

**SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT
CENTRAL REGION
1990 E. Gettysburg Avenue
Fresno, CA 93726
(559) 230-6000**

STAFF REPORT

June 17, 2026

REGULAR VARIANCE

DOCKET No. C-26-09R

FACILITY: Baker Commodities, Inc.
PO Box 416
Kerman, CA 93630

LOCATION: 16801 W. Jensen Avenue
Kerman, CA 93630

RULE VIOLATION: 2010 – *Permits Required*
2070 – *Standards for Granting Applications*
2201 – *New and Modified Stationary Source Review*
2520 – *Federally Mandated Operating Permits*
4306 – *Boilers, Steam Generators, and Process Heaters – Phase 3*
4320 – *Advanced Emission Reduction Options for Boilers, Steam
Generators, and Process Heaters Greater than 5.0 MMBtu/hr*

PERMIT NUMBERS: See recommendations

EPA AIRS NUMBER: 06-019-C0072

NOV NUMBER: N/A

TYPE OF BUSINESS: Animal Rendering Plant

NATURE OF THE PROBLEM:

Baker Commodities, Inc. (BAKER) operates an animal rendering plant. Waste material from slaughterhouse(s) and dead stock from dairies and other stock yards is delivered to the facility, protecting live animals from extended exposure to dead stock and keeping it out of landfills (which is prohibited without declaration of state of emergency). Raw material is processed to produce meat and bone meal, tallow and other oil products.

BAKER processes over 3 million pounds of raw material weekly. Processing includes reducing the size of material, cooking, pressing and extracting oils to create the meat and bone meal. The facility operates 24 hours per day, 5-7 days per week to ensure that raw material is processed in a timely manner. Raw material must be processed within 24 hours of receipt, by permit condition, and to mitigate nuisance odor and any other health and safety concerns caused by decaying animal material.

BAKER has been in the process of upgrading its main boiler with a new boiler designed to meet the 2.5 ppm NO_x limit without a selective catalytic reduction (SCR). The boiler was installed under permit number C-72-13-4 and has been shut-down for the past eight months

due to ongoing operating issues. Although BAKER and the boiler's manufacturer have been working to troubleshoot, repair, and bring the boiler back on-line, BAKER is concerned that the new boiler will continue to have problems.

BAKER has been relying on a backup boiler operating under permit C-72-8-12 to provide steam, but the boiler's permit conditions limit the number of hours the boiler can operate per year via a 30,000 MMBtu per year heat input limit. BAKER is seeking a regular variance so that it can rely on the backup boiler to continue operating at the facility. BAKER will continue to work to bring permit unit C-72-13-4 back to compliant operation. BAKER needs to be able to operate the backup boiler at levels necessary to fully operate at the facility.

PETITIONER'S REQUEST:

BAKER has requested a regular variance from the requirements of District Rules 2010, 2070, 2201, 2520, 4306, and 4320, in addition to the applicable conditions on the subject permits. The requested variance period would be from May 20, 2026, through May 19, 2027, inclusive. If granted, the variance would allow BAKER to continue to operate the backup boiler beyond the heat input limit of 30,000 MMBtu per year until permit unit C-72-13-4 is brought back to compliant operation.

EXCESS EMISSIONS:

Excess emissions have been calculated with a worst case scenario should any unforeseen issues arise during the variance. BAKER anticipates up to **940** pounds of excess NO_x, during the variance period. The District has reviewed the calculations and determined they are appropriate for the variance.

IMMEDIATE COMPLIANCE:

BAKER is operating under Interim Variance C-26-09i, which was approved on May 20, 2026.

COMMENTS ON REQUIRED FINDINGS:

1. ***That the petitioner for a variance is, or will be, in violation of Section 41701 or of any rule, regulation, or order of the District.***

BAKER will be in violation of the applicable requirements of District Rules 2010, 2070, 2201, 2520, 4306, and 4320, in addition to the applicable conditions of the subject permits for operating with excess NO_x emissions.

