

WHAT'S AN INDIRECT SOURCE RULE?

An **Indirect Source Rule (ISR)** requires facilities like warehouses, ports, and airports to offset air pollution from equipment, trucks, trains, and ships used at or traveling to/from their facilities.



WHAT'S THE PROBLEM?

The South Coast Air Quality Management District's ISR on warehouses requires limiting truck idling, installing electric chargers, or switching to electric vehicles. If building operators can't meet these requirements, they must pay a substantial mitigation fee -- all in an attempt to reduce emissions from sources they often neither create nor have direct control over.

- ➔ **Implementation Costs:** The costs of retrofitting or replacing existing equipment with cleaner technologies can be substantial and infeasible in certain buildings.
- ➔ **Limited Technology Availability:** The availability and effectiveness of zero-emission or low-emission technologies can vary and may not be commercially available.
- ➔ **No Proof of Emission Reductions:** There is little evidence ISRs will reduce emissions or that mitigation fees collected by various sources will lead to further investment in reducing NO_x.
- ➔ **Enforcement and Compliance:** Ensuring that all affected facilities comply with the ISR can be challenging. Enforcement may require substantial resources for inspections, audits, and penalties, which can strain regulatory agencies.
- ➔ **Complexity of Monitoring and Reporting:** ISRs often require detailed tracking and reporting of emissions. This complexity can lead to difficulties in data collection and accuracy, as well as increased administrative burdens for businesses.