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

	TYPE OF HEARING	FEES (Non-Refundable)
☐ A.	Short Variance (90 Days or Less)	$ 987.00
☐ B.	Interim & Short Variance	$1443.00
☐ C.	Emergency Variance	$ 343.00
☐ D.	Regular Variance	$1136.00
☒ E.	Interim & Regular Variance	$1592.00
☐ F.	Appeal Hearing	$1136.00
☐ G.	Extension of Variance	$ 456.00
☐ H.	Modification of Variance	$ 456.00
☐ I.	Modification of Variance Schedule of Progress	$ 456.00
☐ J.	Product Variance	$1515.00
☐ K.	Rehearing	$1136.00
☐ L.	Revocation of Variance	$ 456.00
☐ 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: BAKER COMMODITIES, INC

PHYSICAL ADDRESS OF FACILITY: 16801 W JENSEN AVE

CITY: Kerman STATE: CA ZIP CODE: 93630

NAME OF PERSON FILLING OUT PETITION: Maya Lopez Grasse

TELEPHONE: 213-576-2526 **E-MAIL:** maya.grasse@alston.com

NAME OF PERSON AUTHORIZED TO RECEIVE NOTICES: Maya Lopez Grasse

MAILING ADDRESS: Alston & Bird LLP, 350 S. Grand Ave, Fl. 51

CITY: Los Angeles STATE: CA ZIP CODE: 90071

TELEPHONE: 213-576-2526 **E-MAIL:** maya.grasse@alston.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
Please see Attachment A		

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.

Baker Commodities operates a rendering facility in Kerman, CA - providing an essential service to the community in Fresno County and beyond. Specifically, the facility processes and recycles animals carcasses, parts, and other animal organic matter (raw material); a critical service relied upon by farmers, food producers, and others to ultimately produce beneficial final products from these operations. The Kerman facility typically processes more than 3 million pounds of raw material per week, serving customers from Modesto to Bakersfield and beyond who must dispose of their deceased animals or animal parts. The facility operates 24 hours a day, 5 to 7 days a week depending on demand, and approximately 270-290 operating days annually. The Kerman facility employs 61 people on-site, and accounts for 7 positions supporting the facility from the Baker's Hanford location. Additionally, the facility supports critical local and statewide goals of minimizing waste, maximizing recycling, and diverting large volumes of animal carcasses and raw materials from landfills. Finally, the Kerman facility's operations generate renewable biofuels from used cooking oil and animal fat, contributing to the greenhouse gas emissions reduction goals of the Low Carbon Fuel Standard.

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 facility uses a number of boilers to generate steam used in the rendering operations, which convert raw materials into useful products such as fats and oils that are used downstream in other goods and operations. Baker has been in the process of upgrading its main boiler with a state-of-the-art, ultra Low NOx boiler, specifically designed to meet 2.5 ppm NOx without an SCR (Permit No. C-72-13-4, referred to as the "New Boiler"). However, although it was installed and permitted, the new boiler has had serious operating issues and has been shut-down for the past 8 months. Although Baker and the boiler manufacturer have been diligently working to troubleshoot, repair, and bring the boiler back on-line, Baker remains concerned based on their experience to date that the New Boiler will continue to have problems. Baker has been relying on other boilers to continue its vital operations, and one of those boilers is the subject of this variance petition.

Over the past year, Baker has primarily relied on a rental boiler to provide the necessary steam (Permit No. C-72-14-0; the "Temporary Boiler"); however, since this boiler can only remain on-site for 180 days, it cannot operate past May 2, 2026. Baker also has a backup boiler that it can use to provide the necessary steam, but that boiler's permit conditions (Permit No. C-72-8; the "Backup Boiler") effectively limit the hours that the boiler can operate per year.

Accordingly, Baker is seeking an interim and regular variance from conditions of the Backup Boiler (and associated District rules) so that it can rely on the Backup Boiler to continue operating the facility. Baker continues to work diligently to bring its state-of-the-art New Boiler reliably on-line, as well as to identify permitting solutions for the Temporary Boiler (or an equivalent), but must be able to continue its operations if the recently-repaired New Boiler continues to pose unexpected challenges during its re-commissioning.

