail Yard Owner and Freight Rail Yard Operator, either individually for each Freight

Subdivisions (e) and (f) –ZE Infrastructure Report Contents

Paragraph (e)(2) – Initial Zero Emission Infrastructure Report

- Report must include the potential, capacity, and progress of Zero Emission Infrastructure
- Includes on-site or off-site Zero Emission Infrastructure that are installed and operative, in development, and planned
 - Must consider existing CARB regulations and control measures describing future CARB regulations

Paragraph (f)(2) – Zero Emission Infrastructure Status Update Report

- Report must include updates since initial report

(2) Initial Zero Emission Infrastructure Report

The Freight Rail Yard Owner and Freight Rail Yard Operator required to submit an Initial Zero Emission Infrastructure Report pursuant to paragraph (d)(4) and subparagraph (d)(4)(B) shall:

- (A) Specify in the report any on-site and off-site ZE Infrastructure that has previously been designed, developed, or installed to support the Freight Rail Yard Owner’s and/or the Freight Rail Yard Operator’s compliance with the In-Use Locomotive Regulation, to support the implementation of the Advanced Clean Fleets Regulation, and/or any other ZE infrastructure requirements and initiatives;
- (B) Specify in the report any future on-site and off-site ZE infrastructure that will be needed for the Freight Rail Yard Owner and/or the Freight Rail Yard Operator to fully comply with the In-Use Locomotive Regulation, and/or to support the implementation of the Advanced Clean Fleets Regulation, and the control measures for TRUs and CHE as specified in the 2022 State Strategy for the State Implementation Plan; and
- (C) Include in the report the following information over the Base Period:
 - (i) Description of installed and operative ZE Infrastructure pursuant to subparagraph (e)(2)(A), including the information as specified in Table 4 – Information on Installed and Operative ZE Infrastructure;

Subdivision (e) and (f) – ZE Infrastructure Report Contents (cont.)

Paragraph (e)(2) & (f)(2) – (cont.)

- Reporting includes all information as listed in Table 4, Table 5, and Table 6
- Includes assessments of the Freight Rail Yard’s need of electrical service upgrades to support Zero Emission Infrastructure

Table 4 – Information on Installed and Operative ZE Infrastructure

Information Description	
(A)	List of installed and operative projects, including the project’s individual components such as, but not limited to, fuel dispensers (stationary or mobile), fuel reformers, electrolyzers, fuel compressors, fuel transportation pipelines and related components, electric chargers, conduits, transformers, substations, and any on-site or near-site power generation and energy storage components
(B)	Description of each project, including but not limited to Fuel Type and maximum energy capacity
(C)	Date of complete installation (inclusive of any required inspection) for each project

Table 5 – Information on ZE Infrastructure in Development

Information Description	
(A)	List of projects under design and development, including the project’s individual components such as, but not limited to, fuel dispensers (stationary or mobile), fuel reformers, electrolyzers, fuel compressors, fuel transportation pipelines and related components, electric chargers, conduits, transformers, substations, and any on-site or near-site power generation and energy storage components
(B)	Description of each project, including but not limited to Fuel Type and maximum energy capacity
(C)	Name(s) of responsible party or parties for the design, planning, development, or installation of each project

Table 6 – Information on Future ZE Infrastructure Being Planned

Information Description	
(A)	Current Freight Rail Yard energy consumption by Applicable Mobile Sources equipment category
(B)	Estimated range of percent energy consumption pursuant to information item (A) of this table, to be supplied by ZE infrastructure by Fuel Type
(C)	Initial assessment of the need to upgrade the electrical service provided to the Freight Rail Yard based on information item (B) of this table and any other supplemental information
(D)	Name(s) of responsible party or parties for future planning, design, or development of infrastructure, if available

Subdivision (d) – Requirements

Request for Electrical Service Upgrade

Paragraph (d)(5) – Request for Electrical Service Upgrade

- If a freight rail yard needs electrical service upgrade to support future zero emission infrastructure being planned, freight rail yard owner or operator is required to:
 - Indicate need in ZE Infrastructure report
 - Submit a request to the local electrical utility to upgrade the electrical service within 180 calendar days from the submittal date of such reports

(5) The Freight Rail Yard Owner or Operator shall submit a request to the local electrical utility to upgrade the electrical service no later than 180 calendar days after the submittal of the Initial Zero Emission Infrastructure Report as specified in paragraph (e)(2) or the Zero Emission Infrastructure Status Update Report as specified in paragraph (f)(2), if the Freight Rail Yard Owner or Operator identifies in such reports the need to upgrade the electrical service provided to the Freight Rail Yard.