2. ***That, due to conditions beyond the reasonable control of the petitioner, requiring compliance would result in either (1) an arbitrary or unreasonable taking of property, or (2) the practical closing and elimination of a lawful business.***

If the variance is not granted, BAKER would lose approximately \$750,000.00 per month in revenue. In addition, the breach of contracts could lead to possible lawsuits and additional monetary damage. To allow diversion of raw material to a landfill, the state would have to declare a state of emergency.

3. *That the closing or taking would be without a corresponding benefit in reducing air contaminants.*

The curtailment and termination of operations are not feasible. The costs due to breached contracts and landfill costs if a state of emergency could be declared are extremely prohibitive. The detrimental impact on the health and safety of the dairies and their surrounding communities due to dead stock not being removed or processed outweighs the environmental impact of excess NO_x emissions from continued operation of the boiler.

4. *That the applicant for the variance has given consideration to curtailing operations of the source in lieu of obtaining a variance.*

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.

5. *During the period the variance is in effect, that the applicant will reduce excess emissions to the maximum extent feasible.*

BAKER and the boiler's manufacturer will continue to troubleshoot, repair, and attempt to bring the new boiler back on-line as soon as possible.

6. *During the period the variance is in effect, that the applicant will monitor or otherwise quantify emission levels from the source, if requested to do so by the District, and report these emissions levels to the District pursuant to a schedule established by the District.*

BAKER will maintain daily fuel throughput records and submit a calculation of excess NO_x emissions to the District.

ADDITIONAL COMMENTS:

A nuisance as defined in District Rule 4102 is not expected to occur as a result of this variance. Nor would continued operations likely create an immediate threat or hazard to public health or safety.

It should be noted that the US Environmental Protection Agency (EPA) which monitors major sources might not recognize this variance, should it be granted. BAKER should be aware that the EPA could take enforcement action on this matter if it deems such action is appropriate.

RECOMMENDATIONS:

Should the Central Region Hearing Board make the required findings and move to grant a regular variance to BAKER, the District would recommend the following conditions:

1. The variance shall be effective from May 20, 2026, through May 19, 2027, inclusive, or until permit unit C-72-13-4 is brought back to compliant operation, whichever occurs first.

2. Variance relief shall be granted from the applicable requirements of District Rules 2010, 2070, 2201, 2520, 4306, and 4320, in addition to the following:
 - A. Condition 5 of permit C-72-0-4 and
 - B. Condition 5 of permit C-72-8-12.
3. The variance shall allow operation of the backup boiler beyond the heat input limit of 30,000 MMBtu per year until a new boiler is installed.
4. Excess NO_x emissions shall not exceed **940 pounds** over the duration of the variance period.
5. The Excess Emissions Fee will be assessed at the conclusion of the variance at \$3.00 per pound, with the maximum total fee of \$9,625.00. Payment of the excess emissions fee shall occur within 30 days of receipt of the invoice. Payment shall be made to the District and shall be directed to the "Miscellaneous Incentive Grant – Hearing Board," account.
6. A Federal Title V Deviation Report shall be submitted to the District each time a Federal Title V permit condition is violated; within 10 days of discovery. The Deviation Report must be sent to the facility inspector.
7. Should the facility experience operational conditions likely to cause a public nuisance, BAKER shall cease the operations causing the problems and take all necessary actions to abate the problem immediately.
8. By June 4, 2027, or no later than 15 calendar days after permit unit C-72-13-4 is brought back to compliant operation, whichever occurs first, BAKER shall submit to the District a summary report. If the report due date should fall on a day the District is closed, it shall be due the next business day. The report shall include the following:
 - A. A summary of all work conducted and the actions taken to achieve compliance,
 - B. The total amount of excess emissions occurring during the variance period, and
 - C. The required certification of truth, accuracy, and completeness, signed by the designated responsible official of the municipality, as required by Sections 9.13.1 and 10.0 of District Rule 2520 – *Federally Mandated Operating Permits*.
9. The end of the variance summary report shall be submitted to the attention of:

Chris Kalashian
SJVAPCD, Compliance Department
1990 E Gettysburg Ave
Fresno, CA 93726
Telephone: (559) 230-6000
E-mail: chris.kalashian@valleyair.org
10. Failure to comply with any condition of this variance may render the variance null and void with the possibility of enforcement action taken that may include monetary penalties.