

IV 5/27/26
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PETITION FOR VARIANCE
BEFORE THE HEARING BOARD OF THE SOUTH COAST AQMD
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT OF THE BOARDS

~~2026 MAY 19 A 8:07~~

PETITIONER: RECONSERVE OF CALIFORNIA - LOS ANGELES, INC.

CASE NO: 2876-8

FACILITY ID: 20203

FACILITY ADDRESS: 9112 Graham Ave
[location of equipment/site of violation; specify business/corporate address, if different, under Item 2, below]

City, State, Zip: Los Angeles, CA 90002

1. TYPE OF VARIANCE REQUESTED (more than one box may be checked; see Attachment A, Item 1, before selecting)

INTERIM SHORT REGULAR EMERGENCY EX PARTE EMERGENCY

2. CONTACT: Name, title, company (if different than Petitioner), address, and phone number of persons authorized to receive notices regarding this Petition (no more than two authorized persons).

Maya Lopez Grasse, Counsel

Shara Dine, President

Alston & Bird LLP

Dine Comply, Inc.

350 S. Grand Ave, Fl. 51

490 Peacock Ln.

Los Angeles, CA Zip 90071

Roaming Shores, OH Zip 44084

(213) 576-2526 Ext.

(419) 305-3916 Ext.

Fax ()

Fax ()

E-mail maya.grasse@alston.com

E-mail skdine@dinecomply.com

3. RECLAIM Permit Yes No Title V Permit Yes No

4. **GOOD CAUSE:** Explain why your petition was not filed in sufficient time to issue the required public notice. (Required only for Emergency and Interim Variances; see Attachment A, Item 4)

Petitioner is seeking an interim and regular variance to allow it to operate its dryer and the associated regenerative thermal oxidizer (RTO) that has been determined not to comply with NOx emissions limits of 1147 until Petitioner can procure, permit and install two new burners for those units. Good cause exists to

grant Petitioner's request for an interim variance for the reasons set forth below.

Petitioner's current RECLAIM permit, which includes the dryer (Device D8) and the RTO (device C32) was issued in 2018. In 2024, Petitioner submitted an application to amend the permit for purposes of reflecting an update to an emissions calculation program. At the time of this permit amendment, Petitioner believed it was otherwise in compliance with all relevant District rules and permit conditions.

Over the past 18 months, Petitioner has proactively communicated with District staff regarding the permit amendment, as well as permit compliance, including required source tests for the RTO and dryer. During the course of source testing the dryer, however, there were challenges in meeting the NOx and CO limits simultaneously. Once the source testing for the RTO was conducted, it was apparent that the protocol may need to be revised – within the parameters of the rule – in order to reflect appropriate operating conditions. While Petitioner understood the District to be open to a revised protocol, that avenue would take time and is not assured to demonstrate compliance, and so Petitioner seeks relief for that device here as well.

Petitioner and District staff communicated at length regarding the setting of milestones and pathways to achieve compliance with the existing equipment, including conducting virtual meetings. There was an unfortunate misunderstanding from a March 25, 2026 meetings in which Petitioner inquired about options available with the Hearing Board to be able to continue operating in the wake of a determination of noncompliance, but Petitioner understood from District staff that those options were not available to them until the District issued a formal denial letter for the permit modification application. During this same meeting, Petitioner and the District also discussed whether compliance might still be possible given potential adjustments to the source test protocol parameters, and it appeared to Petitioner at that time that there may still be a path forward to comply with 1147 and proceed with the pending permit modification applications.

It was only in late April or early May 2026 that Petitioner understood that its application for the permit modification for its existing RTO and dryer was, in fact, going to be denied because preliminary source testing indicated the units apparently did not meet Rule 1147 NOx emissions requirements, although they were very close to meeting the NOx emissions limits.

On May 6, 2026, Petitioner received the denial letter from the District dated April 30, 2026. On Thursday, May 7, Petitioner sought to engage counsel Maya Grasse of Alston & Bird to assist with a variance, and counsel was retained by Tuesday, May 12. On May 13, the team began preparing this variance Petition.