Notification and Other Requirements

Subdivision (g) – Notifications: *Change of Freight Rail Yard Operator and/or Owner*

Paragraphs (g)(1) and (g)(2)

- Notification due from current owner or operator at least 30 calendar days prior to the change date
 - Include specified information
- The new owner or operator is also required to submit a secondary notification to Executive Officer
 - Due within 30 calendar days after the change date
 - Confirm the validity of the information submitted by the previous operator in the initial notification

(g) Notifications

(1) Change of Freight Rail Yard Operator Notification

(A) No later than 30 calendar days before a change of operator, the owner or current operator of the Freight Rail Yard shall submit a notification to the Executive Officer including the following information:

- (i) Current Name of the Freight Rail Yard;
- (ii) Address of the Freight Rail Yard;
- (iii) Current Freight Rail Yard Operator;
- (iv) New Freight Rail Yard Operator;
- (v) Date of change of operator; and
- (vi) Any other anticipated changes in Freight Rail Yard information upon or after change of operator, compared to the Initial Facility Information Report pursuant to subparagraph (e)(1)(A), or compared to the most recent Milestone Compliance Report pursuant to subparagraph (f)(1)(A).

(B) No later than 30 calendar days after a change of operator, the new operator of the Freight Rail Yard shall submit a secondary notification to the Executive Officer including the following information:

- (i) Whether the information submitted pursuant to subparagraph (g)(1)(A) remains accurate; and
- (ii) Any necessary updates to the information submitted pursuant to subparagraph (g)(1)(A).

Subdivision (d) – Requirements

Change of Freight Rail Yard Operator and/or Owner

Paragraphs (d)(6) and (d)(7)

- In case of change to the freight rail yard operator, the new operator must obtain:
 - Previous reports and documents demonstrating compliance
- In case of change to the freight rail yard owner, the new owner must obtain:
 - ZE Infrastructure reports and records

- (6) In the event there is a change of Freight Rail Yard Operator, the new Freight Rail Yard Operator pursuant to paragraph (g)(1) shall obtain the following information and records:
 - (A) All required information pursuant to paragraphs (e)(1) and (e)(2) for the Base Period, and paragraphs (f)(1) and (f)(2) for the most recent Milestone Year before the date of change of operator (if applicable) and the next Milestone Year; and
 - (B) All records pursuant to subdivision (h).
- (7) In the event there is a change of Freight Rail Yard Owner, the new Freight Rail Yard Owner pursuant to paragraph (g)(2) shall obtain the following information and records:
 - (A) All required information pursuant to paragraph (e)(2) for the Base Period, and paragraph (f)(2) for the most recent Milestone Year before the date of change of ownership (if applicable) and the next Milestone Year; and
 - (B) All records pursuant to subdivision (h).

Subdivision (g) and (d): *Freight Rail Yard Shutdown*

Paragraph (g)(3)

- Owner or operator must submit this notification at least 30 calendar days before the scheduled shutdown date
 - Include facility information, reason for shutdown, and anticipated dates for resuming operations, if applicable

Paragraph (d)(8)

- In case of freight rail yard shutdown, the current owner must obtain:
 - ZE Infrastructure reports and records

(3) Freight Rail Yard Shutdown Notification

No later than 30 calendar days before the Freight Rail Yard Shutdown date, the Freight Rail Yard Owner or Operator shall submit a notification to the Executive Officer including the following information:

- (A) Name of the Freight Rail Yard;
- (B) Address of the Freight Rail Yard;
- (C) Current Freight Rail Yard Owner;
- (D) Current Freight Rail Yard Operator;
- (E) Reason for Shutdown;
- (F) Date of Freight Rail Yard Shutdown; and
- (G) Anticipated Date to resume Freight Rail Yard Operations, if applicable.

(8) In the event there is a Freight Rail Yard Shutdown, the Freight Rail Yard Owner shall obtain the following information and records:

- (A) All required information pursuant to paragraph (e)(2) for the Base Period, and paragraph (f)(2) for the most recent Milestone Year before the Shutdown date as specified in subparagraph (g)(3)(F) (if applicable) and the next Milestone Year; and
- (B) All records pursuant to subdivision (h).

