FILED
OCT 15 2026
HEARING BOARD
BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

October 15, 2026

John Marvin
Air Quality Program Manager, Compliance & Enforcement Division
Bay Area AQMD
375 Beale Street, Suite 600
San Francisco, CA 94105

Re: QTS Investment Properties Santa Clara, LLC
2805-2807 Mission College Blvd., Santa Clara, CA 95054
Request for Variance for Additional Generator Operating Hours
Plant ID 19010, Sources S2, S3, & S4

Dear Mr. Marvin,

Quality Investment Properties (QTS) respectfully submits the enclosed request to the Bay Area Air Quality Management District (BAAQMD) for a short variance from the Permit to Operate associated with source IDs S2, S3, and S4 for Plant 19010, to facilitate necessary maintenance on transformers. QTS engaged Environmental Resources Management (ERM) to assist them with this variance request to support the business-critical need to perform transformer maintenance supporting three generators: S2, S3, and S4. Transformer maintenance will require approximately 10 hours, with an additional six hours as contingency for this maintenance and testing, for a total of 16 hours of operation per generator. The current facility permit allows five hours of run time annually per generator for these generators.

The transformer maintenance will include replacement of the oil as the current oil is reaching end of life, and the installation of a sampling device that will allow QTS to perform necessary sampling and check oil quantity without needing to engage generator power in future instances. Installation of the sampling device will decrease lifetime emissions at the facility. The generators will need to be exercised to de-energize the transformers to perform this work safely, and to ensure the generators operate as intended following the maintenance work. Therefore, QTS requests a variance for operation of Generators S2, S3, and S4 for up to 16 hours per engine to perform the transformer maintenance and sampling device installation.

Failure to perform the transformer maintenance could potentially cause significant downtime in the event of a system failure. The failure of the transformers would cause a loss of functionality of the buildings' utility supplied power. The generators would then be required to operate until transformers could be replaced/repaired, which could result in a loss of electrical power to our customers, possibly create safety concerns, and pose significant harm to our business' function. Many of QTS's customers are hospitals, emergency service providers, financial institutions, and small businesses, all of whom rely on assured continued services during emergency situations. Transformer maintenance and sampling device installation will enhance the facility's ability to operate on utility supplied power reliably.

QTS appreciates BAAQMD's consideration of its variance request during this critical moment to support the transformer maintenance and sampling device installation, and is available to discuss further or answer any questions. Please do not hesitate to contact me at (682) 424-0256 or taylor.bell@q.com. Thank you for your attention to this matter.

Sincerely,

Taylor Bell
Senior Development Project Manager
Facilities Capital Projects

2805-2807 Mission College Blvd
Santa Clara, CA 95054

Attachment

INSTRUCTIONS FOR PETITION FOR VARIANCE

1. Assistance in filing out this form is available by contacting the Bay Area Air Quality Management District Compliance Office at 415-749-4999.
2. Please type or print legibly.
3. Refer to the BAAQMD Regulations to determine all applicable rules and regulations that apply to your variance petition.
4. Refer to the Hearing Board Rules for information on the different types of variances; what types of evidence may be presented to the Hearing Board; and how the hearing will be conducted.
5. The filing fee for variances can be found on Schedule A: Hearing Board Fees. Once the Clerk has assigned the Applicant a docket number, online credit card payments may be made at https://allpaid.com/plc/a005wq; or checks made out to "Bay Area Air Quality Management District" may be mailed to:

   Clerk of the Boards
   Bay Area Air Quality Management District
   375 Beale Street, Suite 600
   San Francisco, CA, 94105

6. Petition must be signed by the petitioner (applicant) or authorized agent. When the person signing if not the petitioner, petitioner should include a letter or notation indicating authority to sign.
7. Incomplete or unsigned petitions will not be accepted.

TYPES OF VARIANCES

For all legal requirements for the granting of variances, please refer to California Health & Safety Code, Article 2, Sections 42350 *et seq.*

SHORT: If compliance with District rule(s) can be achieved in **90 days or less**, request a short variance. (Hearing will be held after required 10-day posting notice.)

