



BEFORE THE HEARING BOARD OF THE
BAY AREA AIR QUALITY MANAGEMENT AIR DISTRICT
STATE OF CALIFORNIA

AIR POLLUTION CONTROL OFFICER of the
BAY AREA AIR QUALITY MANAGEMENT AIR
DISTRICT
Complainant,
vs.
OLAM WEST COAST, INC.
Respondent.

Docket No. 3760

PETITION FOR
CONDITIONAL ORDER FOR
ABATEMENT

Pursuant to Sections 42451 and 42452 of the California Health & Safety Code, Complainant the Air Pollution Control Officer (APCO) of the Bay Area Air Quality Management Air District (Air District) requests that the Hearing Board issue a CONDITIONAL ORDER FOR ABATEMENT directed to Respondent Olam West Coast, Inc. (Respondent).

In support of this request, and upon information and belief, the APCO alleges as follows:

INTRODUCTION AND SUMMARY

- 1. Respondent operates an agricultural processing facility (hereinafter "Facility") at 1350 Pacheco Pass Highway in Gilroy, California.
2. Respondent operates six food dryers at the Facility on a seasonal basis from approximately April until November each year. The food dryers emit air pollutants, including nitrogen oxides (NOx) and carbon monoxide (CO), that the Air District regulates in order to protect air quality and public health.
3. The Air District authorized Respondent to install and start operating the food dryers in 2018, and imposed permit conditions limiting emissions from the food dryers to 22.8 tons per year of NOx and

1 53.5 tons per year of CO through rate-based concentration limitations and a facility-wide NOx emission
2 limitation.

3 4. After Respondent began operating the food dryers, emissions testing, indicated that the
4 estimates on which these permit conditions were based were significantly inaccurate. The testing indicated
5 that the food dryers could not meet the specified permit limits, and that they actually have the potential to
6 emit up to 56.7 tons per year of NOx and 182.6 tons per year of CO.

7 5. Respondent initially disputed the appropriate test methodology, which has significantly
8 delayed resolution of this issue. As such, Respondent has operated and is continuing to operate its food
9 dryers in violation of its NOx and CO permit conditions.

10 6. Respondent has now agreed to use the correct source test methodology and has committed
11 to seeking and obtaining revised permit conditions that will ensure that it operates in compliance with all
12 applicable air quality regulations. The APCO believes that increased NOx and CO limits may be allowable,
13 although it will need to evaluate Respondent's request for an increase in detail before approving any revised
14 emissions limits.

15 7. The APCO seeks an Order from this Hearing Board to ensure that Respondent will follow
16 through on its commitment to obtain a revised permit as expeditiously as possible to bring the food dryers
17 into compliance. Specifically, the APCO seeks an order establishing an appropriate deadline for Respondent
18 to obtain revised permit limits, along with interim milestones to ensure that Respondent makes diligent
19 progress towards final compliance – and that Respondent may not operate the food dryers in violation of its
20 current permit limits unless it complies with these requirements.

21 8. In light of the above, the APCO respectfully requests that the Hearing Board issue a
22 Conditional Order for Abatement requiring Respondent to cease and desist from operating its food dryers
23 in violation of its permit conditions, and of Regulation 2-1-307 (prohibiting operation in violation of permit
24 conditions),¹ unless Respondent complies with the terms and conditions contained in a Proposed Order that
25 the APCO will submit prior to the scheduled hearing.

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27
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¹ All citations to regulations are to the Regulations of the Air District, which are available at www.baaqmd.gov/en/rules-and-compliance/current-rules.

1 **THE PARTIES**

2 **Petitioner**

3 9. The Air District is the governmental agency charged with the primary responsibility for
4 controlling air pollution from stationary sources, for enforcing laws relating to air pollution, and for
5 maintaining healthy air quality in the San Francisco Bay Area. The Air District is organized pursuant to
6 Division 26, Part 3, Chapter 4 of the California Health & Safety (Health & Saf.) Code.

7 10. The Air District has established a permit system as authorized by the Health and Safety Code
8 to ensure that operating certain equipment will neither prevent nor interfere with the attainment or
9 maintenance of any applicable air quality standard. (Health & Saf. Code, §42301(a); see generally, Health &
10 Saf. Code, §§42300 et seq.; Regulation 2-1.) The APCO may impose conditions on any permit that the APCO
11 deems reasonably necessary to ensure compliance with federal, state, or Air District requirements.
12 (Regulation 2-1-403.)

13 11. The APCO is appointed by the Bay Area Air Quality Management Air District Board of
14 Directors to enforce the Air District’s rules and regulations, including its permit system. (Health & Saf. Code,
15 § 40750 *et seq.*) The APCO is authorized to seek an order for abatement from the Air District’s Hearing Board
16 to stop a person from operating equipment in violation of the terms and conditions of a valid Air District
17 permit, which is a violation of Regulation 2-1-307. (Health & Saf. Code, §42451(a); Hearing Board Rules,
18 Bay Area Air Quality Management Air District, §10.1 (July 30, 2024).)

19 **Respondent**

20 12. Respondent Olam West Coast, Inc. is a corporation subject to the jurisdiction of the Air
21 District. Respondent operates the Facility, a food drying operation, at 1350 Pacheco Pass Highway in Gilroy,
22 California.

23 **RELEVANT REGULATIONS**

24 13. Pursuant to Regulation 2, Rule 1, the Air District regulates emissions from facilities such as
25 Respondent’s by requiring the owner/operator to obtain a permit, and to comply with permit conditions
26 necessary to minimize emissions.

27 14. Regulation 2-1-301 requires the owner/operator to obtain an Authority to Construct before
28 installing its equipment. The Air District issues the Authority to Construct based on estimates of the amount

1 of emissions the equipment will emit.

2 15. The Air District imposes permit conditions in the Authority to Construct based on (inter alia)
3 the requirements of the District’s “New Source Review” permitting program, which are set forth in
4 Regulation 2, Rule 2. The New Source Review permitting requirements including a requirement that the
5 applicant use the “Best Available Control Technology” to limit emissions (*see* Reg. 2-2-301), and to provide
6 “offsets” for certain pollutants – which are emission reduction credits generated by the shutdown of other
7 emissions sources – to ensure that there is no net increase in emissions of those pollutants regionwide.

8 16. Obtaining an Authority to Construct under Regulation 2-1-301 authorizes the applicant to
9 install and begin operating the equipment, subject to the permit conditions established in the Authority to
10 Construct. The applicant then needs to demonstrate that it has installed and is operating the equipment in
11 compliance with all applicable permit conditions. Upon confirmation that the equipment complies, the
12 APCO issues a Permit to Operate to authorize ongoing operation.² The Permit to Operate is then renewed
13 annually thereafter.

14 17. Operating equipment in violation of any condition set forth in an Authority to Construct or
15 Permit to Operate is a violation of Regulation 2-1-307.

16 18. When the Air District issues permits under these regulations, it must also be sure to comply
17 with applicable environmental review requirements of the California Environmental Quality Act (“CEQA”).

18 **POTENTIAL FOR PUBLIC HEALTH IMPACTS IF RESPONDENT FAILS TO**
19 **COMPLY WITH AIR DISTRICT REGULATORY REQUIREMENTS**

20 19. Respondent’s food dryers emit multiple regulated air pollutants including NO_x and CO.

21 20. NO_x is one of the six pollutants commonly known as criteria air pollutants, for which air
22 quality standards have been established pursuant to the federal Clean Air Act and analogous California laws.
23 NO_x emissions impact local and regional air quality and contribute to the formation of ozone and fine
24 particulate matter, or PM_{2.5}. Exposure to NO_x has been linked to coughing, wheezing, difficulty breathing,

25 _____
26 ² An Authority to Construct authorizes initial operation of the source during the start-up period. Reg. 2-1-411. The start-up
27 period is the period of time between initial operation and the issuance or denial of a permit to operate. Reg. 2-1-210. All
28 conditions in the Authority to Construct are in effect during the startup period. Reg. 2-1-411. The purpose of the startup period
is to evaluate the equipment as installed and determine whether it is operating in compliance with all applicable permit
conditions. If the APCO determines that the equipment is complying with all applicable permit conditions, it issues a Permit to
Operate authorizing ongoing operation; if the APCO determined that it is not complying, it denies the Permit to Operate. Reg.
2-1-305.

1 asthma, and increased susceptibility to respiratory infections.

2 21. CO is another type of criteria air pollutant for which federal and state standards have been
3 established. CO is harmful because it binds to hemoglobin in the blood, reducing the blood's ability to carry
4 oxygen. This interferes with oxygen delivery to the body's organs. The most common effects of CO exposure
5 are fatigue, headaches, confusion, and dizziness due to inadequate oxygen delivery to the brain. For people
6 with cardiovascular disease, short-term CO exposure can further reduce their body's already compromised
7 ability to respond to the increased oxygen demands of exercise, exertion, or stress. Inadequate oxygen
8 delivery to the heart muscle leads to chest pain and decreased exercise tolerance. Children born to mothers
9 who experience high levels of CO exposure during pregnancy are at risk of adverse developmental effects.

10 22. Particulate matter is also a criteria air pollutant, for which federal and state standards have
11 been established. The levels of particulate matter in the ambient air in the San Francisco Bay Area are
12 currently in violation of several health-based state and federal air quality standards. Specifically, for PM_{2.5}
13 (fine particulate matter smaller than 2.5 microns across), the Bay Area is in violation of the state standard,
14 which applies to PM_{2.5} concentrations measured over a one-year period, and the federal short-term standard,
15 which applies to PM_{2.5} concentrations measured over a 24-hour period.

16 23. Breathing elevated levels of particulate matter in excess of the federal and state standards
17 causes serious public health problems. Epidemiological studies have demonstrated that inhalation of
18 particulate matter leads to increased respiratory irritation, decreased lung function, aggravated asthma, the
19 development of bronchitis, irregular heartbeats, and premature death in people with heart or lung disease. In
20 addition, particulate matter has harmful effects on the environment as well. Studies have shown that
21 particulate matter reduces visibility in the form of haze, and that it can stain and corrode stone and other
22 materials. Furthermore, particulate matter can be carried long distances by wind and settle on ground or in
23 water, leading to acidic lakes and streams that may damage ecosystems.