Subdivision (g) – Notifications: *Proposed Freight Rail Yard Construction, Conversion, or Expansion*

Subparagraph (g)(5)

- Notification due at least a year prior to the start of construction, conversion, or expansion
 - Due as soon as possible if construction, conversion, or expansion occurs within less than a year from the rule's effective date

- (5) Proposed Freight Rail Yard Construction, Conversion, or Expansion Notification
- No later than 365 calendar days prior to the construction of or conversion into a New Freight Rail Yard or the expansion of an existing Freight Rail Yard, or as soon as practicable if such construction, conversion, or expansion occurs within 365 calendar days from the date the rule becomes effective, the Freight Rail Yard Owner shall submit a notification to the Executive Officer including the following information:
- (A) Proposed project type, including construction of a New Freight Rail Yard, conversion of an existing Rail Yard into a New Freight Rail Yard, or expansion of an existing Freight Rail Yard;
 - (B) Name of the proposed project, if applicable;
 - (C) Location of the proposed project;
 - (D) Freight Rail Yard Owner;
 - (E) Anticipated Freight Rail Yard Operator; and
 - (F) Estimated date when the proposed project site will begin Freight Rail Yard Operations.

Subdivision (h) - Recordkeeping

- Records that support rule compliance must be:
 - Kept for a minimum of seven years from report submittal deadline
 - Made available to Executive Officer upon written request

(h) Recordkeeping

The Freight Rail Yard Owner or Operator shall keep the records and documentations that support the accuracy and validity of all information reported and submitted to the Executive Officer pursuant to subdivisions (d) through (g), as applicable, for a minimum of seven years from the submittal deadline and make the records and documents available to the Executive Officer upon a written request.

Subdivision (i) – State or Local Agency Responsibility

- If a state or local government agency enters, renews, or amends a Contractual Agreement with any subject Freight Rail Yard, the contract must include the obligation to comply with specific PR 2306 requirements, such as:
 - Emissions Reduction Targets
 - Reporting Requirements
 - Notification Requirements
 - Recordkeeping requirements
- Not applicable to rail yards at the ports

- (i) State or Local Agency Responsibility
- Any state or local government agency who enters, renews, or amends a Contractual Agreement, which is separately enforceable independent of this rule and the California Environmental Quality Act, shall include in such Contractual Agreement(s) that the applicable countersigned party or parties, unless exempt from some or all requirements of this rule pursuant to subdivision (j), must comply with the following requirements of this rule as applicable:
- (1) Compliance with emissions reduction targets as specified in paragraphs (d)(1) through (d)(3);
 - (2) Timely and complete submittal of the following reports and notifications:
 - (A) Initial Facility Information Report as specified in subparagraph (d)(4)(A) and paragraph (e)(1);
 - (B) Initial Zero Emission Infrastructure Report as specified in subparagraph (d)(4)(B) and paragraph (e)(2);
 - (C) Milestone Compliance Report as specified in subparagraph (d)(4)(C) and paragraph (f)(1);
 - (D) Zero Emission Infrastructure Status Update Report as specified in subparagraph (d)(4)(D) and paragraph (f)(2);
 - (E) Change of Freight Rail Yard Operator Notification as specified in paragraph (g)(1);
 - (F) Change of Freight Rail Yard Owner Notification as specified in paragraph (g)(2);
 - (G) Freight Rail Yard Shutdown Notification as specified in paragraph (g)(3);
 - (H) Exceedance of Low Activity Exemption Threshold Notification as specified in paragraph (g)(4); and
 - (I) Proposed Freight Rail Yard Construction, Conversion, or Expansion Notification as specified in paragraph (g)(5);
 - (3) Recordkeeping as specified in subdivision (h);
 - (4) Request to the local electrical utility to upgrade the electrical service, if applicable, as specified in paragraph (d)(5); and
 - (5) Obtaining applicable information and records as specified in paragraphs (d)(6) through (d)(8) in the event of a change in Freight Rail Yard Operator, a change in Freight Rail Yard Owner, or a Freight Rail Yard Shutdown.