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).

Baker is requesting interim and regular variance relief from Permit No. C-72-8-12, condition no. 5, which specifies: "The annual heat input of this unit shall not exceed 30,000 MMBtu/year."

In order to continue operating its Kerman facility during the course of continued troubleshooting of the New Boiler and securing an appropriate long-term solution (as warranted) of the Temporary Boiler or its equivalent, Baker must be able to operate its Backup Boiler at the level necessary to fully operate its facility. The above annual MMBtu limitation would preclude that level of operation without violation of the condition.

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).

Please see Attachment B for a full explanation of the specific rule sections and an explanation of why the variance is needed; a brief summary is provided below.

Rule 4306, Sec. 5.1.1 and Table 2 (Sec. E and B) set emissions standards for NOx based on annual Btu The Backup Boiler does not meet the NOx limitations applicable to its operations beyond its currently-permitted limit, and would need relief from the limit applicable to operations beyond that.

Rule 4320, Sec. 5.1.1, Sec. 5.2.1 and Table 2 (Sec. B and E) set forth applicable NOx limits. The Backup Boiler does not meet the NOx limitations applicable to its operations beyond its currently-permitted limit. Rule 4320, Sec. 5.3 provides for demonstration of alternative compliance through payment of an annual fee, but this would not be appropriate for a temporary excursion from limits, which Baker anticipates its Backup Boiler use would be, and Baker thus requests variance relief from both provisions of this rule.

Rule 2201, Sec. 4: This rule section sets forth various potentially applicable requirements that would be triggered by a violation of the relevant permit condition above, including BACT (4.1.3), emissions offsets and reductions (4.5.3 and 4.8.1.1, respectively), public notification and emissions modeling (5.4.1), and alternative siting analysis (4.16). Accordingly, Baker requests variance relief from those provisions of Section 4 of the rule.

Rule 2010, Sec. 4.3: The rule prohibits operating equipment contrary to conditions in the permit to operate, which would occur if the Backup Boiler were operated beyond the MMBtu limits set forth in the permit.

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

Please see Attachment B for a full explanation of why it is beyond Baker's reasonable control to comply with the above-referenced permit condition and rules, and that good cause exists to grant an interim variance.

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.

Please see Attachment B.

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

With the anticipated commissioning of the repaired New Boiler on Monday, April 13, Baker continued to prepare contingency plans in case new, unexpected issues came up. As described in response to Question 5, Baker has been consistently dismayed at the number of problems that have arisen with the New Boiler. While Baker has sought to remain optimistic that, with the current repairs, the New Boiler will perform as expected, Baker must also be pragmatic.Baker expects to have a compliance update in advance of the hearing.

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

Please see response to Question 5. Baker has worked tirelessly, along with the New Boiler manufacturer, California Boiler, to identify, address, and fully resolve the myriad issues encountered during the past 22 months. Concurrently, Baker has pursued alternative equipment to ensure it can continue its important operations. This has included securing the Temporary Boiler (with its 180-day on-site time limit), along with more permanent solutions. This variance, allowing Baker to operate its Backup Boiler to provide necessary steam for operations, would allow Baker the necessary time to pursue these concurrent compliance pathways.

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

Baker has evaluated the prospect of curtailing, and indeed has self-curtailed to some degree where demand allows as it addresses the New Boiler issues. However, Baker must be able to run at normal operating levels as demand dictates: Baker must remain fully operational so that it can accommodate the periodic influxes of animal remains because there is insufficient capacity in the area for processing the remains, which could lead to the remains being discarded at landfills rather than recycled through the highly regulated rendering process.