As discussed in greater detail in Section 14 below, it is beyond Petitioner's reasonable control to comply with the NOx limits for the dryer and interlocked RTO, but they have acted diligently and proactively as soon as they became aware that they might not be able to comply with the 1147 NOx emissions limits. Over the past several months, when it was apparent that the units would not meet the limits, Petitioner diligently explored with SCAQMD alternatives potentially available through the rule or source test protocols. However, simultaneously they made inquiries with a burner manufacturer to procure new compliant burners for the RTO and dryer and have already executed a purchase order for a new dryer and RTO burners on May 13, 2026. Petitioner took swift action at its expense to hire counsel and proceed with this variance petition as soon as it understood it could do so and indeed has worked extremely quickly to pull together the information here, recognizing the need to file quickly.

Petitioner has already executed the purchase order for the two burners and is will be expediting the proces. Based on current communications from the manufacturers, these burners have a lead time of 6-8 months, and Petitioner will need to seek permits to construct for them as well. Compliance is of utmost importance to Petitioner, and it is critical that Petitioner be allowed to operate its existing burner and the interlocked RTO until it can install the new burners and, in the interim, until a hearing on its regular variance petition can be held. The facility's NOx emissions with its existing burners is already quite low for an industrial facility, at approximately 1.36 tons per year. As described below, Petitioner will continue to quantify and monitor excess emissions from the existing equipment for the duration of the variance period.

5. Briefly describe the type of business and processes at your facility.

Petitioner's Los Angeles facility receives and recycles food waste – specifically bakery like breads, cakes, candies, chips, cookies, crackers, doughs, flours, pastas, snack foods, tortillas, pizzas, nuts, cereal grains and related food by-products - that would otherwise be discarded and processes them into an edible ingredient for

animals food. Specifically, Petitioner's process separates out the non-edible material from the baked product, then mixes, grinds and dries the mixture into a high-energy, nutrient dense, highly palatable dried ingredient used in livestock feed with a greater nutrient value than corn. This product is then incorporated by feed producers into feed for a variety of different livestock, including chickens, turkeys, pigs, and dairy and beef cattle.

Petitioner processes 700 tons of bakery products per week – food waste which may otherwise end up in landfills – and is one of the largest recyclers of bakery and cereal grain by-products in southern California, and its facility supports important local and statewide goals of recycling, landfill diversion, and agriculture development.

The facility operates 24-hours per day, 7 days per week (this includes servicing bakery customers and picking food waste). The processing and manufacturing takes place Monday through Friday, with a processing time of about 24-30 hours per week amounting to up to 100 hours per month. The facility supports 16 employees.

6. List the equipment and/or activity(s) that are the subject of this petition (see Attachment A, Item 6, Example #1). **Attach copies of the Permit(s) to Construct and/or Permit(s) to Operate for the subject equipment. For RECLAIM or Title V facilities, attach *only* the relevant sections of the Facility Permit showing the equipment or process and conditions that are subject to this petition. You must bring the entire Facility Permit to the hearing.**

Equipment/Activity	Application/ Permit No.	RECLAIM Device No.	Date Application/Plan Denied (if relevant)*
Rotary dryer	AN 536226	D8	
Regenerative thermal oxidizer (RTO)	AN: 536230	C32	

*Attach copy of denial letter

7. Briefly describe the activity or equipment, and why it is necessary to the operation of your business. A schematic or diagram may be attached, in addition to the descriptive text.

The variance concerns two pieces of equipment: the burner for the D8 dryer, and the regenerative thermal oxidizer (RTO), Device C32.

Petitioner's processing and manufacturing operation consists of a natural gas fired rotary dryer which recycles food by-products into an animal feed ingredient. The burner for the dryer is described as a natural gas-fired Maxon Low NOx burner, model 40M, 39MM Btu/hour. This burner is required to operate the D8 dryer. As described in more detail below, the facility cannot operate without the dryer burner.

