

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)	\$1066.00
☐ B.	Interim & Short Variance	\$1559.00
☐ C.	Emergency Variance	\$ 371.00
☐ D.	Regular Variance	\$1227.00
☐ E.	Interim & Regular Variance	\$1720.00
☐ F.	Appeal Hearing	\$1227.00
☐ G.	Extension of Variance	\$ 493.00
☐ H.	Modification of Variance	\$ 493.00
☐ I.	Modification of Variance Schedule of Progress	\$ 493.00
☐ J.	Product Variance	\$1637.00
☐ K.	Rehearing	\$1227.00
☐ L.	Revocation of Variance	\$ 493.00
☐ M.	Special Hearing	\$1227.00

In addition to the filing fee above, an excess emissions fee will be assessed at the conclusion of the variance at \$3.25 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: Panoche Energy Center, LLC

PHYSICAL ADDRESS OF FACILITY: 43833 W. Panoche Road

CITY: Firebaugh STATE: CA ZIP CODE: 93622

NAME OF PERSON FILLING OUT PETITION: David Fisher

TELEPHONE: 559-659-2270 x101 **E-MAIL:** david.fisher@naes.com

NAME OF PERSON AUTHORIZED TO RECEIVE NOTICES: david.fisher@naes.com; jacqueline.alonso@naes.com; gabe.carver@naes.com

MAILING ADDRESS: 43833 W. Panoche Road

CITY: Firebaugh STATE: CA ZIP CODE: 93622

TELEPHONE: 559-659-2270 **E-MAIL:** david.fisher@naes.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

Robin Shropshire

Authorized Signatory

910 LOUISIANA STREET, SUITE 2400 HOUSTON, TEXAS 77002

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.

The Panoche Energy Center (PEC) is a 400 MW electric power generating facility. All electric power generated at the facility, which commenced first commercial operation in mid-2009, is done so in accordance with a Power Purchase Agreement with Pacific Gas & Electric (PG&E) and the plant is dispatched solely at PG&E's direction. PEC was constructed as, and is operated as, a "peaking power plant" and is dispatched by PG&E primarily during periods of high electric power demand or when other generating resources on the grid are offline.

C-7220-3-5 is a 100MW simple-cycle power generating system consisting of general electric LMS100 natural gas-fired combustion turbine generator served by a selective catalytic reduction (SCR) system and an oxidation catalyst.

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.

PEC will be replacing our current NOx, CO and O2 CEMS analyzers with new, like kind analyzers. The currently installed certified analyzers are in proper working order and PEC is electing to replace these analyzers prior to experiencing any future potential failure due to age of currently installed analyzers.

During the analyzer replacement and installation of the new replacement analyzers the CT-3 turbine will be in a regularly scheduled fall maintenance outage and no operations of CT-3 will be conducted without installation of working analyzers.

PEC is requesting this variance for authorization to operate CT-3 for regular operation prior to and for the certification testing criteria require for CT-3 are on-line combusting fuel during recertification testing. The RATA portion of the testing is currently expected to be conducted during the week of November 30th, 2026 with a final report for the testing company within 60 days after testing.

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).

C-7220-0-2 condition 5: The permittee must comply with all conditions of the permit including permit revisions originated by the District. All terms and conditions of a permit that are required pursuant to the Clean Air Act (CAA), including provisions to limit potential to emit, are enforceable by the EPA and Citizens under the CAA. Any permit noncompliance constitutes a violation of the CAA and the District Rules and Regulations, and is grounds for enforcement action, for permit termination, revocation, reopening and reissuance, or modification; or for denial of a permit renewal application." Compliance with this condition will not be maintained during the period that Condition 29 of C-7220-3-5 is not maintained (see below).

C-7220-3-5 condition 36: "The owner or operator shall install, certify, maintain, operate and quality-assure a Continuous Emission Monitoring System (CEMS) which continuously measures and records the exhaust gas NOx, CO and O2 concentrations. Continuous emissions monitor(s) shall be capable of monitoring emissions during normal operating conditions, and during startups and shutdowns provided the CEMS pass the relative accuracy requirement for startups and shutdowns specified herein. If relative accuracy of CEMS cannot be demonstrated during startup conditions, CEMS results during startup and shutdown events shall be replaced with startup emission rates obtained from source testing to determine compliance with emission limits contained in this document." Compliance with this condition will not be maintained when units are operated during the period between installation of the multi-point probe and passage of a re-certification RATA during which Part 60 and Part 75 data is invalid or conditionally valid.

C-7220-3-5 condition 37: "The CEMS shall complete a minimum of one cycle of operation (sampling, analyzing, and data recording) for each successive 15-minute period or shall meet equivalent specifications established by mutual agreement of the District, the ARB and the EPA." Compliance with this condition will not be maintained when units are operated during the period between installation of the analyzers and passage of a re-certification RATA during which Part 75 data is invalid or conditionally valid.

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).