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		Total Estimated Excess Emissions
VOC			*Excess emissions are those that are in excess of the rules or permit conditions or otherwise lawfully allowed*	0
NO_X	0.011 lb/MMBtu	0.0085 lb/MMBtu		935.49
CO				0
SO_X				0
PM_{10}				0
$PM_{2.5}$				0

Highest Opacity level anticipated: 20 %

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

Please see Attachment C for emissions calculations.
During the variance period, operations of the Backup Boiler (C-72-8) will take the place of the New Boiler (C-72-13), so all emissions that will occur are discounted by the permitted limits of C-72-13 for each criteria pollutant. Excess emissions attributable to the variance must account only for emissions beyond those already authorized under existing permit conditions. Because the backup boiler directly replaces the new boiler, the allowed emissions from the new boiler must be considered when determining excess emissions for this variance.
The 30 billion Btu is exceeded by C-72-8 after 793.7 hours of operation. This is a calendar year limit, so on January 1, 2027 the 30 billion Btu limit resets. Therefore, excess emissions are calculated using 5856 hours from May 2 to December 31 discounted by the 793.7 hours to reach the 30 billion Btu limit. Likewise, excess emissions from January 1 to May 1 period is 2904 discounted by 793.7 hours.
SOx, PM10, and VOC emission factors used in the excess emission calculations have been taken directly from the existing district permit for C-72-8. NOx and CO emission factors were taken from the March 26, 2025 source test performed by Alliance Technical Group.

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)

Baker will work to operate as efficiently as possible while still meeting production and operational demands, and will simultaneously continue working diligently to bring the New Boiler online to reduce the potential duration that the Backup Boiler operates.

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.

Excess emissions will be tracked through record keeping of the dedicated natural gas fuel usage meter, with total daily emissions during the variance period calculated using the existing District approved source test for NOx emission factors for unit C 72 8.

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.

Baker will continue to work diligently with the boiler manufacturer to address the issues it has been encountering. At this stage, it is unclear if that will necessitate construction of an entirely new boiler (given the problems to date with the existing New Boiler), or whether further physical modifications will resolve the continued issues. Under either scenario, Baker is optimistic that compliance can be achieved within a 12-month variance period. Concurrently, Baker is continuing to pursue options that would minimize use of the Backup Boiler, although it is not clear if there are feasible pathways to do this. Baker is continuing to coordinate with District staff on these efforts.

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: May 20, 2026 End variance: May 19, 2027

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

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, Esthela Soto

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

Date: April 23, 2026 ***Signature:**

Title: Plant Manager

Print Name: David Rocha

**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	Central Region Office	Southern Region Office
(209) 557-6440	(559) 230-5950	(661) 392-5540

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

Attachment A

BAKER COMMODITIES, INC.

Officer Listing

1/1/2026

James M. Andreoli	**CEO, Chairman of the Board** (Shareholder) 4020 Bandini Blvd., Vernon, CA 90058
Andrew T. Andreoli	**President** (Shareholder) 4020 Bandini Blvd., Vernon, CA 90058
James A. Andreoli	**Executive Officer** (Shareholder) 4020 Bandini Blvd., Vernon, CA 90058
Anthony E. Andreoli	**Executive Officer** (Shareholder) 4020 Bandini Blvd., Vernon, CA 90058
Patrick Faecke	**Executive Vice President – Operations, Assistant Secretary, and Assistant Treasurer** 4020 Bandini Blvd., Vernon, CA 90058
Robert T. Alves	**Vice President - CFO and Treasurer** 4020 Bandini Blvd., Vernon, CA 90058
Shelton Wang	**Vice President – Marketing** 4020 Bandini Blvd., Vernon, CA 90058
Jeffrey Wilson	**Vice President – General Counsel and Secretary** 4020 Bandini Blvd., Vernon, CA 90058
Jason J. Andreoli	**Assistant Vice President – Los Angeles Division General Manager** 4020 Bandini Blvd., Vernon, CA 90058
James M. Andreoli II	**Assistant Vice President – PR & Leg. Affairs** 4020 Bandini Blvd., Vernon, CA 90058
Martha Escoto-Morales	**Assistant Vice President – Human Resources** 4020 Bandini Blvd., Vernon, CA 90058
G. Douglas Smith	**Assistant Vice President – QC/R&D** 4020 Bandini Blvd., Vernon, CA 90058

Attachment B

Question 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).*"

Rule 4306 – Boilers, Steam Generators, and Process Heaters

Section 5.1.1 provides that "…units shall not be operated in a manner which exceeds the applicable NO_x and carbon monoxide (CO) emissions limits specified in Table 1 (until December 30, 2023) and Table 2 (on and after December 31, 2023)."

