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: Alon Bakersfield Refining

PHYSICAL ADDRESS OF FACILITY: 6451 Rosedale Highway

CITY: Bakersfield STATE: CA ZIP CODE: 93308

NAME OF PERSON FILLING OUT PETITION: Matthew Jalali

TELEPHONE: 661-742-7243 **E-MAIL:** matthew.jalali@bkrenewablefuels.com

NAME OF PERSON AUTHORIZED TO RECEIVE NOTICES: Matthew Jalali

MAILING ADDRESS: 6451 Rosedale Highway

CITY: Bakersfield STATE: CA ZIP CODE: 93308

TELEPHONE: 661-742-7243 **E-MAIL:** matthew.jalali@bkrenewablefuels.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
Matthew Jalali	Environmental Director	6451 Rosedale Highway

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.

Renewable diesel production facility.

Alon has converted the facility from a petroleum refinery into a renewable diesel production facility. There is no active petroleum refining occuring on-site.

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.

Alon Bakersfield Refining (Alon) operates a hydrogen generation unit that includes furnace 20-H11. The furnace provides heat to convert methane and steam into hydrogen. The steam methane reformation furnace is a specialized heater that consists of several hundred small burners, with a total heat input rating for the unit of 233 MMBtu/hr. The hydrogen is used as part of a chemical reaction to convert fats, oils, and greases into renewable diesel, renewable naphtha, renewable propane, and renewable butane. After the hydrogen unit is started up, it must be run continuously. If the hydrogen unit is shut down, the entire renewable fuels production process must be shut down.

The permit allows two hours associated with startups and shutdowns to exceed the unit's 5 ppm NOx emission limit during normal operations. Alon has determined that the unit cannot be started up or shut down and meet compliance within 2 hours. This petition is to allow up to 96 hours during startup and 9 hours during shutdown. The attached start-up schedule describes the steps that must be taken and how long each process takes.

Alon does not expect to exceed permit limits for the other pollutants emitted by the heater (PM, VOC, SOx, and NH3).

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-33-55-23 (See Attached)
Condition 12: 0.006 lb/MMBtu or 5 ppmv NOx and 100 ppmv CO emission limits during normal operation.
Condition 13: 0.036 lb/MMBtu or 30 ppmv NOx and 100 ppmv CO emission limits during startup and shutdown operation.
Condition 14: Daily limit of 2.0 hours of start-up time per day.
Condition 15: Daily limit of 2.0 hours of shutdown time per day.

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 4306
Section 5.1.1: Emissions will exceed the Tier 2 NOx limit of 5 ppmv or 0.0061 lb/MMbtu
Section 5.3.1: The duration of startups or shutdowns will exceed two hours

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

Alon has determined that the steps associated with startup and shutdown cannot be completed within 2 hours. Firing rate, operating temperatures, and process parameters are not steady enough during these times to allow the SCR to continuously achieve the 5 ppm NOx limit. See the attached start-up and shutdown procedures for a description of the steps that must be taken and the total time required.

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.

If the variance is not granted, Alon will not be able to operate the hydrogen plant. Because hydrogen is necessary for the production of renewable fuels, the facility will not be able to operate. Projected revenue once the facility is operating is approximately $500,000 per day, all of which would be lost if the hydrogen plant cannot be used.

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

Alon determined that the unit could not be started up or shut down within 2 hours during the process of returning the unit to operation.

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

Alon is not currently out of compliance.

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

As the exceedance is only associated with startup or shutdown and not with normal operations of the unit, there are no operations that can be curtailed.

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*	
NO_X	5 ppmv	717.7		645.9
CO				
SO_X				
PM_{10}				
$PM_{2.5}$				

Highest Opacity level anticipated: <20 %

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

Excess emission calculations are attached. The firing rates and emission concentrations during startup and shutdown were estimated by Alon. For the purpose of excess emission calculations, projected emissions were compared to permit limits during normal operation.

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 duration of the variance and excess emissions during the variance will be mitigated by starting up and shutting down the unit as promptly as possible.

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.

NOx emissions will be monitored continuously by the CEMS system.

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.

Alon will work with District permitting staff to determine whether a permit or rule revision can be made to allow sufficient startup and shutdown time for the hydrogen plant operations.

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: January 14, 2026 End variance: March 15, 2026

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

96 hours of excess emissions during startup and 7 hours of excess emissions during shutdown..

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.

Steve Miller, Clay Bishop

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

Date: 1/5/26 ***Signature:** [signature]

Title: Environmental Director

Print Name: Matthew Jalali

**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