The RTO is an air pollution control device to control VOC emissions from the rotary dryer. As the dryer dries the baked products, the process converts sugars from the bread products resulting in VOCs. The RTO destroys 95% of the VOCs generated by the process. It utilizes a burner to start the RTO to bring it up to temperature until the unit self-sustains by burning VOC emissions generated in the dryer. The burner is described as a natural gas Maxon, Model Kinemax low-NOx burner, 5MM Btu/hour.

The RTO and the dryer are operationally interlocked such that one cannot be used without the other. The RTO only operates at high-fire for approximately a couple of hours per week while it is in startup mode, but during the rest of the 40-hour week it generally operates in low-fire mode.

These are the only sources at the facility that generate NOx and CO emissions.

8. Is there a regular maintenance and/or inspection schedule for this equipment? Yes No
 If yes, how often: See below Date of last maintenance and/or inspection 5/14/2026
 Describe the maintenance and/or inspection that was performed.

There is a visual inspection prior to every use of the equipment (approximately 2-3 days per week). Preventative maintenance, including greasing of motors, bearings and rollers, is performed monthly. The dryer burner is tuned annually.

9. List all District rules, and/or permit conditions [indicating the specific section(s) and subsection(s)] from which you are seeking variance relief (if requesting variance from Rule 401 or permit condition, see Attachment A). Briefly explain how you are or will be in violation of each rule or condition (see Attachment A, Item 9, Example #2).

Rule	Explanation
1147(d), Table 2	Table 2 sets forth NOx limits applicable to the RTO and dryer. Specifically, the RTO is required to meet a NOx limit of 20 ppmv or 0.024 lb/MMBtu, and the dryer, which operates below 1200 degrees is also required to meet a NOx limit of 20 ppmv or 0.024 lb/MMBtu. The burners in Petitioner's existing dryer cannot currently meet these NOx limits based on preliminary source testing.
1147(d)(4) and (5)	Subd. (4) provides that units can be decommissioned in lieu of complying with the Table 2 emission limits. Subd. (5) prohibits operation of units that exceed the Table 2 emissions limits. Currently, Petitioner cannot demonstrate through source testing that the dryer and RTO can meet these limits.
RECLAIM Permit 20203, Sec. E.8	This condition generally requires compliance with all SCAQMD rules and regulations. However, for reasons discussed above, Petitioner will be unable to comply with the NOx emissions limits applicable to the D8 dryer and C32 RTO during the variance period.
Rule 203(b) Rule 2004(f)(1)	These rules generally requires compliance with all District rules and permit conditions. However, Petitioner is unable to comply with Cond. E.8 of its RECLAIM Permit because it cannot comply with Rule 1147 NOx limits for the dryer and RTO.

10. Are the equipment or activities subject to this request currently under variance coverage? Yes No

Case No.	Date of Action	Final Compliance Date	Explanation

11. Are any other equipment or activities at this location currently (or within the last six months) under variance coverage? Yes No

Case No.	Date of Action	Final Compliance Date	Explanation

12. Were you issued any Notice(s) of Violation or Notice(s) to Comply concerning this equipment or activity within the past year? Yes No

If yes, you must attach a copy of each notice.

13. Have you received any complaints from the public regarding the operation of the subject equipment or activity within the last six months? Yes No

If yes, you should be prepared to present details at the hearing.

14. Explain why it is beyond your reasonable control to comply with the rule(s) and/or permit condition(s). Provide specific event(s) and date(s) of occurrence(s), if applicable.

Petitioner's existing dryer burner and RTO burner were not able to demonstrate compliance with Rule 1147's NOx limitation of 20 ppm during recent source testing. Although Petitioner was optimistic that the burners might demonstrate compliance, and indeed the dryer source testing revealed that it was relatively close, Petitioner had already started the process of soliciting bids for new burners for the RTO and dryer even while it sought to tune and troubleshoot source testing of the equipment.