The data generated by CT-3's CEMS during the interim period between modification of the existing CEMS analyzers from the new replacement analyzers will be uncertified until successful completion of all applicable recertification criteria; during this period, when CT-3 is operating the following District Rules would be violated:

1. Rule 2070, 7.0: A person shall not operate any source operation contrary to conditions specified on the Permit to Operate issued in accordance with the provisions of this rule.

2. Rule 2080, 3.0: The APCO may issue an Authority to Construct or a Permit to Operate subject to conditions to ensure the compliance of the operation of any source operation with the standards of Rule 2070 (Standards for Granting Applications), in which case the conditions shall be specified in writing. Commencing work under such an Authority to Construct or commencing operation under such a Permit to Operate shall be deemed acceptance of all the conditions so specified. The APCO shall issue an Authority to Construct or a Permit to Operate with revised conditions upon receipt of a new application, if the applicant demonstrates that the source operation can operate within the standards of Rule 2070 (Standards for Granting Applications) under the revised conditions.

3a. Rule 2520, 9.8.1: The permittee must comply with all conditions of the permit. Any permit noncompliance constitutes a violation of the CAA, and the District Rules and Regulations, and is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application.

3b. 9.13.1: Compliance certification, testing, monitoring, reporting, and record keeping requirements sufficient to assure compliance with the terms and conditions of the permit. Any report or document submitted under a permit requirement or a request for information by the District or EPA shall contain a certification by a responsible official of truth, accuracy, and completeness.

4. Rule 1080, 4.0: Section 4.0 requires that the owner shall provide, install, and operate continuous monitoring equipment on such operations as directed. The owner shall maintain, calibrate, and repair the equipment and shall keep the equipment operating at design capabilities.

5. Rule 4703, 6.2.1: Except for units subject to Section 6.2.3, for turbines with exhaust gas NOx control devices, the owner or operator shall either install, operate, and maintain continuous emissions monitoring equipment for NOx and oxygen, as identified in Rule 1080.

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

After the analyzer replacements for the CT-3 turbine must be operated to complete the certification testing requirements. There is no way to avoid collection of uncertified data during the intervening period between analyzer replacements and successful completion of all recertification requirements.

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.

This could lead to CT-3's CEMS failing to meet performance specifications of the permit, District Rules and federal regulations in the future. As compliance with all permit conditions is required to operate the unit, the ability of PEC to meet grid demand and contractual obligations could be at risk. In addition to failure to meet contract obligations, corrective actions associated with a failed RATA could approach over \$100K.

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

PEC became aware of the need for a variance when gathering the information for acquiring new replacements analyzers.

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

CT-3 is currently in compliance with all applicable monitoring requirements contained in the facility's Permits to Operate and those required pursuant to 40 CFR Parts 60 and 75. The replacement analyzers are stored away and will not be installed until the APCD grants approval of a short term variance.

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

The certification testing criteria require that CT-3 is on-line combusting fuel during testing. Therefore, non-operation is not an option; CT-3 must be on-line. In addition, curtailment is not feasible as PEC is contractually bound to meet dispatch instructions and source tests must be conducted at full load.

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	<i>Excess emissions are those that are in excess of the rules or permit conditions or otherwise lawfully allowed</i>	Total Estimated Excess Emissions
VOC	2.0 ppm @ 15% O ₂ , 2.67 lb/hr	Less than permit limit		None
NO _x	2.5ppm @15%O ₂ , 8.03lb/hr	Less than permit limit		None
CO	6.0ppm @15%O ₂ , 11.81lb/hr	Less than permit limit		None
SO _x	2.51 lb/hr	Less than permit limit		None
PM ₁₀	6.00 lb/hr	Less than permit limit		None
PM _{2.5}	Not Applicable	Not Applicable		None

Highest Opacity level anticipated: N/A %

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

As referenced above, excess emissions are not anticipated as a result of this proposed analyzer replacement project.

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)

As stated above, excess emissions are not anticipated as a result of this proposed analyzer replacements project.

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.

As stated above, the CEMS data will be used to demonstrate compliance with the permitted emission limits. The CEMS will undergo a probationary calibration upon startup, and daily calibrations of the unit will occur until all the certification testing is completed.

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.

During the interim period between installation of the new analyzers and passage of RATA meeting both Part 60 and Part 75 acceptance criteria, the data generated by the CEMS will be considered uncertified. Return to compliance will occur with passage of all certification tests, that meet both Part 60 and Part 75 acceptance criteria, and is anticipated to the week of November 30th, 2026.

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: 11/09/2026 End variance: 02/07/2027

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

By the date all certification testing is complete.

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.

Ayanna Alweine, Preet Bath

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

Date: July 22, 2026

*Signature: Robin Shropshire

Digitally signed by Robin Shropshire
Date: 2026.07.22 12:56:17 -06'00'

Title: Authorized Signatory

Print Name: Robin Shropshire

**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
(209) 557-6440

Central Region Office
(559) 230-5950

Southern Region Office
(661) 392-5540

You may hand deliver, mail, or email this petition to variance@valleyair.org