24 24. Olam's Facility is located in Gilroy, California, a historically overburdened and disadvantaged
25 community.

26 25. CalEnviroScreen, a mapping tool that helps identify California communities that are most
27 affected by many sources of pollution, identifies Gilroy as having an overall score at or above the 70th
28 percentile, meaning that it suffers from a pollution burden than over 70% of all California communities. This

1 disproportionate pollution burden means that it is an “overburdened community” as defined in Regulation
2 2-1-243.

3 26. Given the disproportionate pollution burden in this area, it is especially important that
4 sources of air pollution obtain proper permits that will allow the Air District to ensure that they are operating
5 in compliance with all applicable emissions limitations and related regulatory requirements.

6 **RESPONDENT’S ONGOING NON-COMPLIANCE AND**
7 **NEED FOR AN ABATEMENT ORDER**

8 27. Respondent’s operation includes eight food dryers, four curing sheds, an onion toast dryer, a
9 dry trash collection system, an onion milling system, two flake mills, a powder mill, eighteen garlic mills, four
10 hammer mills, fourteen garlic screeners, a destoner, a garlic flake hopper, seven garlic packout stations, a
11 garlic powder package line, an emergency fire pump, and three boilers.

12 28. This Petition concerns six of the food dryers, designated as sources S-3, S-4, S-7, S-8, S-9,
13 and S-10. These six dryers operate seasonally from approximately April to November each year. When
14 operating, the units typically operate twenty-four hours per day.

15 29. Respondent applied for an Authority to Construct and Permit to Operate for the six food
16 dryers in 2018. Respondent’s permit application stated that the six dryers combined would have the potential
17 to emit up to 53.5 tons per year of CO and 22.8 tons per year of NOx.

18 30. At that time the City of Gilroy conducted review of the proposed operations under California
19 Environmental Quality Act (CEQA) and issued a Mitigated Negative Declaration on December 22, 2017.
20 The City’s environmental review was based on these emissions estimates of up to 53.5 tons per year of CO
21 and 22.8 tons per year of NOx from the 6 modified food dryers.

22 31. The Air District issued an Authority to Construct to Respondent for the six food dryers in
23 February of 2018. The Authority to Construct imposed permit conditions limiting emissions from the food
24 dryers to the 53.5 tons per year of CO and 22.8 tons per year of NOx that Respondent had estimated in its
25 application through rate-based CO and NOx concentration limitations and an annual facility-wide NOx
26 limitation of 34.0 tons per year that were incorporated into the Authority to Construct. The Air District relied
27 on the City of Gilroy’s environmental analysis – including the assumption of CO and NOx emissions within
28 these limits – to comply with CEQA in connection with issuance of the Authority to Construct.

1 32. The Authority to Construct also required Respondent to conduct emissions testing within
2 sixty days of start-up to demonstrate that the food dryers comply with the permit limits. Respondent
3 conducted testing as follows:

- 4 a. Respondent started up two of the dryers (units S-7 and S-8) on May 14, 2018, and
5 conducted emissions testing on June 7, 2018.
- 6 b. Respondent started up the other four dryers (units S-3, S-4, S-9, and S-10) on May 17,
7 2019, and conducted emissions testing on October 4, 2019.
- 8 c. Respondent conducted two more emissions tests on units S-3, S-4, S-9, and S-10 in 2020
9 and 2021.

10 33. Respondent used EPA Method 19 as the source test methodology for calculating mass
11 emissions; however, EPA Method 19 is not the correct methodology for the units at issue. The food dryers
12 are designed and operated in a manner that allows a significant percentage of ambient air to enter the stack,
13 diluting the NO_x and CO concentration measurements. Using EPA Method 19 does not account for this
14 influx of ambient air, so mass emissions calculations are incorrect. EPA Method 2F is the correct method
15 for the food dryers because the mass emissions are calculated using the measured exhaust volumetric flow
16 rate and concentration measurements from source test data.

17 34. Based on EPA Method 2F, the test results show that the six units significantly exceeded the
18 emissions limit for NO_x and CO. As noted, violating these emissions limits in the permit conditions is a
19 violation of Regulation 2-1-307.

20 35. In addition, since the dryers did not meet the terms and conditions in the Authority to
21 Construct, the APCO could not issue Respondent a Permit to Operate.

22 36. On April 26, 2023, Respondent sent a letter to the Air District contending that EPA Method
23 19 is the correct method for this Facility because these food dryers are similar to food dryers Respondent
24 operated at a different facility outside of the Bay Area and EPA Method 19 was used for that project. On
25 February 16, 2024, the Air District responded explaining why EPA Method 2F is the correct methodology
26 to ensure accurate emissions calculations. On May 3, 2024, Respondent again challenged the methodology
27 in a letter to the Air District. Finally, the Parties came to an agreement to use EPA Method 2F in a conference
28 call on August 15, 2024, as confirmed in an email from the Air District to Respondent.

1 37. Based on a review of the test results in 2023, the Air District determined that the six dryers
2 actually have the potential to emit up to 182.6 tons per year of CO and 56.7 tons per year of NOx.

3 38. The APCO believes that the dryers may comply with applicable regulatory requirements at
4 these elevated CO and NOx emissions levels. It may therefore be possible for Respondent to come into
5 compliance by applying for and obtaining revised permit conditions corresponding to the equipment’s actual
6 potential to emit CO and NOx – although it is not possible to say for certain unless Respondent submits an
7 application and Air District staff evaluate it.

8 39. Moreover, even if the equipment complies at the higher emissions levels, Respondent will be
9 required to provide additional emission reduction credits to offset the higher emissions pursuant to the Air
10 District’s “offsets” requirements. The Air District will also be required to review the CEQA environmental
11 evaluation that was conducted for the equipment in light of the increased emissions levels.

12 40. It will take some time to complete these analyses and make a final determination on whether
13 the increased permit limits are allowable. The APCO therefore seeks an order from the Hearing Board that
14 will require Respondent to come into compliance, but that will provide for the time necessary to do so by
15 submitting a permit application to provide Air District staff with the information necessary to evaluate
16 increased emissions limits and (assuming the dryers will comply at those higher emissions levels) issue revised
17 permit conditions. The order should also include requirements to ensure Respondent stays on track to
18 complete the permit application and review process, including a deadline for submitting a complete and
19 accurate application for revised permit conditions, a requirement to respond promptly to any questions from
20 Air District staff or requests for additional information, and a deadline to obtain a final determination on the
21 application.

22 41. Finally, the order should also provide that, if the dryers will not comply at the higher
23 emissions levels and Respondent’s request for the increased permit limits denied, that Respondent must
24 remain within the current permit conditions related to CO and NOx (or other limits specified in any revised
25 permit conditions that are issued).

26 42. Based on the above, a Conditional Order for Abatement is necessary to compel Respondent
27 to come into compliance as expeditiously as is reasonably possible, either by obtaining increased emissions
28 limits in its permit conditions or, if the increased emissions will not comply with applicable regulations, by

1 reducing its emissions to permitted levels.

2 **THE HEARING BOARD HAS JURISDICTION TO ISSUE A**
3 **CONDITIONAL ORDER FOR ABATEMENT**

4 43. The Hearing Board may, after notice and a hearing, issue an order for abatement against a
5 person when it finds that the person is operating any equipment or other contrivance in violation of an Air
6 District rule or regulation. (Health & Saf. Code, § 42451(a).) The Hearing Board's order must require that
7 the person either refrain from a particular act or refrain from a particular act unless certain conditions are
8 met. (Health & Saf. Code, §42452.)

9 **GOOD CAUSE FOR CONDITIONAL ORDER OF ABATEMENT**

10 44. Respondent is operating the six food dryers (Sources S-3, S-4, S-7, S-8, S-9, and S10) in
11 violation of permit conditions 26683 and 26684 in its Authority to Construct and in violation of Regulation
12 2-1-307.

13 45. Respondent has been and will continue to be in violation of Regulation 2-1-307 as long as it
14 continues to operate the dryers in violation of the emissions limits in permit condition 26683 and 26684. To
15 ensure compliance as expeditiously as reasonably possible under the circumstances, the APCO is seeking a
16 Conditional Order For Abatement directing Respondent to cease operating the dryers in violation of
17 applicable permit limits by a date certain, to be established at the hearing based on the most expeditious time
18 period in which Respondent can reasonably apply for and obtain a decision on its request for increased
19 emissions limits. The APCO also submits that the order should include interim milestones and other
20 requirements to ensure that Respondent diligently pursues its requested permit condition revisions and
21 minimizes the potential for air pollution impacts while the permit review process is underway.

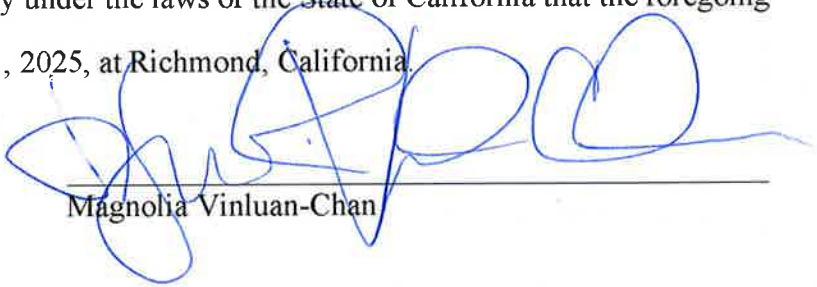
22 46. It would not be unreasonable to require Respondent to comply with these requirements.
23 Respondent obtains a significant economic benefit by operating the Facility. Companies with similar
24 operations throughout the Air District comply with the Air District's regulations, including requirements to
25 comply with permit conditions aimed at limiting NOx and CO emissions and impacts. It is not unreasonable
26 to expect Respondent to do the same.

27 47. The issuance of a Conditional Order for Abatement will not constitute a taking of property
28 without due process of law.

1 (BY OVERNIGHT DELIVERY) I placed said documents in envelope(s) for collection following ordinary
2 business practices, at the business offices of the Bay Area Air Quality Management District, and addressed as shown
3 on the attached service list, for collection and delivery to a courier authorized by FedEx to receive said documents,
4 with delivery fees provided for. I am readily familiar with the practices of the Bay Area Air Quality Management
5 District for collection and processing of documents for overnight delivery, and said envelope(s) will be deposited for
6 receipt by FedEx on said date in the ordinary course of business.