Petitioner is a RECLAIM facility and accordingly submits regular RECLAIM-related emissions data. Petitioner was not aware that its equipment was not in compliance with the NOx limitations of Rule 1147 until it sought a permit modification for unrelated permit provisions. Petitioner had been under the impression that it had generally been in compliance given its regular submittals to SCAQMD. It was not until District permitting staff in April 2025 raised concerns about the dryer and RTO's ability to comply with the 1147 NOx limits that Petitioner became aware that there was a potential compliance issue – although even as late as April 2026 Petitioner believed that the equipment might be able to demonstrate compliance.

Attachment B sets forth a chronology of relevant events. In sum, although Petitioner was surprised at the potential noncompliance and took steps to thoroughly assess avenues to demonstrate compliance, Petitioner also began planning for the contingency that the burner and dryer might not be compliant. Petitioner began soliciting bids for new burners in March of 2026, even while continuing months-long communications with District staff regarding potential avenues to demonstrate compliance, including source test protocol strategies, in connection with the unrelated permit modification.

As described in Section 4 above, based on its understanding from conversations with District staff, Petitioner was not aware that it may have been able to seek Hearing Board relief sooner, believing that it needed to wait until a formal permit application denial letter had been issued. Nonetheless, as soon as Petitioner believed it was eligible to seek relief, it retained counsel and filed this petition.

On May 13, 2026, Petitioner executed a purchase order for new burners for the dryer and RTO. However, these burners will take 6-8 months to deliver, and in the meantime Petitioner will need to seek new permits to construct for the new burners. As described elsewhere in this petition, it is critical that Petitioner be able to operate its facility while it awaits the burners and permits. Petitioner's existing equipment emits no more than 1.36 tons per year of NOx, and Petitioner is already expediting the process of securing, permitting, and constructing the new burners wherever it can. Nonetheless, given the lead times from the manufacturer, Petitioner will need to operate the existing dryer and RTO for approximately one year.

15. When and how did you first become aware that you would not be in compliance with the rule(s) and/or permit condition(s)? Provide specific event(s) and date(s) of occurrence(s).

Please see responses to Nos. 4 and 14 above, along with Attachment B.

16. List date(s) and action(s) you have taken since that time to achieve compliance. That the Petition Form HB-V, and any related instructions, include requirement that the Petitioner include a timeline in suitable, chronological format to address the events, dates, and actions called for by Questions 15 and 16, including the dates of communication with the South Coast AQMD to notify them of the occurrence(s) giving rise to the requested variance.

Attachment B provides a relevant chronology of events, including steps taken towards compliance.

Since first becoming aware of the potential non-compliance with Rule 1147 in April 2025, Petitioner has diligently sought to communicate and coordinate with the District regarding a correct understanding of applicable rules, source test protocols, and source testing.

Although Petitioner was somewhat optimistic that its equipment would be able to demonstrate compliance with the NOx emissions limits of Table 2 in Rule 1147, it nonetheless began the process of soliciting bids from burner manufacturers and vendors in approximately March 2026, prior to the source testing. Petitioner reached out to ten burner vendors, and scheduled site visits and more in-depth reviews for five of them.

On May 13, 2026, Petitioner executed a purchase order for new burners for both the dryer and the RTO.

17. What would be the harm to your business during **and/or** after the period of the variance if the variance were not granted?

Economic losses: \$ 112,000 per week – or nearly \$6 million over the course of the year

Number of employees laid off (if any): 16

Provide detailed information regarding economic losses, if any, (anticipated business closure, breach of contracts, hardship on customers, layoffs, and/or similar impacts).

If Petitioner were required to shut down the LA facility, it would cause substantial economic harm to the company, to its 16 employees and potentially disrupt the upstream and downstream supply chain, affecting both the large-scale food producers (bakeries) as well as the agricultural industry.

If Petitioner could not operate, it would be unable to make its animal feed ingredient product, which it sells for approximately \$160 per ton at about 700 tons per week, for a weekly revenue of \$112,000. Over the course of the expected time to receive and commission the new burners, this could amount to \$6 million in lost revenue. Moreover, being unable to supply its product would implicate customer contracts, potentially leading to additional monetary damages and other legal exposure.