Subdivision (j) – Exemptions

Paragraph (j)(1) – Exemption for low activity

- Not an Intermodal Rail Yard and switching activities occur for 30 days or less
 - Exempt from: Meeting applicable emissions reduction targets and preparing/submitting milestone reports
 - Operator must notify South Coast AQMD when exemption no long applies per (g)(4)

Paragraph (j)(2) – Exemption for on-port switching

- On-port switching exempt from PR 2306
- On-port Intermodal Rail Yards are separately excluded from PR 2306 in the definition of Freight Rail Yard in (c)(9)

(1) The Freight Rail Yard Owner or Operator is not subject to the requirements in paragraphs (d)(1) through (d)(3), subparagraphs (d)(4)(C) through (d)(4)(D), paragraph (d)(5), and subdivision (f) of this rule for any of its owned- or operated-Freight Rail Yards that is not an Intermodal Rail Yard and where Switching Activities occur no more than 30 calendar days per year within a Milestone Year and any of the two preceding calendar years.

(2) The City of Long Beach, the City of Los Angeles, and/or any third party under contractual operating agreement(s) with the City of Long Beach and/or the City of Los Angeles are not subject to the requirements of this rule for any of its owned- or operated-Freight Rail Yard that is not an Intermodal Rail Yard and where the primary Freight Rail Yard Operations are to move Railcars to and from marine terminal(s) located within the Long Beach Harbor District or the Los Angeles Harbor District.

(9) FREIGHT RAIL YARD means any Rail Yard where Switching Activities occur or where containerized or non-containerized freight, including empty containers and chassis, are loaded to or unloaded from Railcars for transportation to or from a location outside of the Freight Rail Yard by Locomotive(s) operated by the Freight Rail Yard Operator, including but not limited to Intermodal Rail Yards and Classification Yards.

Subdivisions (k) and (l) – Effective Date and Severability

- Rule becomes effective only upon federal approval
- If a portion of rule is held to be unlawful via court order, remainder of rule remains in effect

SIP = State Implementation Plan to attain National Ambient Air Quality Standards, as required by the federal Clean Air Act

(k) Effective Date

The provisions of this rule are effective on the latest of:

- (1) The date the United States Environmental Protection Agency takes final action approving inclusion of the rule in the California State Implementation Plan;
- (2) The date the United States Environmental Protection Agency grants an authorization under the Clean Air Act Section 209(e)(2) to the California In-Use Locomotive Regulation (CCR, Title 13, Sections 2478 through 2478.17); and
- (3) The date the United States Environmental Protection Agency grants a waiver under the Clean Air Act Section 209(b) and/or an authorization under the Clean Air Act Section 209(e)(2) to the California Advanced Clean Fleets Regulation either as a whole (CCR, Title 13, Sections 2013 through 2013.4, 2014 through 2014.3, 2015 through 2015.6, and 2016), or in part for its Drayage Truck Requirements (CCR, Title 13, Sections 2014 through 2014.3).

(l) Severability

- (1) If any provision of this rule is held by judicial order to be unlawful or otherwise invalid, such order shall not affect the operation or implementation of the remainder of this rule.
- (2) If any provision of this rule is held by judicial order to be inapplicable to any person or circumstance, such order shall not affect the application of such provision to other persons or circumstances.
- (3) If a federal court stays, invalidates, or delays, in whole or in part, federal approval of inclusion of this rule in the California State Implementation Plan, the provisions of this rule shall be enforceable only to the extent they are not stayed or invalidated.

Appendix – Equations and Supporting Calculations

- **Section 1** includes Equation 1 to calculate *Alternative Milestone Year Emission Reduction Target*, which is the percent of NOx emission reductions across all freight rail yards under one operator in the state of California
- **Section 2** provides Equation 2 to calculate *Percent NOx Emission Reduction for Milestone Year*, which is based on the actual emissions reduced by a freight rail yard compared to the reference scenario
- **Section 3** includes Equation 3 to calculate *Percent NOx Emission Reduction Between a Milestone Year and the Base Period* for the purpose of any freight rail yard with reduced throughput in calculating the actual emissions reduced compared to its base period

Appendix – Rule 2306 Equations

Section 1: Alternative Milestone Year Emission Reduction Target

Freight Rail Yard Operator shall calculate the alternative Milestone Year emission reduction target pursuant to subparagraph (d)(1)(B), using the following equation:

$$ER_{Statewide}^{MY} = \left(1 - \frac{\sum_y CAFRYEm_y^{MY}}{\sum_y CAFRYEm_{RS,y}^{MY}} \right) \times 100 \quad (Equation 1)$$