7 Legalinc Registered Agents, Inc.
8 Agent for Service of Process for
9 Olam West Coast, Inc.
10 500 N. Brand Blvd., Suite 890
11 Glendale, California 91203

12 I declare under penalty of perjury under the laws of the State of California that the foregoing
13 is true and correct. Executed on May 1, 2025, at Richmond, California.

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Magnolia Vinluan-Chan

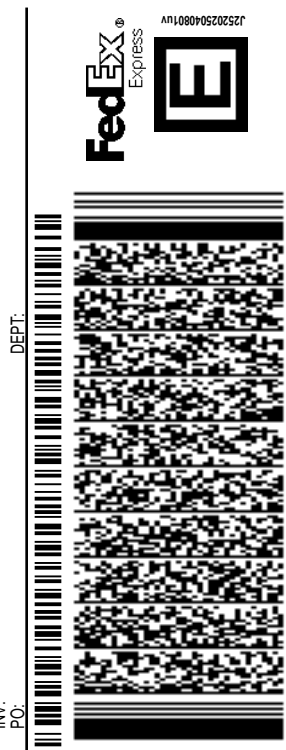
ORIGIN ID: JCCA (415) 749-5149
M. VINLIAN-CHAN
BAY AREA AIR QUALITY MGMT DIST
375 BEALE STREET, SUITE 600
LEGAL DIVISION
SAN FRANCISCO, CA 94105
UNITED STATES US

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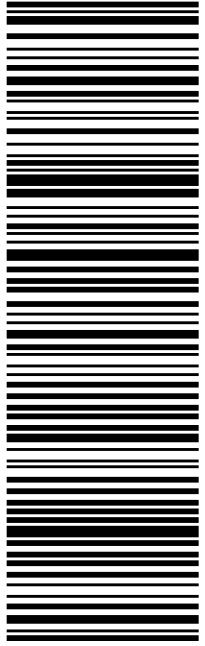
BILL SENDER

TO **LEGALINC REGISTERED AGENTS, INC.**
AGENT FOR SERVICE OF PROCESS
OLAM WEST COAST, INC.
500 N. BRAND, BLVD., STE 890
GLENDALE CA 91203
REF: (415) 749-5103

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1 BEFORE THE HEARING BOARD
2 OF THE
3 BAY AREA AIR QUALITY MANAGEMENT DISTRICT
4 STATE OF CALIFORNIA

4 AIR POLLUTION CONTROL OFFICER of
5 the BAY AREA AIR QUALITY
6 MANAGEMENT DISTRICT

Docket No.: 3760

NOTICE OF HEARING

6 Complainant,

7 vs.

8 OLAM WEST COAST, INC.

9 Respondents.



10 **TO: Air Pollution Control Officer of the Bay Area Air Quality Management District**

11 **AND**

12 **OLAM WEST COAST, INC.**

13
14 **YOU ARE HEREBY NOTIFIED** that a hearing will be held before the Hearing Board of the
15 Bay Area Air Quality Management District (“District”) at **375 Beale Street, 1st Floor Board**
16 **Room, San Francisco, California, 94105, at the hour of 9:30 A.M. on**

17 **TUESDAY, JULY 15, 2025**

18 upon the issues raised in the Petition for Conditional Order for Abatement, filed on April 30, 2025.

19 The Hearing Board members are required to attend in person, but the parties and members of the
20 public may participate in/observe the hearing through live webcasts of the hearings or via phone (669)
21 900-6833. Interested members of the public will be allowed an opportunity to testify on this matter.
22 The file may be reviewed by contacting the Clerk of the Boards, Marcy Hiratzka, at 415.749.5073,
23 or mhiratzka@baaqmd.gov. The hearing date and time may be changed without further published
24 notice. Those participating by phone who would like to make a comment can use the “raise hand”
25 feature by dialing “*9”. To receive the full Zoom experience, please make sure your application is up
26 to date. Individuals representing the parties will receive special links to the hearing at a later
27 date, if they wish to participate via Zoom.

28 You may be, but need not be, represented by counsel. You may present any relevant evidence

1 and will be given full opportunity to cross-examine all testifying witnesses. You are entitled to the
2 issuance of subpoenas to compel the attendance of witnesses and the production of books, documents,
3 and other things by applying to the Clerk of the Boards.

4 The proceedings of the hearing will be electronically recorded, copies of which will be made
5 available to the parties upon request and payment of records duplication fees. Should either party
6 desire the services of a court reporter, with the cost to be borne by the requesting party, please contact
7 the Clerk of the Boards as soon as possible and, in any event, no later than ten (10) days prior to the
8 date of the hearing.

9 **A request for a continuance of a scheduled matter must be received by the Clerk no less**
10 **than four (4) business days prior to the scheduled hearing. If the request is filed with less notice,**
11 **good cause must be shown why it could not have been filed four business days prior to the**
12 **hearing, pursuant to Hearing Board Rules § 15.13(c).**

13 The hearing will be conducted in accordance with the Hearing Board Rules to the extent
14 feasible, available via the District website at [http://www.baaqmd.gov/about-the-air-district/hearing-](http://www.baaqmd.gov/about-the-air-district/hearing-board/rulesforms)
15 [board/rulesforms](http://www.baaqmd.gov/about-the-air-district/hearing-board/rulesforms), or by contacting the Clerk of the Boards at 415.749.5073.

16
17 DATED: June 2, 2025



18 _____
19 Marcy Hiratzka
20 Clerk of the Boards

21 Facility Location:

22 1350 Pacheco Pass Highway, Gilroy, CA 95020 (Santa Clara County)
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1 BEFORE THE HEARING BOARD
2 OF THE
3 BAY AREA AIR QUALITY MANAGEMENT DISTRICT
4 STATE OF CALIFORNIA

4 AIR POLLUTION CONTROL OFFICER of)
5 the BAY AREA AIR QUALITY)
6 MANAGEMENT DISTRICT

Docket No.: 3760

CERTIFICATE OF SERVICE

6 Complainant,

7 vs.

8 OLAM WEST COAST, INC.

9 Respondents.



11 STATE OF CALIFORNIA)

ss.

12 City and County of San Francisco)

13 I, Marcy Hiratzka, do hereby certify under penalty of perjury as follows:

14 That I am a citizen of the United States, over the age of eighteen years and not a party to the
15 above-entitled action; that I served a true copy of the attached **Notice of Hearing** on:

16 Stephanie B. Sebor, Esq.
17 Jenner & Block LLP
18 353 North Clark Street
19 Chicago, IL, 60654-3456
20 ssebor@jenner.com

21 by depositing same via email and in the United States certified mail, return receipt requested,
22 on June 2, 2025 and on:

23 Carrie Schilling, Esq., Senior Assistant Counsel
24 Bay Area Air Quality Management District
25 cschilling@baaqmd.gov

26 via email June 2, 2025

27 DATED: June 2, 2025

28 Marcy Hiratzka
Clerk of the Boards

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FILED
JUL 10 2025
HEARING BOARD
BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

**BEFORE THE HEARING BOARD OF THE
BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

AIR POLLUTION CONTROL OFFICER of the BAY AREA AIR QUALITY MANAGEMENT DISTRICT)	DOCKET NO. 3760
)	STIPULATED CONDITIONAL ORDER FOR ABATEMENT (PROPOSED)
Complainant,)	
vs.)	
OLAM WEST COAST, INC.,)	
Respondent.)	

The Air Pollution Control Officer (APCO) of the Bay Area Air Quality Management District (Air District), the Complainant in this action, sought a CONDITIONAL ORDER FOR ABATEMENT from this Hearing Board against Olam West Coast, Inc. (Respondent), requiring Respondent to cease operating six food dryers at the Facility located at 1350 Pacheco Pass Highway in Gilroy, California in violation of applicable permit limits by a date certain unless Respondent timely applies for and obtains a decision on its request for increased emissions limits in accordance with Air District Regulation 2, Rule 1, and in the interim, operate in accordance with prescribed terms and conditions.

PROCEDURAL BACKGROUND AND HEARING

Procedural Background: Complainant’s Accusation

Complainant filed an accusation on April 30, 2025, initiating this matter against Respondent (Accusation). The Clerk of the Hearing Board set a public hearing for July 15, 2025. The Clerk of the Hearing Board provided notice of the hearing on the Accusation in accordance with the requirements

1 of Health and Safety Code section 40823. The parties stipulate to this Conditional Order for Abatement
2 and request that the Hearing Board enter the Order.

3 Public Hearing, July 15, 2025

4 The Hearing Board conducted a public hearing on July 15, 2025. Carrie Schilling
5 appeared on behalf of the Complainant. Stephanie Sebor appeared on behalf of the Respondent.

6 [FILL IN FACTS IF NECESSARY AFTER JULY 15TH HEARING]

7 **WRITTEN FINDINGS IN SUPPORT OF ITS DECISION**

8 Health and Safety Code Section 42451(a) provides that the Hearing Board may, upon a motion
9 from the APCO, issue an order for abatement where it finds that a person is operating equipment in
10 violation of an Air District permit. To that end, the Hearing Board finds as follows:

11 Respondent owns and operates an agricultural processing facility (Facility) at 1350 Pacheco
12 Pass Highway in Gilroy, California, Air District Facility Identification No. 20330. Respondent
13 operates six food dryers at the Facility on a seasonal basis from approximately April until November
14 each year. The food dryers emit air pollutants, including nitrogen oxides (NOx) and carbon monoxide
15 (CO), that the Air District regulates in order to protect air quality and public health. The Air District
16 authorized Respondent to install and start operating the food dryers in 2018, and imposed permit
17 conditions limiting emissions from the food dryers to 22.8 tons per year of NOx and 53.5 tons per year
18 of CO through rate-based concentration limitations and a facility-wide NOx emission limitation. After
19 Respondent began operating the food dryers, emissions testing indicated that the estimates on which
20 these permit conditions were based were significantly inaccurate. The testing indicated that the food
21 dryers actually emit up to 56.7 tons per year of NOx and 182.6 tons per year of CO. Respondent has
22 operated and is continuing to operate its food dryers in violation of its NOx and CO permit conditions.
23 Respondent agrees to use EPA Method 2F or Bay Area Air District-approved equivalent or alternative
24 method approved by the APCO in writing as the source test methodology and is seeking to obtain
25 revised permit conditions that will ensure that it operates in compliance with all applicable air quality
26 regulations.

