

**PETITION FOR A HEARING
BEFORE THE HEARING BOARD OF THE
SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT**

Northern Region Office
4800 Enterprise Way
Modesto, CA 95356

Central Region Office
1990 E. Gettysburg Ave.
Fresno, CA 93726

Southern Region Office
34946 Flyover Court
Bakersfield, CA 93308

<u>TYPE OF HEARING</u>	<u>FEES (Non-Refundable)</u>
<input checked="" type="checkbox"/> A. Short Variance (90 Days or Less)	\$ 987.00
<input type="checkbox"/> B. Interim & Short Variance	\$1443.00
<input type="checkbox"/> C. Emergency Variance	\$ 343.00
<input type="checkbox"/> D. Regular Variance	\$1136.00
<input type="checkbox"/> E. Interim & Regular Variance	\$1592.00
<input type="checkbox"/> F. Appeal Hearing	\$1136.00
<input type="checkbox"/> G. Extension of Variance	\$ 456.00
<input type="checkbox"/> H. Modification of Variance	\$ 456.00
<input type="checkbox"/> I. Modification of Variance Schedule of Progress	\$ 456.00
<input type="checkbox"/> J. Product Variance	\$1515.00
<input type="checkbox"/> K. Rehearing	\$1136.00
<input type="checkbox"/> L. Revocation of Variance	\$ 456.00
<input type="checkbox"/> M. Special Hearing	\$1136.00

In addition to the filing fee above, an excess emissions fee will be assessed at the conclusion of the variance at \$3.00 per pound on the excess emissions emitted during the variance period. Additionally, a \$3.75 per pound mitigation fee will be assessed if excess emissions are greater than 2000 pounds.

A. NAME OF FACILITY: California Dairies, Inc. Tipton
 PHYSICAL ADDRESS OF FACILITY: 11894 Ave 120
 CITY: Tipton STATE: CA ZIP CODE: 93256
 NAME OF PERSON FILLING OUT PETITION: Bill Hendrickson
 TELEPHONE: 559-625-6118 **E-MAIL:** bhendrickson@californiadairies.com
 NAME OF PERSON AUTHORIZED TO RECEIVE NOTICES: Bill Hendrickson
 MAILING ADDRESS: 2000 N Plaza Drive
 CITY: Visalia STATE: CA ZIP CODE: 93291
 TELEPHONE: 559-625-6118 **E-MAIL:** bhendrickson@californiadairies.com

B. TYPE OF ENTITY (Check One)

- LLC
 Partnership
 Corporation
 Other Entity

Please include the name, title, and address of officers, if a corporation; partners, if a partnership; or the person(s) in control, if other entity.

(Attach additional sheets, if needed)

NAME	TITLE	ADDRESS
Rob Vandenheuvel	CEO	2000 N Plaza Drive, Visalia, CA 93291
Panna Agrawal	COO	2000 N Plaza Drive, Visalia, CA 93291

In accordance with State Law, the District will provide assistance to small businesses in preparing and filing the petition for the hearing. Small business has the same meaning as defined in the Small Business Administration, except that no stationary source which is a major source can be a small business.

If you plan on having attendees participate via the video teleconferencing system in a region other than that of which you filed the petition, please check the box(s) below for the region they will be participating:

Bakersfield

Fresno

Modesto

1. Describe the type of business conducted at your facility.

California Dairies, Inc. (CDI) Tipton is a dairy processing facility that receives raw milk and processes the milk into non-fat dry milk, butter, milk protein concentrate, and condensed milk.

2. Describe in detail the equipment or activity that is the subject of this petition, what the equipment is used for, and why it is necessary to the operation of your facility. Include all pertinent information necessary to describe the activity including: fuels burned, raw materials processed, product produced, true vapor pressure of all volatile organic compounds, site diagrams, material flow charts, fuel systems, and diagrams of air pollution control systems if necessary. Provide photos as well.

The equipment relative to this petition is a Solar Turbine Centaur 50S natural gas cogeneration unit driving a 4.6 MW generator with unfired heat recovery steam generator and a 36 MMBtu/hr duct burner with selective catalytic reduction and oxidation catalyst. The permit unit is S-1346-24-6. This unit supplies electricity and steam to the facility for processing dairy products.

3. List all the District Permits to Operate and/or Authorities to Construct and the corresponding permit conditions for which you are requesting variance protection and **explain** how you are violating, or will violate the condition(s). Please list the current version(s).

Permit S-1346-24-6

Condition 20: Source testing to demonstrate compliance with NOx (as NO2), CO, ammonia emissions limits, and fuel gas sulfur content limit shall be conducted at least once every twelve months. SCR catalyst inlet temperature and ammonia injection rate shall be recorded during any source testing. Source testing shall be performed with and without an operational duct burner. [District Rule 1081]

The facility will violate the emissions source testing deadline of 24 June 2026, based on the anniversary date of 25 May +30 days.

4. List all District Rule numbers, including subsections, for which you are requesting variance protection and **explain** how you are violating or will violate the rule(s).

District Rule 1081

SJVAPCD Compliance Department COM 2030 dated March 8, 2007; subsequent source test dates shall be based on the frequency specified in the ATC or PTO and the date the initial source test was performed. Tests must take place within a 60-day window no more than 30-days before or after the required date. Any testing that occurs after this required test window is a violation unless a variance has been approved prior to the end of the test window or that the source has received an ATC that modifies the test date.