Where:

$ER_{Statewide}^{MY}$ = Percent emission reduction achieved for all Freight Rail Yards within the State of California that are operated by the same Freight Rail Yard Operator compared to the Reference Scenario (RS) for Milestone Year MY

$CAFRYEm_y^{MY}$ = Sum of actual NOx emissions from all Locomotives and Drayage Trucks



PR 316.2 – FEES FOR RULE 2306



Subdivisions (a) and (b) – Purpose and Applicability

- Purpose of PR 316.2 is to recover reasonable costs incurred by South Coast AQMD in implementation of Rule 2306
- Applies to Freight Rail Yard Owners and Operators that submit reports or notifications
 - Fees are tied to each report/notification
- Definitions of terms provided in subdivision (c)

(a) Purpose

California Health and Safety Code Section 40522.5 provides authority for the South Coast AQMD to adopt a fee schedule for areawide or indirect sources of emissions which are regulated, but for which permits are not issued, to recover the costs of programs related to these sources. The purpose of this rule is to recover the South Coast AQMD's cost of implementing Rule 2306.

(b) Applicability

This rule applies to owners and operators of proposed, new, and existing Freight Rail Yards subject to Rule 2306 that submit an Initial Facility Information Report, Initial Zero Emission Infrastructure Report, Milestone Compliance Report, Zero Emission Infrastructure Status Update Report, Change of Freight Rail Yard Operator Notification, Change of Freight Rail Yard Owner Notification, Freight Rail Yard Shutdown Notification, Exceedance of Low Activity Exemption Threshold Notification, or Proposed Freight Rail Yard Construction, Conversion, or Expansion Notification.

Subdivision (d) – Fees for Rule 2306 Reports and Notifications

(d) Fees for Rule 2306 Reports and Notifications

- (1) Freight Rail Yard Owners and Operators that submit reports or notifications required by Rule 2306 shall pay applicable fees pursuant to Table 1 for each submitted report or notification, except for an Initial Zero Emission Infrastructure Report or a Zero Emission Infrastructure Status Update Report that is jointly submitted for multiple Freight Rail Yards.
- (2) For a Freight Rail Yard Owner or Operator that submits a single Initial Zero Emission Infrastructure Report jointly for multiple Freight Rail Yards operated by the same Freight Rail Yard Operator pursuant to Rule 2306 clause (d)(4)(B)(ii), or a single Zero Emission Infrastructure Status Update Report jointly for multiple Freight Rail Yards operated by the same Freight Rail Yard Operator pursuant to Rule 2306 clause (d)(4)(D)(ii), the owner or operator shall pay applicable fees pursuant to Table 1 for each individual Freight Rail Yards covered by the joint report.

Paragraphs (d)(1) and (d)(2)

- Fees are based on estimated average time required by staff to review each report or notification
- Review times for reports are estimated based on time for staff to process and review submitted reports/notifications, audit calculations, and conduct facility inspections as needed

Subdivision (d) – Fees for Rule 2306 Reports and Notifications *(cont.)*

Table 1 - Fees for Rule 2306 Reports and Notifications

Reports		Fees
Initial Facility Information Report		\$3,397.71
Initial Zero Emission Infrastructure Report		\$1,520.07
Milestone Compliance Report		\$11,728.26
Zero Emission Infrastructure Status Update Report		\$1,520.07
Notifications		Fees
Change of Freight Rail Yard Operator Notification	Initial	\$97.90
	Secondary	\$32.63
Change of Freight Rail Yard Owner Notification	Initial	\$97.90
	Secondary	\$32.63
Freight Rail Yard Shutdown Notification		\$130.53
Exceedance of Low Activity Exemption Threshold Notification		\$130.53
Proposed Freight Rail Yard Construction, Conversion, or Expansion Notification		\$130.53

Subdivision (e) – Payment Due Date

Subdivision (f) – Service Charge for Returned Check

(e) Payment Due Date

Payment of all applicable fees in subdivision (d) shall be due at the time that the applicable report must be submitted pursuant to Rule 2306 paragraph (d)(4), or at the time that the applicable notification must be submitted pursuant to Rule 2306 subdivision (g). The report or notification fee payment shall be considered to be timely received by the South Coast AQMD if the full fee payment is delivered, postmarked, or electronically paid on or before the payment due date. If the payment due date falls on a Saturday, Sunday, or a state holiday, the full fee payment may be delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been delivered, postmarked, or electronically paid on the payment due date.