27 In light of the above, the parties requested that the Hearing Board issue a Stipulated Conditional
28 Order for Abatement requiring Respondent to cease and desist from operating its food dryers in

1 violation of its permit conditions 26683 and 26684, and of Regulation 2-1-307 (prohibiting operation in
2 violation of permit conditions),¹ unless Respondent complies with the terms and conditions contained in
3 this Stipulated Conditional Abatement Order.

4 The Hearing Board has determined that based on these findings, it is appropriate to enter a
5 Stipulated Conditional Order for Abatement that prohibits Respondent from operating in violation of
6 the permit conditions in its current Authority to Construct unless Respondent complies with the terms
7 and conditions below, until it obtains a Permit to Operate with revised conditions, or for one (1) year
8 from the date the Hearing Board files its findings and decision in this action, whichever is sooner. By
9 no later than one (1) year from the date of the Hearing Board's decision, the Respondent must obtain an
10 Air District Permit to Operate the Facility under revised permit conditions that will ensure compliance
11 with all applicable air quality regulations, or the Facility must comply with all requirements in its
12 current Authority to Construct unless and until a revised permit to operate is obtained.

13 **STIPULATED CONDITIONAL ORDER FOR ABATEMENT**

14 **Cause being found therefore, pursuant to Sections 42451(a) and 42452 of the California**
15 **Health and Safety Code, THE HEARING BOARD of the BAY AREA AIR QUALITY**
16 **MANAGEMENT AIR DISTRICT hereby ORDERS:**

17 This Conditional Order for Abatement (Stipulated) is not intended to be, nor will it act as, a variance.

18 1. That as of ten (10) days after the filing of the written findings and decision of the Hearing Board of
19 the Bay Area Air Quality Management Air District (Effective Date), Respondent and its agents,
20 employees, successors and assigns shall cease operating the food dryers in violation of the
21 emission limits for NOx and CO contained in the current Authority to Construct unless
22 Respondent complies with all of the following terms and conditions until Respondent obtains a
23 Permit to Operate with revised conditions or one (1) year after the Effective Date, whichever is
24 sooner:

- 25 a. The owner/operator of S-3, S-4, S-7, S-8, S-9, and S-10 shall operate these sources on PUC
26 regulated natural gas fuel exclusively.

27 _____
28 ¹ All citations to regulations are to the Regulations of the Air District, which are available at www.baaqmd.gov/en/rules-and-compliance/current-rules.

- 1 b. The owner/operator shall not use more than 7,610,000 therms of natural gas at S-3, S-4, S-
2 7, S-8, S-9, and S-10 combined in any consecutive twelve-month period.
- 3 c. The owner/operator shall not operate S-3, S-4, S-7, S-8, S-9, and S-10 unless the emissions
4 from these sources do not exceed the following emission rates:
- 5 i. $\text{NO}_x = 0.149 \text{ lbs/MMBtu}$
- 6 ii. $\text{CO} = 0.480 \text{ lbs/MMBtu}$
- 7 d. The owner/operator shall comply with all applicable testing, sampling port location and
8 safe access requirements as specified in Volume IV of the Air District's Manual of
9 Procedures. The owner/operator shall notify the Air District's Source Test Section, in
10 writing, of the source test protocols, sampling port locations, layout, access and projected
11 test dates at least thirty (30) days prior to testing. The owner/operator shall use the
12 following test methods for each pollutant:
- 13 i. NO_x : EPA Method 7E or equivalent approved by the APCO for the Bay Area Air
14 District in writing;
- 15 ii. CO : EPA Method 10 or equivalent approved by the APCO for the Bay Area Air
16 District in writing;
- 17 iii. Stack Gas Flow: EPA Method 2F or equivalent or alternative method approved by
18 the APCO for the Bay Area Air District in writing.
- 19 e. Within one hundred and twenty (120) days of starting operation in 2025, the
20 owner/operator shall conduct an Air District approved source test of S-3, S-4, S-7, S-8, S-9,
21 and S-10 consistent with Part 4 above to verify that it complies with the emission rates in
22 Part 3 of this condition. All source test methods used shall be subject to the prior approval
23 of the Source Test Section of the Air District Technical Division. The owner/operator shall
24 notify the Manager of the Air District's Source Test Section at least seven (7) days prior to
25 the tests, to provide the Air District staff the option of observing the testing. Within sixty
26 (60) days of test completion, a comprehensive report of the test results shall be submitted to
27 the Manager of the Air District's Source Test Section for review and disposition.
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- f. To determine compliance with the above parts, the owner/operator shall maintain the following records:
 - i. Monthly natural gas usages;
 - ii. Records to demonstrate that the sources fire PUC regulated natural gas exclusively;
 - iii. Source test reports.
 - g. These records shall be kept for at least two (2) years and shall be made available to the Air District upon request.
2. That by no later than one (1) year after the Effective Date, Respondent and its agents, employees, successors and assigns shall cease and desist from operating its food dryers in violation of its permit conditions 26683 and 26684, and of Regulation 2-1-307, or obtain a Permit to Operate with revised permit conditions.
 3. That by no later than one (1) year from the Effective Date, Respondent and its agents, employees, successors and assigns shall submit to the Hearing Board either (a) a copy of a current and valid Air District Permit to Operate the Facility under revised permit conditions that will ensure compliance with all applicable air quality regulations, or (b) written affirmation executed by Respondent that it has ceased operating six food dryers in violation of the current Authority to Construct pursuant to Air District Regulation 2, Rule 1. Respondents shall serve a copy of the submission required by this Paragraph 3 on the APCO.
 4. That this Hearing Board shall retain jurisdiction over the order for abatement for two (2) years from July 15, 2025, i.e., the date of the public hearing in this matter, during which period the parties may apply to modify or terminate this Order in accordance with the Rules of the Hearing Board.

Moved By:

Seconded By:

Ayes:

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Noes:

Absent:

Valerie Armento, Esq., Chair

Date

So Stipulated:

Carrie Schilling

ALEXANDER G. CROCKETT, ESQ.
General Counsel
Carrie Schilling
Senior Assistant Counsel
Counsel for PHILIP M. FINE
Executive Officer/APCO
BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

07/11/2025

Date

Stephanie Sebor

Stephanie Sebor
Jenner and Block, LLP
Counsel for OLAM GILROY

07/11/25

Date

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FILED
JUL 21 2025
HEARING BOARD
BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

**BEFORE THE HEARING BOARD OF THE
BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

AIR POLLUTION CONTROL OFFICER of the BAY AREA AIR QUALITY MANAGEMENT DISTRICT)	DOCKET NO. 3760
)	STIPULATED CONDITIONAL ORDER FOR ABATEMENT
Complainant,)	
vs.)	
OLAM WEST COAST, INC.,)	
Respondent.)	

The Air Pollution Control Officer (APCO) of the Bay Area Air Quality Management District (Air District), the Complainant in this action, sought a CONDITIONAL ORDER FOR ABATEMENT from this Hearing Board against Olam West Coast, Inc. (Respondent), requiring Respondent to cease operating six food dryers at the Facility located at 1350 Pacheco Pass Highway in Gilroy, California in violation of applicable permit limits by a date certain unless Respondent timely applies for and obtains a decision on its request for increased emissions limits in accordance with Air District Regulation 2, Rule 1, and in the interim, operate in accordance with prescribed terms and conditions.

PROCEDURAL BACKGROUND AND HEARING

Procedural Background: Complainant's Accusation

Complainant filed an accusation on April 30, 2025, initiating this matter against Respondent (Accusation). The Clerk of the Hearing Board set a public hearing for July 15, 2025. The Clerk of the Hearing Board provided notice of the hearing on the Accusation in accordance with the requirements

1 of Health and Safety Code section 40823. The parties stipulate to this Conditional Order for Abatement
2 and request that the Hearing Board enter the Order.

3 Public Hearing, July 15, 2025

4 The Hearing Board conducted a public hearing on July 15, 2025. Carrie Schilling
5 appeared on behalf of the Complainant. Stephanie Sebor appeared on behalf of the Respondent.
6 Testimony was taken.

7 **WRITTEN FINDINGS IN SUPPORT OF ITS DECISION**

8 Health and Safety Code Section 42451(a) provides that the Hearing Board may, upon a motion
9 from the APCO, issue an order for abatement where it finds that a person is operating equipment in
10 violation of an Air District permit. To that end, the Hearing Board finds as follows:

11 Respondent owns and operates an agricultural processing facility (Facility) at 1350 Pacheco
12 Pass Highway in Gilroy, California, Air District Facility Identification No. 20330. Respondent
13 operates six food dryers at the Facility on a seasonal basis from approximately April until November
14 each year. The food dryers emit air pollutants, including nitrogen oxides (NOx) and carbon monoxide
15 (CO), that the Air District regulates in order to protect air quality and public health. The Air District
16 authorized Respondent to install and start operating the food dryers in 2018, and imposed permit
17 conditions limiting emissions from the food dryers to 22.8 tons per year of NOx and 53.5 tons per year
18 of CO through rate-based concentration limitations and a facility-wide NOx emission limitation. After
19 Respondent began operating the food dryers, emissions testing indicated that the estimates on which
20 these permit conditions were based were significantly inaccurate. The testing indicated that the food
21 dryers actually emit up to 56.7 tons per year of NOx and 182.6 tons per year of CO. Respondent has
22 operated and is continuing to operate its food dryers in violation of its NOx and CO permit conditions.
23 Respondent agrees to use EPA Method 2F or Bay Area Air District-approved equivalent or alternative
24 method approved by the APCO in writing as the source test methodology and is seeking to obtain
25 revised permit conditions that will ensure that it operates in compliance with all applicable air quality
26 regulations.

27 In light of the above, the parties requested that the Hearing Board issue a Stipulated Conditional
28 Order for Abatement requiring Respondent to cease and desist from operating its food dryers in

1 violation of its permit conditions 26683 and 26684, and of Regulation 2-1-307 (prohibiting operation in
2 violation of permit conditions),¹ unless Respondent complies with the terms and conditions contained in
3 this Stipulated Conditional Abatement Order.