Petitioner would also be forced to lay off all 16 employees, including some who have been at the facility for 25 and 30 years.

Any potential curtailment of shutdown of production of Petitioner's LA facility could also have a catastrophic cascading effect that would be felt not only by the agricultural industry it supplies, and the bakery customers it receives food products from but also by California consumers.

First, any curtailment or closure would impact the numerous industrial bakeries in southern California which rely on Petitioner to receive its excess baked products and bakery food waste. These industrial bakeries depend on the LA facility to receive approximately 1.4 million pounds (700 tons) of their product per week, and there is

insufficient capacity in the baked product recycling system to absorb this volume of product. The bakeries would, themselves, likely have to reduce their own production, take substantial volumes of waste product to landfills, or both. This means not only that grocery store shelves be empty of bread, chips, cookies, and other baked products, but restaurants and cafeterias would also suddenly be in short supply.

Moreover, the facility supplies between 30,000 and 35,000 tons per year of its animal feed ingredient made from these bakery products. This product goes to nearly all of the dairy farms in southern California. If Petitioner cannot produce this product, there is not a substitute product in the system readily available for farmers to turn to. Being in close communications with dairy industry representatives, Petitioner's understanding of the potential effect of a sudden cessation of this animal feed ingredient source would result in the potential slaughter of dairy cows for their beef value. This loss of effectively a generation of dairy cows could, in turn, potentially cause the price of milk to skyrocket in California.

Petitioner provides an essential service to both regional food producers like bakers and regional agricultural operators, particularly dairy farmers. It is critical that Petitioner be able to continue to operate normally while it procures and installs new compliant burners.

18. Can you curtail or terminate operations in lieu of, or in addition to, obtaining a variance? Please explain.

While Petitioner has considered curtailment, such curtailment would still have the substantial negative effects and potential harm described above, given the lack of capacity for recycling baked goods from industrial suppliers and the lack of readily available replacement animal feed ingredient product.

19. Estimate excess emissions, if any, on a daily basis, including, if applicable, excess opacity (the percentage of total opacity above 20% during the variance period). If the variance will result in no excess emissions, insert "N/A" here and skip to No. 20.

Pollutant	(A)	(B)	(C)*
	Total Estimated Excess Emissions (lbs/day)	Reduction Due to Mitigation (lbs/day)	Net Emissions After Mitigation (lbs/day)
NOx	TBD	TBD	TBD

* Column A minus Column B = Column C

Excess Opacity: _____ %

20. Show calculations used to estimate quantities in No. 19, or explain why there will be no excess emissions.

Petitioner will supplement this petition with estimated excess emissions calculations prior to the hearing.

21. Explain how you plan to reduce (mitigate) excess emissions during the variance period to the maximum extent feasible, or why reductions are not feasible.

Petitioner intends to continue to operate as efficiently as possible as it always does in order to minimize

excess emissions during the variance period. Petitioner will also continue to act expeditiously to implement the pathways to compliance it has identified below so that the variance period is as short as it can be under the circumstances.

22. How do you plan to monitor or quantify emission levels from the equipment or activity(s) during the variance period, and to make such records available to the District? **Any proposed monitoring does not relieve RECLAIM facilities from applicable missing data requirements.**

Petitioner will continue to comply with the operative RECLAIM permit and RECLAIM rules. The RTO's burner and the dryer's burner each have their own fuel meter. Therefore, in combination with site-specific stack testing data, fuel usage, motor amperes and daily operating hours, the facility can calculate actual NOx and CO emissions during the variance period.

23. How do you intend to achieve compliance with the rule(s) and/or permit condition(s)? Include a detailed description of any equipment to be installed, modifications or process changes to be made, permit conditions to be amended, etc., dates by which the actions will be completed, and an estimate of total costs.

On May 13, 2026, Petitioner executed a purchase order for new, ultra-low NOx burners for the dryer and RTO.

While Petitioner had also been exploring revisions to the source test protocol for the RTO that would be both compliant with the rules on protocols and demonstrate Rule 1147 compliance, at this stage Petitioner is proceeding with replacement of the burners.