Subdivision (e)

- Payment of applicable fees is due at the time of report or notification submittal
- Fee payments are considered timely received when the full fee payment is delivered, postmarked, or electronically paid before or on the payment due date
 - For due dates falling on Saturday, Sunday, or a state holiday, the fee payment is due the following business day

Subdivision (f)

- \$25 service charge fee for any checks submitted on insufficient funds or on instructions to stop payment on the check

(f) Service Charge for Returned Check

Any Freight Rail Yard Owner or Operator who submits a check to the South Coast AQMD on insufficient funds or on instructions to stop payment on the check, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25 service charge.



Socioeconomic Impact Assessment, California Environmental Quality Act, & Supporting Documentation



Socioeconomic Impact Assessment

- Socioeconomic Impact Assessment is required per Health and Safety Code Sections 40440.8 and 40728.5 for a proposed rule or rule amendment which “will significantly affect air quality or emission limitations”
- Socioeconomic Impact Assessment for PR 2306 will consider:
 - Types of affected industries, including any small businesses
 - Range of probable costs to affected industries or businesses
 - ❖ Nominal incremental costs anticipated as compliance costs already analyzed and accounted for in CARB’s regulatory impact analyses for statewide regulations
 - ❖ The average annual reporting costs associated with PR 2306, including PR 316.2 fees
 - Health benefits to be re-estimated based on benefit per ton of NOx reduced in 2022 AQMP
- Socioeconomic Impact Assessment will be made available at least 30 days prior to the Public Hearing on August 2, 2024 (subject to change)

California Environmental Quality Act (CEQA)

- Proposed Rule 2306 – Freight Rail Yards relies on previously adopted control measures: MOB-02A and MOB-02B of the 2022 AQMP, and MOB-02 of the 2016 AQMP
 - For the purpose of CEQA compliance, Final Program Environmental Impact Reports for the 2022 AQMP and 2016 AQMP adequately describe the effects of the control measures upon which PR 2306 relies
 - No new information is proposed in PR 2306 that would require preparation of a new CEQA document
 - PR 2306 is a later activity within the scope of previously approved 2022 AQMP and 2016 AQMP per CEQA Guidelines Section 15168(c) - Use with Later Activities
- Proposed Rule 316.2 – Fees for Rule 2306 involves charges by public agencies for the purpose of meeting operating expenses which are statutorily exempt from CEQA pursuant to CEQA Guidelines Section 15273
- Detailed CEQA analysis will be available as an Appendix to the Draft Staff Report

Supporting Documents for PR 2306 and PR 316.2*

Preliminary Draft Proposed Rule 2306 and Proposed Rule 316.2

https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/pr-2306/pr-2306_preliminary-draft-rule-language_public-release-final.pdf
https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/pr-2306/pr-316_2_preliminary-draft-rule-language_public-release-final.pdf

Preliminary Draft Staff Report

https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/pr-2306/pdsr_pr2306-public-release-final.pdf

Preliminary Draft Proposed Rule 2306 Calculation Methodology

https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/pr-2306/preliminary-draft-proposed-rule-2306-calculation-methodology_final.pdf

Data Appendix to Preliminary Draft Proposed Rule 2306 Calculation Methodology

<https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/pr-2306/data-appendix-to-preliminary-draft-proposed-rule-2306-calculation-methodology-public-release-copy.xlsx>

Supplemental Information for Preliminary Draft Proposed Rule 316.2 Fee Rates

<https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/pr-2306/supplemental-information-for-rule-316-2-fee-rates.xlsx>

*All documents are available here: <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-2306>



Next Steps and Staff Contacts



Next Steps

Virtual Community Workshop on June 5, 2024

Set Hearing on June 7, 2024

Public Comments Due by June 18, 2024

Mobile Source Committee Review on June 21, 2024

Draft Rule Language and Supporting Documents Released by July 2, 2024

Public Hearing on August 2, 2024 (subject to change)

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Sign up for the mailing list at: <https://www.aqmd.gov/sign-up>
(select "**Rule 2306 - Freight Rail Yards**")

For more information, visit: www.aqmd.gov/fbmsm
(click into "**Rail Yard and Intermodal Facilities**")

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