Table 2, Sec. E provides that "Units limited by a permit to operate to an annual heat input of 9 billion Btu/year to 30 billion Btu/year" are subject to limitations of 30 ppmv NO_x and 400 ppmv CO.

Here, Baker's operation of unit C-72-8 (the Backup Boiler) as a replacement for C-72-13 (the New Boiler) may result in the loss of the exemption under Table 2. Boiler C-72-13 is permitted to operate year-round (8,760 hours per year), whereas boiler C-72-8 is limited to a maximum heat input of 30 billion Btu per year. If C-72-8 were to operate at levels comparable to C-72-13, it would exceed the 30-billion-Btu annual limit, thereby subjecting the unit to a different applicability category in Table 2 as follows:

Table 2, Sec. B sets forth NOx and CO limits for units that limit their annual heat input. Specifically, for units with a total rated heat input > 20.0 MMBtu/hr and Fire Tube Boilers with a total rated heat input > 20.0 MMBtu/hour and ≤ 75 MMBtu/hour, the limits are 7 ppmv NO_x and 400 ppmv CO.

Therefore, if the Backup Boiler does not qualify for the NO_x and CO limits that apply for units that limit their annual heat input, the unit would be subject to the 7 ppm NO_x limit. However, the Backup Boiler's burner is incapable of a retrofit to reduce the NO_x emissions to satisfy this limit. The variance seeks relief from this specific section of the rule to allow use beyond the 30 billion btu per year at the permitted limit of 9 ppm NO_x to maintain normal operation at the facility.

Rule 4320 – Advanced Emission Reduction Options

Section 5.1 provides: "An operator of a unit(s) subject to this rule shall comply with all applicable requirements of the rule and one of the following, on a unit-by-unit basis:

"5.1.1 Operate the unit to comply with the emission limits specified in Sections 5.2 and 5.4;

"5.2.1 …units shall not be operated in a manner which exceeds the applicable NO_x emissions limit specified in Table 1 (until December 31, 2023) and Table 2 (on and after

December 31, SJVUAPCD 4320 - 5 12/17/2020 2023). Units shall not be operated in a manner to which exceeds a carbon monoxide (CO) emissions limit of 400 ppmv."

Table 2. Sec. E sets forth a NO_x limit of 9 ppmv for "[u]nits limited by a Permit to Operate to an annual heat input >1.8 billion Btu/year but ≤ 30 billion Btu/year."

Currently, the Backup Boiler meets both the annual Btu limitation and the applicable NOx emissions limit. However, if its operation will take the place of C-72-13 (the New Boiler), it would no longer be eligible for this provision of the Table 2 NOx emissions limits, which may then subject the unit to the requirements of section B of Table 2:

Table 2, Sec. B in turn applies to units with a total rated heat input > 20.0 MMBtu/hr and provides that Fire Tube Boilers with a total rated heat input > 20.0 MMBtu/hour and ≤ 75 MMBtu/hour are subject to a limit of 2.5 ppmv NO_x.

If the Backup Boiler's annual Btu exceeds the limitations of Table 2, Sec. E, then it would be subject to the 2.5 ppm NO_x limit; which this unit is incapable of being retrofitted to satisfy. The variance seeks relief from the annual Btu limitation of Table 2, Sec. E to allow use beyond the 30 billion btu per year at the permitted limit of 9 ppm NO_x to maintain normal operation of the facility or, in the alternative, the NOx emissions limit of Table 2, Sec. B.

Section 5.3.2 provides an alternate compliance pathway for units that cannot meet the Table 2 emission limits where "an operator with units that will comply with the requirements of Section 5.1.2 in lieu of complying with Section 5.2 Table 2 shall pay a total annual emission fee to the District based on total NO_x emissions from those units. Units paying an emissions fee under this section are not subject to Section 5.3.1."