24. State the date you are requesting the variance to begin: Upon the hearing date; and the date by which you expect to achieve final compliance: 12 months from hearing date.

If the regular variance is to extend beyond one year, you **must** include a **Schedule of Increments of Progress**, specifying dates or time increments for steps needed to achieve compliance. See District Rule 102 for definition of Increments of Progress (see Attachment A, Item 24, Example #3).

N/A

25. List the names of any District personnel with whom facility representatives have had contact concerning this variance petition or any related Notice of Violation or Notice to Comply.

Alisha McDonogh Ext. _____
_____ Ext. _____

26 If the petition was completed by someone other than the petitioner, please provide their name and title below.

Maya Lopez Grasse Alston & Bird LLP Counsel
Name Company Title

The undersigned, under penalty of perjury, states that the above petition, including attachments and the items therein set forth, is true and correct.

Executed on May 15, 2026, at Tehachapi, California

 Maya Lopez Grasse
Signature Print Name

Title: Counsel

Attachment A



South Coast Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765-4178

Title Page
Facility ID: 020203
Revision #: 25
Date: February 23, 2018

FACILITY PERMIT TO OPERATE

RECONSERVE OF CALIFORNIA-LOS ANGELES INC
9112 GRAHAM AVE
LOS ANGELES, CA 90002

NOTICE

IN ACCORDANCE WITH RULE 206, THIS PERMIT TO OPERATE OR A COPY THEREOF MUST BE KEPT AT THE LOCATION FOR WHICH IT IS ISSUED.

THIS PERMIT DOES NOT AUTHORIZE THE EMISSION OF AIR CONTAMINANTS IN EXCESS OF THOSE ALLOWED BY DIVISION 26 OF THE HEALTH AND SAFETY CODE OF THE STATE OF CALIFORNIA OR THE RULES OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT. THIS PERMIT SHALL NOT BE CONSTRUED AS PERMISSION TO VIOLATE EXISTING LAWS, ORDINANCES, REGULATIONS OR STATUTES OF ANY OTHER FEDERAL, STATE OR LOCAL GOVERNMENTAL AGENCIES.

Wayne Natri
Executive Officer

By *Ed Marchbanks*
Laki Tsipoulos, Ph.D., P.E.
Deputy Executive Officer
Engineering and Permitting



FACILITY PERMIT TO OPERATE RECONSERVE OF CALIFORNIA-LOS ANGELES INC

SECTION D: FACILITY DESCRIPTION AND EQUIPMENT SPECIFIC CONDITIONS

The operator shall comply with the terms and conditions set forth below:

Equipment	ID No.	Connected To	RECLAIM Source Type/ Monitoring Unit	Emissions* And Requirements	Conditions
Process 1: BAKERY SCRAP PROCESSING					
MILL, STEDMAN NO. 1, MODEL 4234 A/N: 536226	D44				A101.1
CONVEYOR, SCREW A/N: 536226	D45				A101.1
MILL, STEDMAN NO. 2, MODEL 4234 A/N: 536226	D46				A101.1
CONVEYOR, SCREW A/N: 536226	D47				A101.1
CONVEYOR, TWO SCREW A/N: 536226	D48				A101.1
CONVEYOR, SCREW A/N: 536226	D7				A101.1
DRYER, ROTARY, NATURAL GAS, WITH A 60-HP BLOWER, WITH LOW NOX BURNER. 39 MMBTU/HR WITH A/N: 536226	D8	D9	NOX: LARGE SOURCE**	NOX: 16 PPMV NATURAL GAS (3)	A99.1, A99.2, C1.1, C1.2, H116.1
BURNER, NATURAL GAS, MAXON, MODEL 40M, WITH LOW NOX BURNER. 39 MMBTU/HR					
CYCLONE, TWO, MODEL KK39, 3-HP TOTAL A/N: 536226	D9	D8 C32			A101.1
OXIDIZER, HOT BED, TELKAMP MODEL ROXIDIZER 50, NATURAL GAS, WITH 250-HP PRIMARY BLOWER AND 250-HP SECONDARY BLOWER. 5.4 MMBTU/HR WITH A/N: 536230	C32	D9	NOX: PROCESS UNIT**	NOX: 16 PPMV NATURAL GAS (3)	A99.1, A99.2, C1.1, C1.2, C8.1, D12.1, D12.2, H116.1, K67.1
BURNER, NATURAL GAS, MAXON, MODEL KINEMAX, WITH LOW NOX BURNER. 5.4 MMBTU/HR					

