

Chronology of Events

(Updated for May 27, 2026 Interim Variance Hearing) 2026 MAY 26 P 5:11

<p>2023-2024</p>	<p><i>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.</i></p>
<p>January 5, 2024</p>	<p>Preliminary conference call between ReConserve and District to preview potential permit amendment and discuss anticipated RECLAIM sunset timeline.</p>
<p>April 30, 2024</p>	<p>ReConserve follows up with District regarding potential permit modification concept to replace stack flow monitoring language with natural gas usage monitoring, request to use specific emission factor (from testing) instead of allowable emission rate in permit, request to calculate emissions based on stack testing and operating hours or emissions factor and natural gas usage; verify stack testing required dates.</p> <p>ReConserve understood from these conversations that its proposed alternative monitoring method (alternative to Missing Data Provisions) was a reasonable and allowable approach that SCAQMD would process through a permit amendment.</p>
<p>July 2, 2024</p>	<p>Triennial Source Test completed on dryer and RTO as part of routine compliance (prior source tests completed in 2021 and 2018 per triennial testing permit requirement). Results using SCAQMD Method 100.1 showed 60.5 ppmv NOx at 3% Oxygen.</p> <p>Report submitted to SCAQMD August 6, 2024.</p>

PETITIONER: CASE NO. <u>2876-8</u>
Exhibit No. <u>4</u> Consisting of <u>10</u> pages
Identification <u>5/27/26</u> Evidence _____

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October 30, 2024	<p>Follow up query by ReConserve regarding for different permitting monitoring requirements in permitting; referred to permit engineers for questions.</p> <p>Additional call with District permit engineer to discuss process for permit amendment. ReConserve understood from this conversation that the RECLAIM regulations would be changing in January 2026 and that the NOx emissions limitations will be increased and the stack flow requirements will not be required. Follow up e-mail to District on 10/31/24 to confirm conversation.</p>
November 5, 2024	<p>District responded to ReConserve via e-mail and additionally provided fees and forms for permit amendment application.</p>
December 19, 2024	<p>Expedited permitting fees paid for permit modification application.</p> <p>Original Permit Modification Application submitted, requesting changes to the methods for calculating emissions (other than Missing Data Provisions) for the frequent periods when the RTO is idle, and requesting removal of a nonoperating/obsolete baghouse from the permit.</p>
2025	<p>Application included the 2024 source test.</p> <p><i>ReConserve and the District had extensive communications throughout 2025 regarding the original requests in the permit amendment application, along with new issues including identifying potential compliance issues with 1147 and devising source testing strategies to demonstrate compliance as well as a secondary permit amendment to address unrelated prior modifications to existing equipment in connection with the disconnected baghouse.</i></p>
January 21, 2025	<p>Prescreening of the application completed by District; request to expedite accepted.</p>
February 21, 2025	<p>ReConserve queried status of the applications. District responded they would be sent for review with senior engineer in a couple of weeks and confirmed no additional information was required to continue processing the applications.</p>

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<p>April 2, 2025</p>	<p>District raises 1147 compliance questions for the first time in response to ReConserve’s April 1 query on application status.</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 and 30ppm NOx.</p> <p>ReConserve had not been aware that the recently amended Rule 1147 limits were lower, as they had been under the impression that given RECLAIM submissions and 2024 source testing submittal.</p>
<p>April 8, 2025</p>	<p>ReConserve responded with detailed information on the operating hours and asked for additional clarification/confirmation of the applicable NOx emissions limits, given their understanding that they were in compliance with current RECLAIM permit and proposed a source testing strategy to resolve the issue.</p>
<p>April 9, 2025</p>	<p>District notes that the current RECLAIM permit does not contain conditions requiring the updated 1147 emissions limits, and that ReConserve’s equipment “will need to meet the emission limits in Table 2 of Rule 1147”.</p> <p>The District also indicated that the requested changes to the monitoring requirements are being considered and requested additional information.</p>
<p>April 16, 2025</p>	<p>ReConserve responded to District, provided the requested information and requested a technical meeting.</p>
<p>May 29, 2025</p>	<p>ReConserve reiterated request for technical meeting and clarification regarding baghouse deactivation notification.</p>
<p>June 11, 2025</p>	<p>Discussions with District staff regarding baghouse deactivation and permitting options.</p>