4 The Hearing Board has determined that based on these findings, it is appropriate to enter a
5 Stipulated Conditional Order for Abatement that prohibits Respondent from operating in violation of
6 the permit conditions in its current Authority to Construct unless Respondent complies with the terms
7 and conditions below, until it obtains a Permit to Operate with revised conditions, or for one (1) year
8 from the date the Hearing Board files its findings and decision in this action, whichever is sooner. By
9 no later than one (1) year from the date of the Hearing Board's decision, the Respondent must obtain an
10 Air District Permit to Operate the Facility under revised permit conditions that will ensure compliance
11 with all applicable air quality regulations, or the Facility must comply with all requirements in its
12 current Authority to Construct unless and until a revised permit to operate is obtained.

13 **STIPULATED CONDITIONAL ORDER FOR ABATEMENT**

14 **Cause being found therefore, pursuant to Sections 42451(a) and 42452 of the California**
15 **Health and Safety Code, THE HEARING BOARD of the BAY AREA AIR QUALITY**
16 **MANAGEMENT AIR DISTRICT hereby ORDERS:**

17 This Conditional Order for Abatement (Stipulated) is not intended to be, nor will it act as, a variance.

18 1. That as of ten (10) days after the filing of the written findings and decision of the Hearing Board of
19 the Bay Area Air Quality Management Air District (Effective Date), Respondent and its agents,
20 employees, successors and assigns shall cease operating the food dryers in violation of the
21 emission limits for NOx and CO contained in the current Authority to Construct unless
22 Respondent complies with all of the following terms and conditions until Respondent obtains a
23 Permit to Operate with revised conditions or one (1) year after the Effective Date, whichever is
24 sooner:

- 25 a. The owner/operator of S-3, S-4, S-7, S-8, S-9, and S-10 shall operate these sources on PUC
26 regulated natural gas fuel exclusively.

27 _____
28 ¹ All citations to regulations are to the Regulations of the Air District, which are available at www.baaqmd.gov/cn/rules-and-compliance/current-rules.

- 1 b. The owner/operator shall not use more than 7,610,000 therms of natural gas at S-3, S-4, S-
2 7, S-8, S-9, and S-10 combined in any consecutive twelve-month period.
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8 safe access requirements as specified in Volume IV of the Air District's Manual of
9 Procedures. The owner/operator shall notify the Air District's Source Test Section, in
10 writing, of the source test protocols, sampling port locations, layout, access and projected
11 test dates at least thirty (30) days prior to testing. The owner/operator shall use the
12 following test methods for each pollutant:
- 13 i. NO_x : EPA Method 7E or equivalent approved by the APCO for the Bay Area Air
14 District in writing;
 - 15 ii. CO : EPA Method 10 or equivalent approved by the APCO for the Bay Area Air
16 District in writing;
 - 17 iii. Stack Gas Flow: EPA Method 2F or equivalent or alternative method approved by
18 the APCO for the Bay Area Air District in writing.
- 19 e. Within one hundred and twenty (120) days of starting operation in 2025, the
20 owner/operator shall conduct an Air District approved source test of S-3, S-4, S-7, S-8, S-9,
21 and S-10 consistent with Part 4 above to verify that it complies with the emission rates in
22 Part 3 of this condition. All source test methods used shall be subject to the prior approval
23 of the Source Test Section of the Air District Technical Division. The owner/operator shall
24 notify the Manager of the Air District's Source Test Section at least seven (7) days prior to
25 the tests, to provide the Air District staff the option of observing the testing. Within sixty
26 (60) days of test completion, a comprehensive report of the test results shall be submitted to
27 the Manager of the Air District's Source Test Section for review and disposition.
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- f. To determine compliance with the above parts, the owner/operator shall maintain the following records:
 - i. Monthly natural gas usages;
 - ii. Records to demonstrate that the sources fire PUC regulated natural gas exclusively;
 - iii. Source test reports.
 - g. These records shall be kept for at least two (2) years and shall be made available to the Air District upon request.
2. That by no later than one (1) year after the Effective Date, Respondent and its agents, employees, successors and assigns shall cease and desist from operating its food dryers in violation of its permit conditions 26683 and 26684, and of Regulation 2-1-307, or obtain a Permit to Operate with revised permit conditions.
 3. That by no later than one (1) year from the Effective Date, Respondent and its agents, employees, successors and assigns shall submit to the Hearing Board either (a) a copy of a current and valid Air District Permit to Operate the Facility under revised permit conditions that will ensure compliance with all applicable air quality regulations, or (b) written affirmation executed by Respondent that it has ceased operating six food dryers in violation of the current Authority to Construct pursuant to Air District Regulation 2, Rule 1. Respondents shall serve a copy of the submission required by this Paragraph 3 on the APCO.
 4. That this Hearing Board shall retain jurisdiction over the order for abatement for two (2) years from July 15, 2025, i.e., the date of the public hearing in this matter, during which period the parties may apply to modify or terminate this Order in accordance with the Rules of the Hearing Board.

Moved By: Dr. Peter Chiu, M.D., P.E.
Seconded By: Rajiv Dabir, P.E.
Ayes: Dr. Peter Chiu, M.D., P.E.; Rajiv Dabir, P.E.; Wayne Farrens; Barbara Toole O’Neil, MS, QEP, Ch.E., Vice Chair; and Valerie J. Armento, Esq., Chair
Noes: None
Absent: None

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Valerie J. Armento

July 16, 2025

Valerie J. Armento, Esq., Chair

Date

So Stipulated:

Carrie Schilling

16/07/25

ALEXANDER G. CROCKETT, ESQ.

Date

General Counsel

Carrie Schilling

Senior Assistant Counsel

Counsel for PHILIP M. FINE

Executive Officer/APCO

BAY AREA AIR QUALITY

MANAGEMENT DISTRICT

Stephanie Sebor

16/07/25

Stephanie Sebor

Date

Jenner and Block, LLP

Counsel for OLAM GILROY

1 BEFORE THE HEARING BOARD
2 OF THE
3 BAY AREA AIR QUALITY MANAGEMENT DISTRICT
STATE OF CALIFORNIA

4 AIR POLLUTION CONTROL OFFICER of)
the BAY AREA AIR QUALITY)
5 MANAGEMENT DISTRICT)

Docket No.: 3760

CERTIFICATE OF SERVICE

6 Complainant,

7 vs.

8 OLAM WEST COAST, INC.

9 Respondents.



10
11 STATE OF CALIFORNIA)
12 City and County of San Francisco)

ss.

13 I, Marcy Hiratzka, do hereby certify under penalty of perjury as follows:
14 That I am a citizen of the United States, over the age of eighteen years and not a party to the
15 above-entitled action; that I served a true copy of the attached **Stipulated Conditional Order
for Abatement** on:

16 Stephanie B. Sebor, Esq.
17 Jenner & Block LLP
353 North Clark Street
18 Chicago, IL, 60654-3456
ssebor@jenner.com

19
20 by depositing same via email and in the United States certified mail, return receipt requested,
21 on July 21, 2025 and on:

22 Carrie Schilling, Esq., Senior Assistant Counsel
23 Bay Area Air Quality Management District
cschilling@baaqmd.gov

24
25 via email July 21, 2025

26 DATED: July 21, 2025

27 
28 Marcy Hiratzka
Clerk of the Boards

**BEFORE THE HEARING BOARD OF THE
BAY AREA AIR QUALITY MANAGEMENT AIR DISTRICT
STATE OF CALIFORNIA**

FILED
JUN 17 2026
HEARING BOARD
BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

AIR POLLUTION CONTROL OFFICER of the)
BAY AREA AIR QUALITY MANAGEMENT AIR)
DISTRICT)

Docket No. 3760

Petitioner,

vs.

JOINT PETITION TO MODIFY)
STIPULATED CONDITIONAL ORDER)
OF ABATEMENT)

OLAM WEST COAST, INC.)

Respondent.)

Hearing Date: June 30, 2026

Time: 9:30 AM

Place: 375 Beale St., San Francisco, CA 94105

Respondent Olam West Coast, Inc. (Respondent) and Petitioner Air Pollution Control Officer (APCO) of the Bay Area Air Quality Management Air District (Air District) (collectively, the Parties and individually Party) hereby jointly ask the Hearing Board to modify Paragraphs 1 through 4 of its July 16, 2025 Order for Abatement directed to Respondent to revise the source test requirements and interim operating conditions, and extend certain deadlines accordingly, as allowed by Hearing Board Rule 10.13(b).

DISCUSSION

On July 16, 2025, the Hearing Board issued a Stipulated Conditional Order of Abatement that requires Respondent to, among other things, conduct an Air District approved source tests of six units. (Findings and Decision for a Stipulated Conditional Abatement Order, ¶ 1(e)). After the Hearing Board issued the Order, Respondent timely submitted a source test protocol, which the Air District approved, and then conducted source tests for the six dryers over six days from September 22, 2025 to September 27, 2025. Air District staff were on-site to observe the testing for dryer S-8 but were unable to attend the source tests for S-3, S-4, S-7, S-9, and S-10. Respondent submitted the source test results for all six dryers, and the Air District was able to validate and approve the source test results for dryers for S-7, S-8, S-9, and S-10. Those source tests demonstrate that those four units are operating in compliance with the emissions limits in the Order and Respondent's permit application. However, the Air District cannot validate the underlying source test data for S-3 and S-4 because certain measurements were outside the EPA acceptance criteria. Upon

1 further investigation, it was determined the configuration of the test port locations relative to stack length
2 and the location of obstructions for these two units makes it challenging to meet the test requirements.
3 Respondent will need to redo the source tests for S-3 and S-4 with the appropriate stack configurations.
4 Because stack testing will need to be repeated in future years to demonstrate ongoing compliance, the parties
5 agree that the best course is to reconfigure the stacks for these units. For efficiency, the parties agree to delay
6 the next stack tests until this permanent reconfiguration is complete. This project will likely require an
7 engineering analysis and construction that can only be conducted when the units are offline after the season
8 ends in October 2026. The parties jointly file this petition to modify to accommodate the timeline necessary
9 to complete the construction, redo the source tests for the remaining dryers, and allow the Air District to
10 issue a Permit to Operate for all six units.

11 The Hearing Board has the authority to modify its Order under Hearing Board rule 10.13(b), which
12 provides that:

13 The Respondent or APCO may file an application to modify the conditions of an order of
14 abatement, including the final compliance date. The Hearing Board may consider the
15 application at a regular hearing or on the Consent Calendar with 10 days public notice.