* (1) (1A) (1B) Denotes RECLAIM emission factor
(3) Denotes RECLAIM concentration limit
(5) (5A) (5B) Denotes command and control emission limit
(7) Denotes NSR applicability limit
(9) See App B for Emission Limits

(2) (2A) (2B) Denotes RECLAIM emission rate
(4) Denotes BACT emission limit
(6) Denotes air toxic control rule limit
(8) (8A) (8B) Denotes 40 CFR limit (e.g. NSPS, NESHAPS, etc.)
(10) See section J for NESHAP/MACT requirements

** Refer to section F and G of this permit to determine the monitoring, recordkeeping and reporting requirements for this device.



FACILITY PERMIT TO OPERATE RECONSERVE OF CALIFORNIA-LOS ANGELES INC

SECTION E: ADMINISTRATIVE CONDITIONS

- e. For the purpose of determining compliance with Rule 407, carbon monoxide (CO) shall be measured on a dry basis and be averaged over 15 consecutive minutes, and sulfur compound which would exist as liquid or gas at standard conditions shall be calculated as sulfur dioxide (SO₂) and be averaged over 15 consecutive minutes. [407]
- f. For the purpose of determining compliance with Rule 409, combustion contaminant emission measurements shall be corrected to 12 percent carbon dioxide (CO₂) at standard conditions and averaged over 15 consecutive minutes. [409]
- g. For the purpose of determining compliance with Rule 475, combustion contaminant emission measurements shall be corrected to 3 percent of oxygen (O₂) at standard conditions and averaged over 15 consecutive minutes or any other averaging time specified by the Executive Officer. [475]
8. All equipment operating under the RECLAIM program shall comply concurrently with all SCAQMD Rules and Regulation, except those listed in Table 1 of Rule 2001 for NO_x RECLAIM sources and Table 2 of Rule 2001 for SO_x RECLAIM sources. Those provisions listed in Tables 1 or 2 shall not apply to NO_x or SO_x emissions after the date the facility has demonstrated compliance with all monitoring and reporting requirements of Rules 2011 or 2012, as applicable. Provisions of the listed SCAQMD rules in Tables 1 or 2 which have initial implementation dates in 1994 shall not apply to a RECLAIM NO_x or SO_x source, respectively. [2001]
9. The operator shall, when a source test is required by SCAQMD, provide a source test protocol to SCAQMD no later than 60 days before the proposed test date. The test shall not commence until the protocol is approved by SCAQMD. The test protocol shall contain the following information: [204, 304]
 - a. Brief description of the equipment tested.

Attachment B

Chronology of Significant Events

<p>2023-2024</p>	<p>ReConserve's consultant, Shara Dine of Dine Comply, Inc., had conversations with District staff to discuss potential revisions to the facility's RECLAIM permit to amend certain provisions unrelated to the D8 and C32 devices that are the subject of the variance. This included discussions on recent changes to RECLAIM rules. There was no indication that Rule 1147 was a compliance challenge at this point. Based on these conversations, ReConserve proceeded with the permit modification application.</p>
<p>November 5, 2024</p>	<p>ReConserve submitted the permit modification application and paid fees for expedited processing.</p>
<p>January 21, 2025</p>	<p>District completes prescreening of the application and accepted the request to expedite.</p>
<p>April 1, 2025</p>	<p>During the course of the application review, potential questions regarding the operating hours of the dryer and RTO arose, since the stack test appeared to be showing 60.5 ppm NOX, above the Table 2 limits of 20ppm NOx. Petitioner had not been aware that the recently amended Rule 1147 limits were drastically lower, as they had been under the impression that given RECLAIM submissions and other requirements, they were generally in compliance with permit conditions and SCAQMD rules.</p>
<p>May-September 2025</p>	<p>ReConserve and Dine Comply regularly communicated multiple times monthly with the District staff regarding further information requested in support of the permit modification as well as stack testing, operational, and related information to assess Rule 1147 compliance for the dryer and RTO. ReConserve responded expediently, usually the same day as the District's request.</p>