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June 25, 2025	ReConserve email to District regarding compliance options and path forward; District response information received.
July 1, 2025	RECLAIM Permit routinely re-issued for current compliance year (2025) with updated allocations.
July 23, 2025	District query regarding monthly therm limit, testing and permit mod application for prior modifications to existing equipment (second permit application).
August 20, 2025	ReConserve provided RTO/Dryer tune up information and reiterated the need for updated monitoring requirements as requested in the permit amendment application.
September 10, 2025	Deactivation forms submitted for unrelated prior inactivated baghouse (prior emissions control improvements rendered baghouse obsolete). District provided form information for deactivation applications; ReConserve submitted same day.
September 11, 2025	District communicated that the original permit modification request for alternative compliance monitoring was not possible (stack flow monitor or CEMS were options) but also indicated a facility-specific emissions limit is possible. Also queried on 1147 compliance demonstration and burner replacement pathway.
September 22, 2025	ReConserve responded regarding facility-specific limits (fuel usage limit is not feasible); reiterated request for technical meeting; and shared they were getting source testing quotes.
September 26, 2025	Districted communicated that regardless of facility specific emissions limitation, a stack flow monitor or CEMS is still required; also requested source testing status and identification of Rule 1147 compliance path forward/demonstration.

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<p>September 30, 2025</p>	<p>Second permit amendment application submitted related to deactivation of an obsolete disconnected baghouse and prior modifications of existing equipment related to old baghouse). ReConserve communicated about alternative monitoring options; provided stack testing information; noted that application fee for second permit amendment application (existing equipment) was paid.</p>
<p>October 2, 2025</p>	<p>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. (They also learned that District would not move forward with the alternative monitoring as proposed in the permit amendment application).</p> <p>At this point, ReConserve understood there appeared to be pathways forward through updated source test protocols and testing to show 1147 compliance.</p>
<p>October 16, 2025</p>	<p>District identified deficiencies in form 400A for baghouse deactivation and rejected it; ReConserve paid additional fees and resubmitted the form the same day.</p>
<p>November 7, 2025</p>	<p>District query on the two pending permit amendment applications and path forward on 1147.</p>
<p>December 2, 2025</p>	<p>ReConserve responds by letter to District with detailed chronology of permitting history and communications to date, and provides additional information requested by District.</p>
<p>December 4, 2025</p>	<p>District summarizes potential compliance options (for both RECLAIM and Rule 1147).</p> <p>Options included for RECLAIM compliance included installing new stack flow monitor (in lieu of the requested monitoring changes); Accept process unit fuel usage limits to avoid RECLAIM's requirement for a stack flow monitor.</p>

<p>Additionally, ReConserve will need to demonstrate compliance with Rule 1147, specifically 30 ppm NOx for the dryer and 20 ppm NOx for the RTO. Testing of a common stack is allowed for the devices and the calculations will be combined based on heat input rating, in this case approximately 28 ppm NOx.</p> <p>The District also clarified some apparent misunderstandings ReConserve had that had led to some of the protracted conversations. These topics included the prescreening of permit applications; the amendment process for existing equipment modifications; and the RECLAIM sunset.</p>	<p>January 8, 2026</p> <p>ReConserve responded to District on the RECLAIM permit amendments and pathways regarding 1147 compliance.</p> <p>ReConserve explained their understanding from preliminary conversations with SCAQMD staff was that the alternative monitoring proposal was reasonable in concept, and based on that understanding the application was developed and submitted, and the recent denial was inconsistent with prior SCAQMD representations; but nonetheless ReConserve intends to work with District to establish the path forward.</p> <p>Regarding 1147, ReConserve acknowledged the need to include, in permit amendment, the current NOx limits. They shared that source testing is being scheduled and that the protocol would be submitted to District next week. Also queried clarification on 1147 applicability to food industry, given the processing of baked goods for animal feed ingredient.</p> <p>District responded to address queries and proposed milestones and deadlines to work towards source testing to demonstrate compliance with 1147 and other items related to advancing the modification application.</p> <p>ReConserve responded on January 9 that it was agreeable to the proposed milestone schedule.</p>
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January 23, 2026	ReConserve communicated with District regarding source testing protocol and provided necessary information. Worked with source testing company over the following three days to develop protocol.
January 26, 2026	Source Test Protocol submitted to District for dryer and RTO.
February 4, 2026	Source Test Protocol conditionally approved by District.
February 10-11, 2026	Preliminary source testing completed by deadline requested in District's 1/8/26 e-mail. Dryer (Feb. 10): 73.70 NOx (corrected) and 314 CO (corrected) RTO (Feb 11): 27.32 lb NOx (corrected) and 1979.82 CO (corrected)
Beginning ~ February 19 (and continuing over the next ~6 weeks)	Bid solicitation for new burners. ReConserve began process of soliciting bids for new dryer and RTO burners. Outreach to 10 companies; some withdrew citing inability to meet ppm limits or burner operational requirements; in-depth conversations and job walks with 5 companies. Ultimately, only one company (Wirth Gas) stated it could meet the 1147 limits and burner operational requirements.
February 26, 2026	Preliminary source test report received by ReConserve.
March 3, 2026	Meeting between source test company and ReConserve to discuss test event, results, and reporting.
March 4, 2026	Source test results provided to District by ReConserve, along with explanations of issues, and indicated it has also immediately started to evaluate burner replacement options. ReConserve shared that the source testing for the dryer was incomplete (only 18 minutes of testing) because the interlocked RTO went down, causing the dryer to stop operating, but the limited data indicated the burners could currently not meet 1147.