16 Therefore, the Parties respectfully request that, after public notice and a hearing, the Hearing Board grant
17 this petition by issuing an order as an addendum to the July 16 Order to amend the language in Paragraphs
18 1-4 of the Order pertaining to source test requirements, interim operating conditions, and certain deadlines,
19 consistent with the red-lined version of the Order attached as Exhibit A

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Respectfully submitted,

Dated:

By: Stephanie B. Sebor
Stephanie B. Sebor
Partner, Jenner & Block LLP
For Olam West Coast, Inc.

By: Carrie Schilling
Carrie Schilling
Senior Assistant Counsel, Bay Area Air District

Exhibit A

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FILED
JUL 21 2025
HEARING BOARD
BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

**BEFORE THE HEARING BOARD OF THE
BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

AIR POLLUTION CONTROL OFFICER of the)
BAY AREA AIR QUALITY MANAGEMENT)
DISTRICT)
Complainant,)
vs.)
OLAM WEST COAST, INC.,)
Respondent.)

DOCKET NO. 3760
STIPULATED CONDITIONAL
ORDER FOR ABATEMENT

17 The Air Pollution Control Officer (APCO) of the Bay Area Air Quality Management District (Air
18 District), the Complainant in this action, sought a CONDITIONAL ORDER FOR ABATEMENT from
19 this Hearing Board against Olam West Coast, Inc. (Respondent), requiring Respondent to cease
20 operating six food dryers at the Facility located at 1350 Pacheco Pass Highway in Gilroy, California in
21 violation of applicable permit limits by a date certain unless Respondent timely applies for and obtains a
22 decision on its request for increased emissions limits in accordance with Air District Regulation 2, Rule 1,
23 and in the interim, operate in accordance with prescribed terms and conditions.

PROCEDURAL BACKGROUND AND HEARING

Procedural Background: Complainant's Accusation

26 Complainant filed an accusation on April 30, 2025, initiating this matter against Respondent
27 (Accusation). The Clerk of the Hearing Board set a public hearing for July 15, 2025. The Clerk of
28 the Hearing Board provided notice of the hearing on the Accusation in accordance with the requirements

of Health and Safety Code section 40823. The parties stipulate to this Conditional Order for Abatement and request that the Hearing Board enter the Order.

Public Hearing, July 15, 2025

The Hearing Board conducted a public hearing on July 15, 2025. Carrie Schilling appeared on behalf of the Complainant. Stephanie Sebor appeared on behalf of the Respondent. Testimony was taken.

WRITTEN FINDINGS IN SUPPORT OF ITS DECISION

Health and Safety Code Section 42451(a) provides that the Hearing Board may, upon a motion from the APCO, issue an order for abatement where it finds that a person is operating equipment in violation of an Air District permit. To that end, the Hearing Board finds as follows:

Respondent owns and operates an agricultural processing facility (Facility) at 1350 Pacheco Pass Highway in Gilroy, California, Air District Facility Identification No. 20330. Respondent operates six food dryers at the Facility on a seasonal basis from approximately April until November each year. The food dryers emit air pollutants, including nitrogen oxides (NOx) and carbon monoxide (CO), that the Air District regulates in order to protect air quality and public health. The Air District authorized Respondent to install and start operating the food dryers in 2018, and imposed permit conditions limiting emissions from the food dryers to 22.8 tons per year of NOx and 53.5 tons per year of CO through rate-based concentration limitations and a facility-wide NOx emission limitation. After Respondent began operating the food dryers, emissions testing indicated that the estimates on which these permit conditions were based were significantly inaccurate. The testing indicated that the food dryers actually emit up to 56.7 tons per year of NOx and 182.6 tons per year of CO. Respondent has operated and is continuing to operate its food dryers in violation of its NOx and CO permit conditions. Respondent agrees to use EPA Method 2F or Bay Area Air District-approved equivalent or alternative method approved by the APCO in writing as the source test methodology and is seeking to obtain revised permit conditions that will ensure that it operates in compliance with all applicable air quality regulations.

In light of the above, the parties requested that the Hearing Board issue a Stipulated Conditional Order for Abatement requiring Respondent to cease and desist from operating its food dryers in

violation of its permit conditions 26683 and 26684, and of Regulation 2-1-307 (prohibiting operation in violation of permit conditions),¹ unless Respondent complies with the terms and conditions contained in this Stipulated Conditional Abatement Order.

The Hearing Board has determined that based on these findings, it is appropriate to enter a Stipulated Conditional Order for Abatement that prohibits Respondent from operating in violation of the permit conditions in its current Authority to Construct unless Respondent complies with the terms and conditions below, until it obtains a Permit to Operate with revised conditions, or for one (1) year from the date the Hearing Board files its findings and decision in this action, whichever is sooner. By no later than one (1) year from the date of the Hearing Board's decision, the Respondent must obtain an Air District Permit to Operate the Facility under revised permit conditions that will ensure compliance with all applicable air quality regulations, or the Facility must comply with all requirements in its current Authority to Construct unless and until a revised permit to operate is obtained.

STIPULATED CONDITIONAL ORDER FOR ABATEMENT

Cause being found therefore, pursuant to Sections 42451(a) and 42452 of the California Health and Safety Code, THE HEARING BOARD of the BAY AREA AIR QUALITY MANAGEMENT AIR DISTRICT hereby ORDERS:

This Conditional Order for Abatement (Stipulated) is not intended to be, nor will it act as, a variance.

1. That as of ten (10) days after the filing of the written findings and decision of the Hearing Board of the Bay Area Air Quality Management Air District (Effective Date), Respondent and its agents, employees, successors and assigns shall cease operating the food dryers in violation of the emission limits for NOx and CO contained in the current Authority to Construct unless Respondent complies with all of the following terms and conditions until Respondent obtains a Permit to Operate with revised conditions or ~~three~~ (43) year after the Effective Date, whichever is sooner:

a. The owner/operator of S-3, S-4, S-7, S-8, S-9, and S-10 shall operate these sources on PUC regulated natural gas fuel exclusively.

¹ All citations to regulations are to the Regulations of the Air District, which are available at www.baaqmd.gov/cn/rules-and-compliance/currem-rttc.

2 b. The owner/operator shall not use more than ~~7,610,000~~6,340,000 therms of natural gas at
S-3, S-4, S-7, S-8, S-9, and S-10 combined in any consecutive twelve-month period.

3 c. The owner/operator shall not operate S-3, S-4, S-7, S-8, S-9, and S-10 unless the emissions
4 from these sources do not exceed the following emission rates:

5 i. NOx = ~~0.149~~ 0.072 lbs/MM.Btu

6 ii. CO = 0.480 lbs/MMBtu

7 d. The owner/operator shall comply with all applicable testing, sampling port location and
safe access requirements as specified in Volume IV of the Air District's Manual of
9 Procedures. The owner/operator shall notify the Air District's Source Test Section, in
10 writing, of the source test protocols, sampling port locations, layout, access and projected
11 test dates at least thirty (30) days prior to testing. The owner/operator shall use the
following test methods for each pollutant:

13 i. NOx: EPA Method 7E or equivalent approved by the APCO for the Bay Area Air
14 District in writing;

15 ii. CO: EPA Method 10 or equivalent approved by the APCO for the Bay Area Air
16 District in writing;

17 m. Stack Gas Flow: EPA Method 2F or equivalent or alternative method approved by
18 the APCO for the Bay Area Air District in writing.

19 e. Within one hundred and twenty (120) days of starting operation in 2025~~2027~~, the
20 owner/operator shall conduct an Air District approved source test of S-3, and S-4, ~~S-7, S-8, S-~~
21 ~~9, and S-10~~ consistent with Part 4 above to verify that it complies with the emission rates in
22 Part 3 of this condition. All source test methods used shall be subject to the prior approval
23 of the Source Test Section of the Air District Technical Division. The owner/operator shall
24 notify the Manager of the Air District's Source Test Section at least seven (7) days prior to
25 the tests, to provide the Air District staff the option of observing the testing. Within sixty
26 (60) days of test completion, a comprehensive report of the test results shall be submitted to
27 the manager of the Air District's Source Test Division for review and disposition.

2 f. To determine compliance with the above parts, the owner/operator shall maintain the
3 following records:

- 4 i Monthly natural gas usages;
- 5 ii Records to demonstrate that the sources fire PUC regulated natural gas exclusively;
- 6 iii Source test reports.

7 g. These records shall be kept for at least two (2) years and shall be made available to the Air
8 District upon request.

9 2. That by no later than ~~one-three (13)~~ year after the Effective Date, Respondent and its agents,
10 employees,

11 successors and assigns shall cease and desist from operating its food dryers in violation of its
12 permit conditions 26683 and 26684, and of Regulation 2-1-307, or obtain a Permit to Operate with
13 revised permit conditions.

14 3. That by no later than ~~one-three (13)~~ year from the Effective Date, Respondent and its agents,
15 employees,

16 successors and assigns shall submit to the Hearing Board either (a) a copy of a current and valid
17 Air District Permit to Operate the Facility under revised permit conditions that will ensure
18 compliance with all applicable air quality regulations, or (b) written affirmation executed by
19 Respondent that it has ceased operating six food dryers in violation of the current Authority to
20 Construct pursuant to Air District Regulation 2, Rule 1. Respondents shall serve a copy of the
21 submission required by this Paragraph 3 on the APCO.

22 4. That this Hearing Board shall retain jurisdiction over the order for abatement for ~~three (3)~~ years
23 from ~~July 15, 2025~~ June 30, 2026, i.e., the date of the public hearing in this matter, during which
24 period the

25 parties may apply to modify or terminate this Order in accordance with the Rules of the Hearing
26 Board.

Moved By: Dr. Peter Chiu, M.D., P.E.

Seconded By: Rajiv Dabir, P.E.

Ayes: Dr. Peter Chiu, M.D., P.E.; Rajiv Dabir, P.E.; Wayne Farrens; Barbara Toole O'Neil,
MS, QEP, Ch.E., Vice Chair; and Valerie J. Armento, Esq., Chair

27 **Noes:** None

28 **Absent:** None

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Valerie J. Armento, Esq., Chair

July 16, 2025

Date

So Stipulated:

Carrie Schilling

16/07/25

ALEXANDER G. CROCKETT, ESQ.