October 2, 2025	ReConserve and District staff met to discuss the permit application, including an amendment to incorporate the updated Rule 1147 emissions limits applicable to the dryer and RTO, as well as discussion of paths forward to develop and submit a source test protocol and conducting source testing. At this point, Petitioner understood there appeared to be pathways forward through updated source test protocols and testing.
November- December, 2025	ReConserve and District staff further communicated regarding pathways forward for alternatives to the requested modifications as well as 1147 compliance.
January 2026	ReConserve and District staff agreed to establish milestones and deadlines to work towards source testing and other items related to advancing the modification application. It appeared during these conversations that compliance with 1147 might be able to be demonstrated by the existing equipment.
Late January to mid-February, 2026	Source test protocol was submitted and conditionally approved by the District. Source testing was completed on February 10-11, 2026.
Late February-early March	Source testing report was received and submitted to District. Test results indicated that neither burner would be likely to meet 1147 requirements. ReConserve started evaluating costs to replace both burners.
Mid-March, 2026	<p>ReConserve and District staff communicated regarding options on the permit modification, with the District indicating an intent to deny the modification application since it had been open so long and it could not stay open while alternative pathways to compliance were explored.</p> <p>ReConserve requested a meeting with staff prior to the anticipated denial of the permit application.</p> <p>ReConserve also continued the process of requesting bids for new burners, including scheduling site visits for bidders. Over the course of the next month, ReConserve solicited quotes from TEN different companies, scheduling site walks and more in-depth review for five of them.</p>

<p>March 25, 2026</p>	<p>Virtual meeting between ReConserve and District staff, where the group discussed the options and timing for retesting and tuning the apparently non-compliant burners, as well as revising the source test protocol for the RTO. From this meeting, there was an apparent misunderstanding as to whether and when Hearing Board options were available to ReConserve; ReConserve understood from this meeting that Hearing Board options were not available to it until a formal permit denial letter was issued, although it had begun the process of looking for legal counsel to assist with a Hearing Board proceeding, whatever it may be.</p>
<p>Early April, 2026</p>	<p>ReConserve and District staff continued to discuss the procedural considerations involved in the permit application denial as well as confer regarding the timing of tuning and retesting the burners.</p> <p>ReConserve continued to tune and test the RTO.</p> <p>ReConserve continued to meet and bid on both potential burner repair options as well as replacement burner procurement options.</p>
<p>Mid-Late April, 2026</p>	<p>Incomplete stack testing was performed on the RTO with unsatisfactory results that were shared and discussed with the District. ReConserve intended to have further meetings with the source tester given the incomplete test.</p>
<p>May 6, 2026</p>	<p>District provided by e-mail denial letter for application modification based on noncompliant source test results for the dryer.</p>
<p>May 9, 2026</p>	<p>ReConserve reached out to counsel regarding engagement given their understanding that the Hearing Board process was now available to them.</p>
<p>May 12, 2026</p>	<p>ReConserve engaged counsel and the team began preparing to file the variance petition as soon as possible, despite pre-existing vacation plans of the team members.</p>

<p>May 13, 2026</p>	<p>ReConserve executed a purchase order for a new dryer burner. It expects the lead time for this burner to be 6-8 months. ReConserve will also be submitting an application for a permit to construct.</p> <p>ReConserve communicated with the District to acknowledge the denial letter and let them know it would be seeking a variance to allow it to continue operating while it procured new burners. It also updated the District that it had executed a purchase order for the new dryer and RTO burners.</p>