However, Baker requests variance relief from this provision of the rule since the provision is intended as a permanent alternative compliance pathway and not appropriate for temporary relief of the limits of Rule 4320, with which Baker ultimately expects to comply upon the conclusion of the variance period.

District Rule 2010 – Permits Required

Section 4.3 applies to permits to operate (PTO) for existing equipment, and states that "If the source operation was previously operated under a Permit to Operate and has not been altered, it shall not be operated under a temporary Permit to Operate contrary to the conditions specified in the previous Permit to Operate."

Here, the Backup Boiler is operating subject to an existing PTO and has not been altered. Therefore, variance seeks relief from this rule provision to allows the Backup Boiler to operate beyond the annual Btu limits specified in the permit for the temporary period of the variance so that the facility can continue operating.

District Rule 2201 New and Modified Stationary Source Review Rule

4.0 Source Requirements

Section 4.1 governs Best Available Control Technology (BACT) and states, "BACT requirements shall be triggered on a pollutant-by-pollutant basis and on an emissions unit-by-emissions unit basis. Unless exempted pursuant to Section 4.2, BACT shall be required for the following actions:

"4.1.3 Any new or modified emissions unit(s), in a stationary source project, which results in an SB 288 Major Modification or a Federal Major Modification, as defined in this rule."

Under the rule, any project which would have a non-zero increase of NO_x emissions at a major source is considered a federal major modification and requires the implementation of BACT. Here, operation of the Backup Boiler beyond its permitted annual Btu limits could increase the NOx emissions at Baker's Kerman facility and thus could trigger this requirement. BACT Guideline 1.1.2 Natural gas or propane fired boilers with heat input rate greater than 20 MMBtu/hr requires Achieved in Practice use of 2.5 ppm NO_x @ 3% O2. The variance seeks temporary relief from this specific provision of the rule to allow use of the Backup Boiler at the permitted limit of 9 ppm NO_x to maintain normal operation at the facility and temporary relief from the BACT requirements of 2.5 ppm NO_x BACT from a project that would be considered a federal major modification.

4.5 District Emission Offset Requirements

Section 4.5.1 provides that "If emission offset requirements are triggered pursuant to Section 4.5.3, emission offsets shall be provided for net emissions increases resulting from a project. Offset quantities shall be calculated pursuant to Section 4.7."

Section 4.5.3, in turn, provides that "Offset requirements shall be triggered on a pollutant-by-pollutant basis. Unless exempted pursuant to Section 4.6, offsets shall be required if the post project Stationary Source Potential to Emit (SSPE2) equals or exceeds the following offset threshold levels" which provides an offset level for NO_x of 20,000 pounds per year.

NO_x emissions for the Baker's facility already exceed 20,000 pounds per year; therefore, any increase in emissions from the currently permitted limit of 30 billion Btu per year would be required to be offset (generally through the use of Emissions Reduction Credits). The variance seeks temporary relief from this subsection of the rule to so that any emissions generated by the Backup Boiler's operation beyond its current limit of 30 billion Btu in the calendar year, during the period of this variance, would not require offsets.

4.8 Federal Emission Offset Requirements

Section 4.8.1 sets forth "Offset Requirements for Federal Nonattainment Pollutants and Their Significant Precursors," including:

Section 4.8.1.1 which provides: "The emission increases for a new major source or a federal major modification shall be offset with internal emission reductions (IERs) or other actual emission reductions (AERs) that are surplus at the time of ATC issuance."

Any project which would have a non-zero increase of NO_x emissions at a major source is considered a federal major modification and shall be offset with AERs that are surplus at the time of ATC issuance. Here, operating the Backup Boiler as requested could trigger this requirement. Therefore, the variance seeks temporary relief from this subsection of the rule so that any NO_x emissions generated from the Backup Boiler's operation beyond 30 billion Btu in the calendar year would not trigger this requirement to provide AERs or IERs.