Date

General Counsel

Carrie Schilling

Senior Assistant Counsel

Counsel for PHILIP M. FINE

Executive Officer/APCO

BAY AREA AIR QUALITY

MANAGEMENT DISTRICT

Stephanie Sebor

16/07/25

Stephanie Sebor

Date

Jenner and Block, LLP

Counsel for OLAM GILROY

1 BEFORE THE HEARING BOARD
2 OF THE
3 BAY AREA AIR QUALITY MANAGEMENT DISTRICT
4 STATE OF CALIFORNIA

4 AIR POLLUTION CONTROL OFFICER of) Docket No.: 3760
5 the BAY AREA AIR QUALITY))
5 MANAGEMENT DISTRICT) CERTIFICATE OF SERVICE

6 Complainant,

7 vs.)

8 QLAM WEST COAST, INC.)

9 R e s p o n d e n t s)

10
11 STATE OF CALIFORNIA)

12 City and County of San Francisco)

ss.

[FILED]

JUL 21 2025,

HEARING BOARD
BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

13 I, Marcy Hiratzka, do hereby certify under penalty of perjury as follows:

14 That I am a citizen of the United States, over the age of eighteen years and not a party to the
15 above-entitled action; that I served a true copy of the attached **Stipulated Conditional Order
16 for Abatement** on:


16 Stephanie B. Sebor, Esq.
17 Jenner & Block LLP
18 353 North Clark Street
19 Chicago, IL, 60654-3456
20 ssebor@jenner.com

20 by depositing same via email and in the United States certified mail, return receipt requested,
21 on July 21, 2025 and on:

22 Carrie Schilling, Esq., Senior Assistant Counsel
23 Bay Area Air Quality Management District
24 eschilling@baaqmd.gov

25 via email July 21, 2025

26 DATED: July 21, 2025

27 
28 Marcy Hiratzka
Clerk of the Boards

1 BEFORE THE HEARING BOARD
2 OF THE
3 BAY AREA AIR QUALITY MANAGEMENT DISTRICT
4 STATE OF CALIFORNIA

4 AIR POLLUTION CONTROL OFFICER of
5 the BAY AREA AIR QUALITY
6 MANAGEMENT DISTRICT

Docket No.: 3760

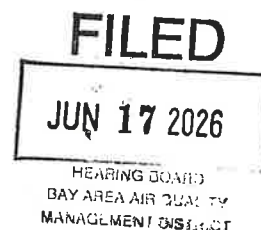
NOTICE OF HEARING

6 Complainant,

7 vs.

8 OLAM WEST COAST, INC.

9 Respondents.



10 **TO: Air Pollution Control Officer of the Bay Area Air Quality Management District**

11 **AND**

12 **OLAM WEST COAST, INC.**

13
14 **YOU ARE HEREBY NOTIFIED** that a hearing will be held before the Hearing Board of the
15 Bay Area Air Quality Management District (“District”) at **375 Beale Street, 1st Floor Board**
16 **Room, San Francisco, California, 94105, at the hour of 9:30 A.M. on**

17 **TUESDAY, JUNE 30, 2026**

18 to consider the joint petition to modify Stipulated Conditional Order of Abatement, filed June 17,
19 2026. The parties are requesting an extension of the compliance schedule because it has become
20 apparent that two of the six units at issue need to be permanently reconfigured in order to meet the
21 requirements for the stack test protocol to ensure compliance with emissions limits.

22 The Hearing Board members are required to attend in person, but the parties and members of the
23 public may participate in/observe the hearing through live webcasts of the hearings or via phone (669)
24 900-6833. Interested members of the public will be allowed an opportunity to testify on this matter.
25 The file may be reviewed by contacting the Clerk of the Boards, Marcy Hiratzka, at 415.749.5073,
26 or mhiratzka@baaqmd.gov. The hearing date and time may be changed without further published
27 notice. Those participating by phone who would like to make a comment can use the “raise hand”
28 feature by dialing “*9”. To receive the full Zoom experience, please make sure your application is up

1 to date. **Individuals representing the parties will receive special links to the hearing at a later**
2 **date, if they wish to participate via Zoom.**

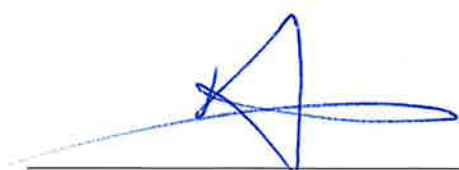
3 You may be, but need not be, represented by counsel. You may present any relevant evidence
4 and will be given full opportunity to cross-examine all testifying witnesses. You are entitled to the
5 issuance of subpoenas to compel the attendance of witnesses and the production of books, documents,
6 and other things by applying to the Clerk of the Boards.

7 The proceedings of the hearing will be electronically recorded, copies of which will be made
8 available to the parties upon request and payment of records duplication fees. Should either party
9 desire the services of a court reporter, with the cost to be borne by the requesting party, please contact
10 the Clerk of the Boards as soon as possible and, in any event, no later than ten (10) days prior to the
11 date of the hearing.

12 **A request for a continuance of a scheduled matter must be received by the Clerk no less**
13 **than four (4) business days prior to the scheduled hearing. If the request is filed with less notice,**
14 **good cause must be shown why it could not have been filed four business days prior to the**
15 **hearing, pursuant to Hearing Board Rules § 15.13(c).**

16 The hearing will be conducted in accordance with the Hearing Board Rules to the extent
17 feasible, available via the District website at [http://www.baaqmd.gov/about-the-air-district/hearing-](http://www.baaqmd.gov/about-the-air-district/hearing-board/rulesforms)
18 [board/rulesforms](http://www.baaqmd.gov/about-the-air-district/hearing-board/rulesforms), or by contacting the Clerk of the Boards at 415.749.5073.

19
20 DATED: June 17, 2026

21 
22 _____
23 Marcy Hiratzka
24 Clerk of the Boards

25 Facility Location:
26 1350 Pacheco Pass Highway, Gilroy, CA 95020 (Santa Clara County)

1 BEFORE THE HEARING BOARD
2 OF THE
3 BAY AREA AIR QUALITY MANAGEMENT DISTRICT
4 STATE OF CALIFORNIA

4 AIR POLLUTION CONTROL OFFICER of)
5 the BAY AREA AIR QUALITY)
6 MANAGEMENT DISTRICT)

Docket No.: 3760

CERTIFICATE OF SERVICE

6 Complainant,

7 vs.

8 OLAM WEST COAST, INC.

9 Respondents.



10
11 STATE OF CALIFORNIA)
12 City and County of San Francisco)

ss.

13 I, Marcy Hiratzka, do hereby certify under penalty of perjury as follows:
14 That I am a citizen of the United States, over the age of eighteen years and not a party to the
above-entitled action; that I served a true copy of the attached **Notice of Hearing** on:

15 Stephanie B. Sebor, Esq.
16 Jenner & Block LLP
17 353 North Clark Street
Chicago, IL, 60654-3456
ssebor@jenner.com

18
19 by depositing same via email and in the United States certified mail, return receipt requested,
20 on June 17, 2026 and on:

21 Carrie Schilling, Esq., Senior Assistant Counsel
22 Bay Area Air Quality Management District
cschilling@baaqmd.gov

23
24 via email June 17, 2026

25 DATED: June 17, 2026

26 
27 Marcy Hiratzka
28 Clerk of the Boards



BEFORE THE HEARING BOARD OF THE
BAY AREA AIR QUALITY MANAGEMENT AIR DISTRICT
STATE OF CALIFORNIA

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AIR POLLUTION CONTROL OFFICER of the)
BAY AREA AIR QUALITY MANAGEMENT AIR)
DISTRICT)

Complainant,)

vs.)

OLAM WEST COAST, INC.)

Respondent.)

Docket No. 3760

DECLARATION OF JULIE MITCHELL
IN SUPPORT OF JOINT APPLICATION
TO MODIFY STIPULATED
CONDITIONAL ORDER OF
ABATEMENT

Hearing Date: June 30, 2026
Time: 9:30 AM
Place: 375 Beale St., San Francisco, CA 94105

I, JULIE MITCHELL, declare:

1. I have personal knowledge of the following facts and, if called upon to testify as a witness, could and would testify competently to these facts. I submit this Declaration in Support of the Joint Application to Modify Stipulated Conditional Order of Abatement.
2. I am employed as a Principal Air Quality Scientist at Yorke Engineering, LLC. I serve as a consultant to Respondent Olam West Coast, Inc. related to its facility at 1350 Pacheco Pass Highway in Gilroy, California (the "Facility"). The Facility operates seasonally to coincide with the garlic and onion growing season each year.
3. On July 15, 2025, the Hearing Board issued a Stipulated Conditional Order for Abatement ("SAO") directed to Respondent that required Respondent to conduct source testing of six food dryers (S-3, S-4, S-7, S-8, S-9, and S-10) within one hundred twenty (120) days of starting operation at the Facility in 2025. (Findings and Decision for a Stipulated Abatement Order, ¶1(e)).
4. I assisted Respondent with the source testing required under the SAO with support from my staff and a third-party testing company, Erthwrks LLC.