REGULAR: If compliance with District rule(s) will take **more than 90 days**, request a regular variance. If the variance request will extend beyond one year, you **must** include a specific detailed schedule of increments of progress which will lead to final compliance. (Hearing will be held after required 30-day public notice.)

EMERGENCY: If non-compliance is the result of an unforeseen emergency, such as a sudden equipment breakdown, power failure, or accidental fire, you may request an emergency variance. You may request an *ex parte* emergency variance in addition to an emergency variance. An emergency variance cannot be granted for more than **30 days.** Petitioner must present facts in its Petition and/or at the hearing

to support a determination by the Hearing Board that **good cause** exists to hear a variance without notifying the public about the variance and providing the public with an opportunity to present evidence concerning the variance.(Hearing will be held as soon as possible during normal business hours after filing.)

INTERIM: If you require immediate relief (other than for emergencies) to cover the time until a short or regular variance hearing can be held, request an interim variance. An interim variance cannot extend beyond **90 days**. If you request an interim variance, you must also request a short or regular variance on the same Petition. Petitioner must present facts, in its Petition and/or at the hearing, too support a determination by the Hearing Board that **good cause** exists to hear a variance without notifying the public about the variance and providing the public with an opportunity to present evidence concerning the variance. (Hearing will be held as soon as possible after filing based on the Hearing Board's calendar.)

GROUP: If there are multiple petitioners who are seeking variances based on common issues of law and fact, they may file for a group variance. The Bay Area AQMD General Counsel's Office should be consulted prior to filing for a group variance. The Petition must be accompanied by written declarations, signed under penalty of perjury, from each member of the group setting forth sufficient evidence to support the findings for a variance. No person will be included in the group without the submission of the declaration. Counsel for the APCO must stipulate to the admissibility of each declaration. Emergency relief is not available for a group variance. (Hearing will be held after notice requirements for either a short or regular variance are met, depending on the time requested.)

PRODUCT: If you are a manufacturer whose product does not comply with District regulations, you may request variance coverage for the sale, purchase and use of that particular product. Consult the H&S Code Sections 42365 *et seq.* for additional requirements that attach to a product variance. (Hearing will be held after notice requirements for either a short or regular variance are met, depending on the time requested.)

PETITION FOR VARIANCE

BEFORE THE HEARING BOARD OF THE

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

PETITIONER

Name: Quality Investment Properties Santa Clara, LLC

Check One: ___Sole Proprietor ___Partnership _X_Corporation

___Government ___Non-Profit (specify)_____

Mailing Address: 2807 Mission College Blvd. Santa Clara, CA 95054

Phone number: (682) 424-0256

Email Address: taylor.bell@q.com

Name, title, and phone number of person(s) authorized to receive notices (no more than two):

Taylor Bell, Senior Development Project Manager – Facilities Capital Projects, (682) 424-0256

_____

Briefly describe the type of business or organization/agency activity:

Data center facility authorized to operate emergency generators.

Are you a Small Business as defined in Health and Safety Code Section 42352.5(b)?

___Yes _X_No

Are you a public agency providing an “essential public service” as defined in Health and Safety Code Section 42352?

___Yes _X_No

VARIANCE REQUEST

Type of Variance Requested:

If you are selecting Interim Variance, you must also select a Short or Regular Variance to follow.

___Interim __X_Short __Regular ___Emergency ___Product ___Group

Good Cause: (Required only for Emergency and Interim Variances Explain why this Petition was not filed in sufficient time to issue the required public notice.)

OPERATION

Briefly describe the type of equipment or process that is the subject of this variance petition, and why it is necessary to your operation. Attach copies of the Permit(s) to Construct and/or Permit(s) to Operate for the subject equipment. For 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:

Transformers require maintenance, specifically the oil needs to be replaced. For this to occur, generator power will be required which cannot be provided by a temporary generator. To limit future need to use onsite generator power for oil sampling, a sampling device will be installed in conjunction with the necessary maintenance. Operational time for each of the generators during the transformer maintenance is expected to be 10 hours, with an additional six hours as contingency, for a total of an anticipated 16 hours of generator operation, per generator.