5.4 Public Notification and Publication Requirements: The APCO shall provide public notification and publication for the following types of applications:

Section 5.4.1 provides that "New Major Sources, Federal Major Modifications, and SB 288 Major Modifications" are required to go through the District's public notification and publication process and then modeled to determine if the emissions from the project shall not cause or make worse the violation of an Ambient Air Quality Standard.

The variance seeks relief from this subsection of the rule to allow temporary operation of the boiler to exceed 30 billion Btu per year without triggering the requirement to conduct a public notification under District Rule 2201 and modeling the emissions that are generated pursuant to Section 4.15 of Rule 2201.

4.16 Additional Requirements for New Major Sources and Federal Major Modifications

Section 4.16.1 requires an Alternative Siting analysis, as follows: "An applicant for a proposed stationary source project that will result in a new major source or federal major modification shall prepare an analysis functionally equivalent to the requirements of Division 13, Section 21000 et. seq. of the Public Resources Code."

Here, the increase in NO_x emissions for operation past the 30 billion Btu per year limit on the permit would require a project to undergo a federal major modification and require an alternative siting analysis. The variance seeks relief from this subsection of the rule to allow operation exceeding 30 billion Btu per year of the boiler without the project performing an alternative siting analysis.

***

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

It is beyond Baker's reasonable control to comply with the limits and rules referenced in Question 4 given the surprising and dismaying series of events that have prevented timely commissioning of the New Boiler (which would have avoided the need to run the Backup Boiler beyond its permitted limits, which is the circumstance it now finds itself). The circumstances here include a carefully procured state-of-the-art New Boiler guaranteed to meet NOx limits which was constructed, installed, and ultimately exhibited serious problems with operating stability. The New Boiler has been the subject of extensive analysis and troubleshooting, selective parts replacement, and additional work over the last six months. Upon the start of commissioning on April 13, it became unfortunately apparent that the New Boiler is again not performing as expected, and Baker is now in the position of having to seek this interim and regular variance relief so that it can continue to operate its Backup Boiler to keep the facility running, while diligently seeking to resolve the New Boiler's issues (and also looking at temporary alternative pathways to compliance with the Temporary Boiler or an equivalent).

Since at least 2022, Baker has been in the process of procuring, permitting, constructing and commissioning its state-of-the-art New Boiler. This project not only represents a significant capital investment of over $1.6 million for its Kerman facility, but also a technological advance with promised environmental and operational benefits: the boiler was designed and guaranteed to meet the District's stringent 2.5ppm NOx limits without the use of selective catalytic reduction (SCR), which eliminates the use of ammonia and associate ammonia emissions and waste streams. And while the technology is state-of-the-art, it is also proven, with the manufacturer stating in its service agreement that the "burner is designed and proven to meet sub 2.5 ppm NOx, without a downstream selective catalyst reduction system (Ammonia). Additionally, this burner has been witnessed and approved by the San Joaquin Valley Air Pollution Control District" as demonstrated by a source test report for the same model burner.

The purchase order for the New Boiler was executed in early 2023. Along with applying for the Authority to Construct, Baker also had to secure building permits from Fresno County for construction necessary to accommodate the New Boiler's larger footprint.

On June 3, 2024, construction on the New Boiler had been completed, and it was fired up for the first time. Tuning the burner began, but unexpected problems were discovered that halted the tuning process and necessitated adjustments to the equipment. While initially promising, there were repeated faults as the tuning and commissioning continued over the next several months. Baker and the manufacturer, California Boiler, worked closely and diligently to resolve these issues, including keeping a manufacturer's technician on-site to monitor the boiler. This troubleshooting, including reprogramming the boiler logic and numerous equipment adjustments, seemed to improve but not entirely resolve the issues with the New Boiler: the equipment was still experiencing failures into early 2025.

The New Boiler's performance remained inconsistent through April 2025, with electrical issues plaguing operations. In May 2025, the boiler was opened for its annual physical inspection with no problems noted, but apparent electrical issues were still causing problems with the boiler's ignition that Baker and the manufacturer continued to address while the boiler continued to operate inconsistently.