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	<p>ReConserve flagged potential issues with the test and protocol, noting that testing data was only for the high-fire (cold start) scenario, explaining that the facility would only operate that way once per week for about an hour or two and that the low fire scenario could not be tested at this time.</p>
March 17, 2026	<p>District indicated by e-mail that dryer and RTO burners did not meet 1147, and that the permit modification application would be denied, subject to a pre-denial meeting.</p>
March 24, 2026	<p>Meeting with burner technicians and ReConserve to discuss tuning burners to achieve compliance.</p>
March 25, 2026	<p>Meeting with 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. ReConserve understood that District was amenable to revisions to source test protocol.</p> <p>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>
March 26, 2026	<p>Follow-up communication with District staff (phone and e-mail) to discuss further burner re-testing and tuning (provided proposed mid-April test date), along with updated status on new burner bid solicitation (company actively engaged with 6 burner vendors for bids).</p> <p>District was agreeable to tuning/repairing and re-source testing the burners on the proposed April dates using the previously approved protocols.</p>

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	<p>ReConserve understood in these follow up meetings that District was not amenable to revising the source test protocol prior to the April re-testing and indicated it intended to deny the permit applications given the length of time they had been open, noting it could not keep them open pending procurement of new burners.</p>
April 1, 2026	<p>ReConserve communicated with District, seeking clarifications of apparent inconsistencies in allowable source testing approaches (noting that approved protocol appeared inconsistent with rule requirements for the protocol, and that it understood from the meeting that SCAQMD was amenable to a revised test protocol).</p> <p>Also queried permit application denial process and Hearing Board appeal relief. Also shared that they are moving forward with tuning and testing the RTO burner; Requested clarification on testing protocol; Requested clarification regarding start-up/shut-down exemptions.</p>
April 2, 2026	<p>District responded confirming RTO test protocol and provided clarification on startup/shutdown processes. Requested RTO source testing plan by April 8.</p>
April 8-9, 2026	<p>District and ReConserve communicated regarding preliminary tuning results and anticipated re-testing.</p> <p>Given the high stack oxygen content (16-18%), ReConserve reasonably queried whether correction using CO2 values could apply (preliminary tests showed within 1147 limits for CO and NOx using this method). However, District clarified that the protocol for that approach required greater than 19% oxygen concentrations.</p>
April 17, 2026	<p>Preliminary Testing of RTO conducted; Results received on showed 36.2ppm at 3% oxygen correction.</p>
April 29-30, 2026	<p>District requests source test results.</p>

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	ReConserve responded did not yet have results of incomplete test, and have meeting with source tester set for May 4.
May 6, 2026	Permit application denial letter sent by District via e- mail denial letter for application modification based on inability of RTO and dryer to demonstrate 1147 compliance.
May 9, 2026	ReConserve reached out to counsel regarding engagement given their understanding that the Hearing Board process was now available to them.
May 12, 2026	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.
May 13, 2026	Purchase order executed for new burners for the dryer and RTO. The PO specifies that both burners will comply with the respective limits of 1147 (30ppm and 20ppm). The lead time for this burner to be 6-8 months. ReConserve offered to pay for expedited manufacturing of the burners but was told this was not an option. ReConserve will also be submitting an application for a permit to construct and paying the expediting fee. ReConserve e-mailed District to alert them 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.