REGULATORY REQUIREMENTS

List all District Regulations, rules, and permit conditions that are the subject of this variance request. Identify all applicable subsections:

Plant ID 19010 Permit to Operate Condition #22805 as it applies to S2, S3, S4.

1. *Operating for reliability-related activities is limited to 5 hours per year per engine [Basis: "Regulation 2-5].*

INFORMATION FOR VARIANCE FINDINGS

Is there a regular maintenance and/or inspection schedule for this equipment?

_X_Yes ___No

If yes, how often: Once per month

Date of last maintenance and/or inspection: 9/23/2024

Was there any indication of problems with the subject equipment?

___Yes _X_No

Were you issued any Notice(s) of Violation or Notice(s) to Comply concerning the equipment or activity that are the subject of this variance request within the past year?

___Yes _X_No

If yes, attach a copy of each notice.

Have you received any complaints from the public regarding the operation of the subject equipment or activity within the last six months?

___Yes _X_No

If yes, be prepared to present detailed testimony about the nature of these complaints at the hearing.

Has this matter been the subject of previous variance requests?

No

If yes, provide date of hearing, type of variance, and Hearing Board decision:

Explain why it is beyond your reasonable control to comply with the regulations and permit conditions that will be the subject of this variance:

The current facility permit allows for five (5) hours of runtime annually for the S2, S3, and S4 generators. However, in order to safely and properly perform transformer maintenance and installation of the sampling device, additional hours of operation will be required. Therefore, a variance is required in order to perform these tasks.

If you are seeking a product variance, briefly describe how you attempted to locate, research, or develop a product that is in compliance with District rules and regulations:

N/A

When and how did you first become aware that you are not (or will not be) in compliance with the regulations, rules and/or permit conditions?

Periodic testing and maintenance are part of standard operating procedures for oil-filled transformers. The transformers were identified in June 2025 as requiring inhibitor treatment and oil top-off by the end of 2026. It was determined that the sampling device also be installed to limit future need to operate the generators in order to sample the transformer oil and determine the quantity of oil remaining.

List the date(s) and action(s) you have taken since that time to achieve compliance:

The QTS team reviewed the permit conditions that would be impacted by the need for transformer maintenance and sampling device installation before engaging with ERM earlier in November 2025. QTS then investigated internal testing and maintenance needs related to these tasks to verify if the work could be completed within current permit limits. The team is now escalating to BAAQMD upon confirmation that the permit limits would be exceeded with the planned projects with this variance request.

What would be the harm to your business, agency or organization if the variance is not granted?

Economic losses See Below

Number of employees laid off, if any: N/A

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

The failure of the transformers would cause a loss of functionality of the buildings' utility suppled power. The generators would then be required to operate until the transformers could be replaced/repaired, which could result in a loss of electrical power to our customers, possibly create safety concerns, and pose significant harm to our business' function. Many of QTS's customers are hospitals, emergency service providers, financials institutions, and small businesses, all of whom rely on assured continued services during emergency situations. Transformer maintenance and sampling device installation will enhance the facility's ability to operate on utility supplied power reliably.

Can you curtail or terminate any operations in lieu of seeking a variance?

___Yes (provide brief explanation)

_X_No

Will any emissions occurring during the variance period result in odor, dust or smoke?

No.

If yes, identify the type and amount of these emissions; what you can do to monitor and mitigate those emissions; and, the likely impact on the surrounding community.

Will any emissions occurring during the variance period result in excess opacity (total opacity above __%)? (Check on percentage opacity considered "excess")

No.

If yes, identify the type and amount of these emissions; the likely duration of the excess opacity during the variance period; and, what you can do to monitor and mitigate those emissions.

Estimate all other excess emissions that will occur on a daily basis during the variance period. Excess emissions are those that exceed rule and permit condition limits.