In July 2025, the New Boiler suffered two significant failures resulting in physical damage to the boiler. Despite further changes and adjustments to the equipment, another failure occurred on October 26, 2025.

During October, Baker, the manufacturer, and specialized technical consultants worked to make further changes to the boiler, including taking the burner apart to replace various components. Unfortunately, upon startup and tuning, this did not improve the boiler's stability. It was determined that the boiler required a new redesigned burner to be built and installed in the boiler.

In late October, the Temporary Boiler was brought in, and the New Boiler was shut down and has remained in a dormant state while the new burner was engineered and built. The new burner was installed on March 31, 2026; tuning of the burner began April 8, and startup of the boiler is anticipated by Tuesday, April 14, 2026.

Baker could not have anticipated that its new boiler, with numerous interventions over nearly two years, would still be having problems – particularly when other individual models of this boiler have operated as expected. Likewise, Baker expected that the boiler would be operating normally well before the 180-day clock on the Temporary Boiler runs out on May 2, 2026, and did not envision needing to rely on the Backup Boiler to maintain operations. Baker has worked exhaustively with a team of specialists at every step along the way. While Baker is optimistic that the New Boiler will operate, its nearly two-year track record indicates there may be more surprises. Baker will provide an update at the hearing.

Upon the highly anticipated start of commissioning on April 13, 2026, the boiler started making steam and the team of specialists (manufacturer California Boiler, ultra-low NOx burner specialist Rouge Combustion, boiler burner specialist ClearSign) was working on the tuning of the boiler in order to stabilize the firing curve and meet emission standards. However, it quickly became apparent that additional engineering and testing work would be required, and as of the week of April 23, the physical work on the burner has halted pending further engineering analyses. We intend to continue to update the District on the status of the New Boiler.

***

Question 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."*

There is significant harm to both Baker and the greater community within the District if the variance is not granted. It would mean that Baker could only operate to the capacity of the extremely limited Backup Boiler annual MMBtu, which amounts to about one month in a 12-month period. Baker would effectively be required to shut down, which would be catastrophic for both the company and the community.

First, if the facility's operations are limited to operating the Backup Boiler's permit limits, it would cost Baker $9 million in lost revenue on an annual basis (or about $750,000 per month that the Backup Boiler cannot operate). If this income ceases or is drastically reduced, Baker could be forced to furlough or lay off a number of employees. Additionally, cessation of operations would likely lead to Baker's breach of several contracts, liability which could entail monetary damages and legal actions.

This includes contracts for biofuels that the Kerman facility produces using used cooking oils and animal fats. The facility requires energy from the boilers to refine used cooking oils, and would be unable to do so if it could not operate the Backup Boiler. (This also impacts statewide greenhouse gas reduction goals under the Low Carbon Fuel Standard, since biofuels are a significant source of GHG reductions under that program).

Moreover, there would be significant harm to the community for whom Baker provides this essential service. There is insufficient rendering capacity in the Central Valley to service the amount of animal remains that come from the region's agricultural and other operations. With this lack of capacity, if the Kerman facility were unable to operate, then the ~3.5 million pounds per week of carcasses and animal remains that the facility processes would instead go to landfills or be transported long distances at great cost. The volume of raw meat and animal waste material would continue to pile up – not just at overstretched processing facilities but also at hundreds of sources such as supermarkets, grocery stores, meat packing facilities, and other community locations, which this facility presently serves.

Improper processing or disposal of such a volume of animal remains could lead to a public health crisis, particularly in warmer weather. This is because rendering facilities in California, including the Kerman facility, employ using technology that reduces pathogens and makes maximum use of waste and byproducts, which ultimately protects food health

safety as well as the animal and human environment. There is a thin margin of capacity for managing animal remains and edible animal products in California, and therefore a disruption anywhere in any part of the combined infrastructure can lead to significant public and environmental health threats as products continue to pile up.

