

**SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT
SOUTHERN REGION
34946 Flyover Court
Bakersfield, California 93308
(661) 392-5500**

STAFF REPORT

June 10, 2026

SHORT VARIANCE

DOCKET NO: S-26-10S

FACILITY: Alon Bakersfield Refining
6451 Rosedale Highway
Bakersfield, CA 93308

LOCATION: 6451 Rosedale Highway
Bakersfield, CA 93308

RULE VIOLATION: 2070 – *Standards for Granting Applications*
2201 – *New and Modified Source Review Rule*
2520 – *Federally Mandated Operating Permits*
4623 – *Storage of Organic Liquids*

PERMIT NUMBERS: See recommendations

EPA AIRS NUMBER: 06-029-S0033

NOV NUMBER: N/A

TYPE OF BUSINESS: Refining Petroleum Products

NATURE OF THE PROBLEM:

Alon Bakersfield Refining (ALON) operates a renewable diesel production facility. The collected vapors are routed to a fuel gas system or to one of two flares for combustion. As required by District Rules and conditions of the subject permits, two sour water storage tanks must be controlled by a Vapor Recovery System (VRS), and be maintained in a leak free condition at all times.

ALON recently discovered the VRS compressor must be shut down and partially disassembled to clean and service the compressor internals. In order to conduct the repairs, the VRS must be shut down so that the lines are not in active use while the repairs are being conducted.

PETITIONER'S REQUEST:

ALON has requested a short variance from the applicable requirements of District Rules 2070, 2201, 2520 and 4623 in addition to the applicable conditions of the subject permits. The requested short variance period would be effective for a non-consecutive 48-hour period to occur sometime between June 11, 2026, and July 10, 2026, inclusive. If granted, the short variance would allow for the continued storage of VOC containing liquids without a functional or operating VRS while ALON conducts the proposed repairs.

EXCESS EMISSIONS:

ALON provided detailed emissions calculations with their petition and they have calculated that excess VOC emissions for a full 48-hour variance period will not exceed **730 pounds** of VOC. The District has reviewed the calculations and determined they are appropriate for the variance.

IMMEDIATE COMPLIANCE:

ALON is currently in compliance.

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.***

ALON will be in violation of applicable requirements of District Rules 2070, 2201, 2520, and 4623, in addition to the applicable conditions of the subject permits when the VRS is shut down.

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.***

ALON's two sour water tanks are the only sour water tanks on-site. Alon cannot transfer the sour water to other tanks. Sour water is generated by the renewable fuels production process, so it would be necessary to shut down the facility to stop sour water generation. If the variance is not granted, the storage tanks would have to be drained, degassed and cleaned which could result in more emissions than what are proposed due to the equipment and procedures involved.

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

District rules and permit conditions do not allow the VRS to be shut off for any reason. In lieu of obtaining a variance, ALON could remain in compliance by shutting down production for an extended time. This would result in the unreasonable taking of property through the loss of production at a projected cost of approximately \$500,000.00 per day.

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

Since VOC containing liquids are being stored in the tanks, variance relief is still necessary to operate without a functional and operating VRS.

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

ALON will take all practicable measures to limit the duration of the VRS downtime and minimize the possibility of excess emissions.

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.*

There are no reasonable means to directly monitor emission levels from the subject tanks or emissions from associated VRS equipment. ALON will record the amount of time that the tanks operate without a VRS and will calculate the emissions based on approved emission factors. This information will be provided to the District at the conclusion of the variance period.

ADDITIONAL COMMENTS:

A nuisance as defined in District Rule 4102 is not expected to occur as a result of this variance. Continuing operations during the variance period is not likely to 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. ALON should be aware that the EPA could take enforcement action on this matter if it deems such action is appropriate.

RECOMMENDATIONS:

Should the Southern Region Hearing Board make the required findings and move to grant a short variance to ALON, the District recommends the following conditions:

1. The requested short variance period would be effective for a non-consecutive 48-hour period to occur sometime between June 11, 2026, and July 10, 2026, inclusive. If granted, the short variance would allow for the continued storage of VOC containing liquids without a functional or operating VRS while ALON conducts the proposed repairs.
2. Variance relief shall be granted from the applicable requirements of District Rules 2070, 2201, 2520 and 4623 in addition to the following conditions of the listed permits to operate:
 - A. Condition 5 of S-33-0-3 and
 - B. Conditions 3, 4, 6, 9, 11, and 12 of S-33-100-9 and S-33-101-9.
3. The variance shall allow ALON to continue to store VOC containing liquids without a functional or operating VRS while they conduct the proposed repairs.
4. ALON shall notify the District at least 24 hours, but no earlier than 96, prior to shutting down the VRS. Notification shall be sent by email to Renee Chavez at Renne.Chavez@valleyair.org.
5. Excess emissions shall not exceed **730 pounds** of VOC during this variance period.
6. Excess emissions fee will be assessed at the conclusion of the variance at \$3.00 per pound. Additionally, should the total excess emissions per pollutant exceed one ton (2,000 pounds), ALON shall pay \$3.75 of mitigation fees for each pound of total excess emissions. Payment

of the excess/mitigation emission fees shall occur within 30 days after the end of the variance. Payment shall be made to the District and shall be directed to the “Miscellaneous Incentive Grant – Hearing Board,” account.

7. Should the facility experience operational conditions likely to cause a public nuisance, ALON shall cease the operations causing the problems and take all necessary actions to abate the problem immediately.
8. A Federal Title V deviation report shall be submitted to the District within 10 days each time a Federal Title V permit condition is violated. It should be noted that multiple deviation reports may need to be submitted during this variance period. The deviation reports must be sent to the facility inspector.
9. At the conclusion of this variance ALON must be in compliance with all their permit conditions and applicable District Rules. If ALON will not achieve compliance prior to conclusion of this variance they must contact the District as soon as practicable and before the variance period ends.
10. By July 25, 2026, or no later than 15 calendar days after ALON has conducted the repairs and the VRS is returned to compliant operation, whichever occurs first, ALON shall submit to the District a summary report. If the report due date should fall on a date the District is closed, it shall be due the next day the District is open. The report shall include the following:
 - A. A summary of the activities conducted during the variance period,
 - B. The date(s), time(s), and total duration the VRS was offline,
 - C. The total amount of excess emissions during the variance period, and
 - D. The required certification of truth, accuracy, and completeness, signed by the designated responsible official of the Corporation, as required by Sections 9.13.1 and 10.0 of District Rule 2520 – *Federally Mandated Operating Permits*.
11. All reports and notifications shall be submitted to the attention of:

Chris Kalashian
SJVAPCD, Compliance Department
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Telephone: (559) 230-5963
E-mail: chris.kalashian@valleyair.org
12. 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.