QTS estimates approximately 16 hours of run time at a maximum of 50% load per generator – across two days, with the daily maximum operation expected to be 10 hours. Table 1 below provides the daily maximum emissions for one generator and for all generators. Based on the short duration of the project, additional mitigation efforts outside of minimizing run time for testing have not been pursued.

Table 1 – Maximum Daily Emissions:

Pollutant	Maximum Daily Individual Generator Excess Emissions (lb/day)	Maximum Daily Excess Emissions All Generators (lb/day)
NO_X	222.00	666.00
CO	50.88	152.63
VOC	6.52	19.56
$PM_{2.5}/PM_{10}$	6.48	19.43
DPM	6.48	19.43
SO_2	0.11	0.34

Show calculations used to estimate quantities of excess emissions or explain why there will be no excess emissions:

Calculations were completed, assuming emissions from a daily maximum of 10 hours of generator operation at 50% load for transformer maintenance and sampling device installation. This work is assumed to span over two days, for a total of 16 hours, per generator. Emissions by day are listed above in Table 1, and total project emissions are provided in Table 2 below.

Table 2 – Maximum Variance Total Emissions:

Pollutant	Maximum Excess Emissions, Per Generator (lb)	Maximum Excess Emissions, All Generators (lb)
NO_X	355.20	1,065.60
CO	81.40	244.20
VOC	10.43	31.30
$PM_{2.5}/PM_{10}$	10.36	31.08
DPM	10.36	31.08
SO_2	0.18	0.54

Briefly describe the measures that will be taken to mitigate excess emissions to the maximum extent feasible during the variance period, or explain why mitigation measures are not feasible:

QTS will minimize the number of hours of testing and maintenance required for the transformer maintenance and sampling device installation. Further mitigation efforts are not economically feasible based on the short duration of the project.

How do you plan to monitor or quantify emissions levels from the equipment or operations during the variance period?

By tracking load and operating hours for each run required during transformer maintenance and sampling device installation for each emergency generator.

Will you provide information regarding emissions during the variance period in a manner and frequency as requested by the District?

_X_Yes ___No

COMPLIANCE

How do you intend to achieve compliance with the regulations and permit conditions that are the subject of the variance? Briefly describe any necessary process changes; equipment to be installed; or modifications to equipment or your facility. Identify whether authority to construct or a permit amendment will be necessary. Include dates by which you estimate actions will be completed and an estimate of total costs.

Equipment changes include only the sampling device being installed. No additional changes to the process or equipment will be made. Neither an authority to construct nor a permit amendment will be necessary. These changes will be completed November 2026 through January 2027 pending agency approval. QTS will operate in compliance immediately following the project end date and will continue to minimize annual hours of operation according to permit conditions.

List any operating conditions or increments of progress, if any, that you propose to include in the variance order. If the variance is to extend beyond one year, you must propose increments of progress:

Variance will be completed by 12/31/2026, and no increments of progress are expected.

State the date you are requesting the variance to begin: Anticipated for November 2026 through January 2027.

State the date on which you will achieve final compliance: TBD

List the names of any District staff with whom you or any of your staff or representatives have had contact concerning this variance petition or any related Notice of Violation or Notice to Comply. Include name, title and phone number:

John Marvin, Air Quality Program Manager, Compliance & Enforcement Division,

(415) – 749-5190

If this Petition was completed by someone other than the petitioner, provide their name and title:

_____

The following verification must be signed by the owner, manager, director, or other responsible party of the plant, business, factory, agency or organization requesting the variance:

I, the undersigned, hereby declare under penalty of perjury, under the laws of the State of California, that I have read the foregoing Petition, including attachments, and that their contents are true and correct.

Dated: 10/15/2026, at (location) QTS Santa Clara.

Print name: Taylor Bell

Signature: Taylor Bell Digitally signed by Taylor Bell DN: C=US, E=taylor.bell@qts.com, O=QTS, CN=Taylor Bell Reason: I am approving this document Date: 2026.10.15 15:12:52-05'00'

Title: Senior Development Project Manager, Facilities Capital Projects