5. Why is it beyond your reasonable control to comply with the rule(s) and/or permit condition(s)?

CDI Tipton's preventative maintenance (PM) process for the Cogen unit requires the manufacturer to perform the annual PM the week prior to our annual source test. This PM requires the Cogen to be taken off line for approximately five days. The Cogen is the sole source of high-pressure steam for the Stork milk dryer. As a result, we are unable to process milk through the Stork dryer during this downtime. During the spring milk flush (typically March through June), our plants must operate at full capacity to process incoming milk. Other regional dairy processors are also at or near capacity and cannot accept additional volume. Taking the Cogen and Stork dryer off line during this period would force us to reject milk, resulting in the loss of approximately 100 milk tanker loads, with an estimated value of \$1,000,000.

6. What would be the harm to your business if the variance were not granted? Include business closure, economic losses in dollar amounts, breach of contracts, hardships on customers, employee lay-offs, loss of market share to competitors, etc.

Taking the Cogen and Stork dryer off line during this period would force us to reject milk, resulting in the loss of approximately 100 milk tanker loads, with an estimated value of \$1,000,000.

7. What date, and under what circumstances, did your facility first become aware that it would **not** be in compliance?

The facility first became aware on 23 April 2026 that the upcoming annual PM and source test for the cogen unit will not be possible to complete until August due to forecasted elevated milk volumes.

8. What actions have you taken since that time to achieve compliance?

The facility has tried to adjust milk processing schedules and divert milk volume to other dairy processing facilities without success.

9. Explain what options have been evaluated towards curtailment or termination of operations in lieu of obtaining a variance.

The facility has tried to adjust milk processing schedules and divert milk volume to other dairy processing facilities without success. Termination of operations relevant to this petition request would result in an estimated cost of \$1,000,000.

10. Estimate the excess emissions in total pounds over the duration of the variance period. *Estimate the maximum amount of excess emissions that will occur.*

Pollutant	Pollutant Limit	Actual Emissions	<i>Excess emissions are those that are in excess of the rules or permit conditions or otherwise lawfully allowed</i>	Total Estimated Excess Emissions
VOC				N/A
NO _x				N/A
CO				N/A
SO _x				N/A
PM ₁₀				N/A
PM _{2.5}				N/A

Highest Opacity level anticipated: N/A %

11. Show all calculations and provide references for emission factors used in estimating excess emissions.

N/A

12. Explain how you can reduce or mitigate excess emissions during the variance period. (such as shutting equipment down or reducing production to offset excess emissions)

The variance period is not expected to produce excess emissions as the cogen unit is operating within the prescribed emissions limits.

13. If there are excessive hazardous or toxic emissions, attach a health risk assessment and receptor modeling data.

14. Can you monitor or quantify emission levels from the subject equipment or activity during the variance period and make such records available to the District? Source tests, engineering tests, or portable emission analyzers can be utilized.
Yes: No: Provide an explanation of your response.

The cogen emissions are monitored on a monthly basis and are available to the District.

15. How do you intend to achieve compliance with the rules or permit conditions? Include a detailed description of any equipment to be installed and/or modifications to be made, a listing of the dates by which the actions will be completed, and an estimate of the total cost, if available.

Granting a short-term variance would allow CDI to schedule both the Cogen PM and the annual source test in August. The currently scheduled source test date with the vendor is 7 Aug 2026. At that time, milk volumes are significantly lower, enabling us to complete the required maintenance and testing without any milk being rejected.

16. State the dates you are requesting the variance to begin and end (the end date should be the date you expect to achieve compliance with the rules, regulations, and permit conditions). Please overestimate the time needed to allow for any contingencies.

Begin variance: 6/24/2026 End variance: 9/21/2026

17. Please state if you need special time designations. For example: “We need 15 non-consecutive days between such and such date.”

N/A

18. If a variance, or series of variances, is to extend beyond one year, you must attach a Schedule of Increments of Progress pursuant to Rule 5050 –*Compliance Schedule* which must specify certain dates or milestones to be met in achieving compliance.

19. List the names of any District personnel who are familiar with the facility (inspectors, permit engineers, etc.) or with whom facility representatives have had contact concerning this variance petition, or any related NOV or NTC.

Clay Bishop and Dave Born

Based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete:

Date: 5/18/2026

*Signature: Bill Hendrickson Digitally signed by Bill Hendrickson
Date: 2026.05.18 17:44:37 -07'00'

Title: Director of Environmental Affairs

Print Name: Bill Hendrickson

**must be signed by a responsible official if petitioner is a Title V source*

The original petition in this format, and any attachments must be submitted to the District. Any attachments that are extraordinarily difficult to reproduce, such as full color photographs, must be submitted as six copies. Petitions which are incomplete, illegible, submitted in the wrong format, or without the necessary filing fee will be returned. If you need assistance completing this petition and/or developing a compliance schedule, contact the Compliance Department in your region.

Northern Region Office
(209) 557-6440

Central Region Office
(559) 230-5950

Southern Region Office
(661) 392-5540

You may hand deliver, mail, or email this petition to variance@valleyair.org