When rendering facilities experience a disruption in their capacity, the California Department of Food and Agriculture must issue emergency orders and notices (such as an "Emergency Mortality Disposal Advisory"), directing alternative disposal methods that may include methods like landfill disposal, on-farm temporary storage and/or disposal – methods which, in turn, may increase the risks of odors, vermin attraction, or other environmental and community impacts.

In short, not only would there be substantial harm to Baker if the Kerman facility could not operate normally, but the greater community depends on the facility's continued operations, whether they're aware of it or not.

Attachment C

ENGINEERING, LLC
www.YorkeEngr.com

Natural Gas Boiler Cumulative Emissions Calculator C-72-13

Parameter	Value	Unit
Boiler Heat Rate	50.2	MMBtu/hr
Operating Hours per Day	24	hr/day
Daily Heat Input	1,204.80	MMBtu/day

	Emission Factor	Max. Daily Emissions	Max. Annual Emissions
Pollutant	**lb/MMBtu**	**lb/day**	**lb/year**
NOx	0.00300	3.61	1,319.26
SOx	0.00285	3.43	1,253.29
PM10	0.00300	3.61	1,319.26
CO	0.03700	44.58	16,270.82
VOC	0.00420	5.06	1,846.96

Yorke® ENGINEERING, LLC
www.YorkeEngr.com

Natural Gas Boiler Cumulative Emissions Calculator C-72-8

Parameter	Value	Unit
Boiler Heat Rate	37.8	MMBtu/hr
Operating Hours per Day	24	hr/day
Daily Heat Input	907.20	MMBtu/day

	Emission Factor	Max. Daily Emissions	Max. Annual Emissions	Max. Annual Emissions - Permitted
Pollutant	**lb/MMBtu**	**lb/day**	**lb/year**	**lb/year**
NOx[1]	0.00855	7.76	2,831.14	256.50
SOx	0.00285	2.59	943.71	85.50
PM10	0.00300	2.72	993.38	90.00
CO[1]	0.00589	5.34	1,950.34	176.70
VOC	0.00420	3.81	1,390.74	126.00

1 Taken from March 26, 2025 source test

Variance Cumulative Emissions Calculator

Pollutant	Daily Emission Increase [1]	Emission Increase from May 2 to December 31 [2]	Emission Increase from Jan 1 to May 1 [3]	Total Emission Increase [4]
	lb/day	lb/year	lb/year	lb/year
NOx	4.14	873.70	61.79	935.49
SOx	-0.85	-178.90	20.60	-158.30
PM10	-0.89	-188.32	21.68	-166.64
CO	-39.23	-8,275.64	42.57	-8,233.07
VOC	-1.25	-263.64	30.35	-233.29

Notes

[1] Daily Emission Increase = C-72-8 - C-72-13

[2] Annual Emission Increase = C-72-8 (5062.3 hours per year) - C-72-13 (5062.3 hours per year)

[3] Annual Emission Increase = C-72-8 (2110.3 hours per year) - C-72-13 (2110.3 hours per year)

[4] The annual limit of 30 billion Btu resets January 1 so total emission increase allows for the exaustion of the limit on each operating period of the annual variance

Variance Cumulative Emissions Calculator

	Daily Emission Increase [1]	Emission Increase from May 2 to December 31 [2]	Emission Increase from Jan 1 to May 1 [3]	Total Emission Increase [4]
Pollutant	**lb/day**	**lb/year**	**lb/year**	**lb/year**
NOx	7.76	1,636.08	61.79	1,697.88
SOx	2.59	545.36	20.60	565.96
PM10	2.72	574.06	21.68	595.75
CO	5.34	1,127.08	42.57	1,169.65
VOC	3.81	803.69	30.35	834.04

Notes

[1] Daily Emission Increase = C-72-8 - C-72-13

[2] Annual Emission Increase = C-72-8 (5062.3 hours per year) - C-72-13 (5062.3 hours per year)

[3] Annual Emission Increase = C-72-8 (2110.3 hours per year) - C-72-13 (2110.3 hours per year)

[4] The annual limit of 30 billion Btu resets January 1 so total emission increase allows for the exaustion of the limit on each operating period of the annual variance