

Effective to: May 19, 2027

The Hearing Board declared the hearing closed after receiving testimony and took the matter under submission for the decision. The Hearing Board made the following findings of fact.

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LOCATION AND EQUIPMENT

1. BAKER operates an animal rendering plant located at 16801 W. Jensen Avenue, Kerman, California.
2. The subject equipment is a 37.8 MMBtu per hour boiler.
3. Duly issued District permits authorize the operation of the subject equipment.

BACKGROUND

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.

RULE REQUIREMENTS

1. The equipment subject to this variance are regulated by the following District Rules:
 - A. 2010 – *Permits Required*
 - B. 2070 – *Standards for Granting Applications*
 - C. 2201 – *New and Modified Stationary Source Review Rule*
 - D. 2520 – *Federally Mandated Operating Permits*
 - E. 4306 – *Boilers, Steam Generators, and Process Heaters – Phase 3*
 - F. 4320 – *Advanced Emission Reduction Options for Boilers, Steam Generators, and Process Heaters Greater than 5.0 MMBtu/hr*

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2. District Rules 2010, 2070, and 2520 require that the subject equipment not be operated contrary to the conditions of the applicable permit. District Rules 2201, 4306, and 4320 require that BAKER meet specific operating limits as required by applicable rules, including the requirement for properly operating control equipment and not exceeding the specified NO_x emission limit.

FINDINGS OF FACT

Pursuant to CH&SC § 42352, the following findings have been made:

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.***

The Hearing Board finds that 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.***

The Hearing Board finds that 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 Hearing Board finds that 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.***

The Hearing Board finds that 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.

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

The Hearing Board finds that 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.*

The Hearing Board finds that BAKER will maintain daily fuel throughput records and submit a calculation of excess NO_x emissions to the District.

GENERAL COMMENTS

The Hearing Board also finds that a nuisance as defined in District Rule 4102 is not expected to occur as a result of this variance. Nor would continued operation 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. BAKER should be aware that the EPA could take enforcement action on this matter if it deems such action is appropriate.

CONCLUSIONS AND ORDER

NOW, THEREFORE, the CENTRAL REGION HEARING BOARD ORDERS that a regular variance be granted to BAKER, subject to 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. Conditions 5 and 6 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.

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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.

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MOTION: Robertson

SECOND: Goodwin

Ayes: Hartwig, Goodwin, Robertson

Noes: None

Abstained: None

Recused: None

Absent: Mulligan, Soldani

THE FOREGOING DECISION IS APPROVED:

Signed by:



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Daniel Hartwig, Chair
Hearing Board – Central Region
San Joaquin Valley APCD

6/19/2026

Date

ATTEST:

Signed by:



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Katrina Rojas, Deputy Clerk to the Boards

6/22/2026

Date



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

PROOF OF SERVICE

I, Bailey Chavez, declare:

I am a resident of the State of California and over the age of 18 years, and not a party to the within action; my business address is San Joaquin Valley Air Pollution Control District, 1990 E. Gettysburg, Fresno, California 93726.

On June 22, 2026, I served the within documents:

ORDER GRANTING A VARIANCE – DOCKET No. C-26-09R

☒ by placing the document(s) listed above in a sealed envelope, and placing the same for mailing in the United States mail at Fresno, California, in accordance with the company's ordinary practices, and addressed as set forth below.

☒ based on an agreement of the parties with email addresses below, to accept service by transmitting via email, the above listed document(s) to the email addresses set forth below on this date before 5 p.m.

☐ by personally delivering the document(s) listed above to the person(s) at the address(s) set forth below:

Maya Lopez Grasse
Alston & Bird LLP
350 S Grand Avenue, Fl. 51
Los Angeles, CA 90071
Maya.Grasse@alston.com
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Roshni Brahmhatt
USEPA Region IX
75 Hawthorne Street
San Francisco, CA 94105-3901
AEO_R9@epa.gov

CARB – Enforcement Division
PO Box 2815
Sacramento, CA 95814
variance@arb.ca.gov

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on June 22, 2026, at Fresno, California.


Bailey Chavez
Office Assistant II

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4800 Enterprise Way
Modesto, CA 95356-8718
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