- 1 5. Respondent received approval of its source testing protocol for the dryers from the Source Test
2 Section of the Air District Technical Division and timely performed the required source testing of
3 the dryers in September 2025.
- 4 6. Respondent submitted comprehensive reports of the test results to the Manager of the Air
5 District's Source Test Section within sixty (60) days of test completion in November 2025.
- 6 7. The Air District approved the source tests for dryers S-7 and S-8 on February 11, 2026 and dryers
7 S-9 and S-10 on June 3, 2026.
- 8 8. On February 11, 2026, the Air District notified Respondent that it had found the results of the
9 source testing for dryers S-3 and S-4 to be invalid due to certain nonconformities with the
10 requirements of EPA Method 1 for alternative flow rate measurements. Specifically, the standard
11 deviation for certain test runs on certain stacks was greater than the standard deviation allowed
12 under EPA Method 1 Section 12.3.4, and the average resultant measurement for certain stacks on
13 certain runs were greater than the required average resultant defined in EPA Method 1 Section
14 12.3.4. As a result, the Air District determined that the volumetric flow rates could not be
15 accurately determined, the reported NO_x and CO mass emission rates were biased, and the tests
16 were invalid.
- 17 9. Despite the handful of deviations from the EPA Method 1 acceptability criteria during certain test
18 runs on certain stacks, the results of the source tests for dryers S-3 and S-4 indicate that the dryers
19 were operating in compliance with the NO_x and CO emission rates in ¶1(c) of the SAO. The flow
20 data were examined to identify the sensitivity to data variability, and even at the highest design rate,
21 compliance with the SAO's emission limits was achieved. At the Air District's recommendation, an
22 enhanced measurement approach was implemented during the source testing for dryers S-3 and S-4
23 to measure the volumetric flow rate of each dryer as accurately as possible to produce a technically
24 defensible mass emission determination. As part of this enhanced measurement approach, the
25 source testing characterized velocity using EPA Method 2F with a 3-D probe, and the total number
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1 of traverse points was defaulted to a minimum of 40 traverse points to obtain a representative
2 volumetric flow rate and corresponding mass emission rate. This enhanced measurement approach
3 captures the yaw angle, pitch angle, axial velocity and the volumetric flow rate of a gas stream
4 through each stack. Therefore, although the source testing results did not meet all data quality
5 requirements of EPA Method 1, the data are sufficiently reliable to indicate that the NO_x and CO
6 emissions from dryers S-3 and S-4 are well below the mass emission rates set forth in ¶1(c) of the
7 SAO.

- 8
- 9 10. The challenges Respondent faces in satisfying the requirements of EPA Method 1 arise from the
10 configuration of the stacks. Certain stacks exhibit non-laminar or cyclonic flow due to their
11 inherent design and upstream flow disturbances. Given these structural features, accurately
12 measuring the volumetric flow rate of the dryers is challenging. Absent major stack reconstruction,
13 retesting at the same locations would occur under the same geometric and aerodynamic conditions.
14 As such, there is no technical basis to conclude that a repeat test would produce materially different
15 or more representative emission results than those already obtained. Therefore, it is unlikely that
16 retesting dryers S-3 and S-4 with their current stack configurations would meet the requirements of
17 EPA Method 1 and yield a valid result.
- 18
- 19 11. Reconfiguring the Facility's stacks will be a time-intensive endeavor, requiring complicated
20 engineering design and extensive construction work. Based on my experience, I estimate that it will
21 take several months to engineer, procure, and install modified stacks for the Facility's dryers.
- 22
- 23 12. The Facility's dryers operate at a high temperature and velocity and discharge hot exhaust gas
24 through their stacks. Given these conditions, it is not possible to reconfigure the stacks during
25 Respondent's operating season.
- 26
- 27 13. Given the time required to engineer, procure, and construct new stacks, as well as the inability to
28 reconfigure the stacks during Respondent's operating season, it will not be possible to reconfigure

1 the stacks before Respondent's operating season ends in October 2026. Therefore, I am assisting
2 Respondent with plans to reconfigure the Facility's stacks during the offseason.

3 14. After the Facility's stacks are reconfigured, I will assist Respondent with repeating source testing of
4 dryers S-3 and S-4 after the start of the Facility's 2027 season, which is currently planned for July
5 2027.

6 15. Based on my experience, it will take at least thirty (30) days to obtain a source testing report from
7 the source testing company, meaning that Respondent will not obtain a source testing report until
8 August 2027 at the earliest.

9 16. Based on my experience, it will take Respondent thirty (30) days to review and finalize the source
10 testing report, meaning that Respondent will not be able to submit the source testing report to the
11 Air District until September 2027 at the earliest.

12 17. Based on my experience and on representations made by the Air District to Respondent during
13 meet and confer discussions on this matter, the Air District will need ninety (90) days to review the
14 source testing report, meaning that the Air District's review of the source testing report will not be
15 complete until December 2027 at the earliest.

16 18. Based on my experience and on representations made by the Air District to Respondent during
17 meet and confer discussions on this matter, the Air District will need thirty (30) days to issue a pre-
18 draft of the Permit to Operate the dryers to Respondent after completing its review of the source
19 testing report, meaning that the Air District is expected to issue a pre-draft of the Permit to
20 Operate to Respondent in January 2028 at the earliest.

21 19. Based on my experience, Respondent will need at least fifteen (15) days to review the pre-draft of
22 the Permit to Operate and resolve any comments it has with the Air District, meaning that
23 Respondent is expected to complete its review of the pre-draft of the Permit to Operate in
24 February 2028 at the earliest.
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20. Based on my experience and on representations made by the Air District to Respondent during meet and confer discussions on this matter, the Air District will take about thirty (30) days to issue the draft Permit to Operate, meaning that the Air District is expected to issue the draft Permit to Operate in March 2028 at the earliest.

21. The Permit to Operate will then go on public notice for a period of thirty (30) days pursuant to Regulation 2-2-404, which would conclude in April 2028 at the earliest.

22. After the Air District responds to any public comments, based on my experience, the Air District would issue the Permit to Operate the dryers to Respondent in May or June 2028 at the earliest.

23. Testing dryers S-3 and S-4 after the stack reconfigurations are made will allow for more accurate permitting of the dryers under the Permit to Operate and reliable source testing in the future after the Permit to Operate is issued.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed at: San Diego, CA

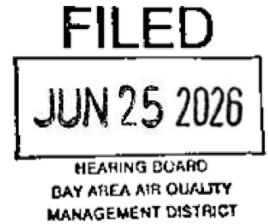


JULIE MITCHELL

Date: Jun 23, 2026.

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**BEFORE THE HEARING BOARD OF THE
BAY AREA AIR QUALITY MANAGEMENT AIR DISTRICT
STATE OF CALIFORNIA**



AIR POLLUTION CONTROL OFFICER of the)
BAY AREA AIR QUALITY MANAGEMENT AIR)
DISTRICT)

Docket No. 3760

Petitioner,

DECLARATION OF ANDREW BERG IN
SUPPORT OF JOINT PETITION TO
MODIFY STIPULATED CONDITIONAL
ORDER OF ABATEMENT

vs.

OLAM WEST COAST, INC.

Hearing Date: June 30, 2026
Time: 9:30 AM

Respondent.

Place: 375 Beale St., San Francisco, CA 94105

I ANDREW BERG, declare:

1. I am a Principal Air Quality Specialist in the Source Test Division at the Bay Area Air Quality Management District (Air District) and have worked in this capacity at the Air District since July 14, 2025. I have personal knowledge of the following facts and, if called upon to testify as a witness, could and would testify competently to these facts. I submit this Declaration in Support of the Joint Petition to Modify Stipulated Conditional Order of Abatement.
2. On July 15, 2025, the Hearing Board issued a Stipulated Conditional Order for Abatement directed to Olam Gilroy that requires Olam Gilroy to, among other things, conduct Air District approved source tests of six units. (Stipulated Conditional Abatement Order, ¶ 1).
3. After the Hearing Board issued the Order, representatives of both parties engaged in several meet and confer discussions to agree on approvable source test protocols. Olam Gilroy timely submitted an initial source test protocol on August 6, 2025, and the Air District approved it on August 13, 2025. The source test company cancelled the original source tests, so the facility hired a second company to conduct the source tests. The new testing company submitted a new test protocol on September 11, 2025, and the Air District approved it on September 15, 2025.

- 1 4. The testing company conducted source tests for the six dryers over six days from September 22,
2 2025 to September 27, 2025. Air District staff were on-site to observe the testing for dryer S-8; but
3 were unable to attend the source tests for S-3, S-4, S-7, S-9, and S-10.
- 4 5. The Air District reviewed the reports over the winter and found concerns with the way the data was
5 presented. The Air District requested specific corrections from Olam Gilroy in March 2026 who submitted
6 updated calculations on April 17, 2026. Air District staff visited the facility on May 7, 2026 to discuss
7 remaining concerns with Olam Gilroy and see the test locations. On May 11, 2026, the Air District finalized
8 its determination and validated the data for four of the units but could not validate the data for S-3 and S-4.
- 9 6. Olam Gilroy submitted the source test results for all six dryers, and the Air District was able to
10 validate the data and approve the source test results for dryers for S-7, S-8, S-9, and S-10. Those
11 source tests demonstrate that those four units are operating in compliance with the emissions limits
12 in the Order and Olam Gilroy's permit application.
- 13 7. However, the Air District cannot validate the underlying data for S-3 and S-4. Due to the
14 configuration of the stacks at these two units, the flow characteristics did not meet with the
15 requirements of EPA Method 1, as measured by EPA Method 2F. Upon further investigation, the
16 Air District determined the configuration of the test port locations relative to stack length and the
17 location of obstructions for these two units impede source testing in accordance with approvable
18 criteria.
- 19 8. Olam Gilroy will need to redo the source tests for S-3 and S-4 with the appropriate stack
20 configurations. Because stack testing will need to be repeated in future years to demonstrate
21 ongoing compliance, the best course is to permanently reconfigure these units. For efficiency, the
22 re-test of units S-3 and S-4 should be delayed until this permanent reconfiguration is complete.
- 23 9. To properly reconfigure the units will likely require an engineering analysis and construction that
24 can only be conducted when the units are offline after the season ends in October 2026.
25 Additional time is needed to accommodate the timeline necessary to complete the construction,
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1 redo the source tests for the remaining dryers, and allow the Air District to issue a Permit to
2 Operate for all six units.

3 10. I anticipate that units S-3 and S-4 will be within compliance limits when they are retested based on
4 the testing that was performed on similar units S-7, S-8, S-9 and S-10, as concentration values of
5 gaseous pollutants Carbon Monoxide (CO) and Oxides of Nitrogen (NO_x) were comparable.
6 Emissions of units S-7, S-8, S-9 and S-10 were reported to be well within compliance limits.

7 11. The Air District will need the following information from Olam Gilroy in order to approve the
8 source test data for units S-3 and S-4:

- 9
- 10 a. Approved source test protocol for the units;
 - 11 b. Documentation that the stacks at these units are reconfigured such that stack testing can be
12 completed consistent with the approved protocol; and
 - 13 c. Validated source test data with passing source tests for units S-3 and S-4 that demonstrate
14 these units are operating in compliance with the emissions limits prescribed in the Order
15 and the application for the Permit to Operate.

16 12. I anticipate that the steps necessary to complete approved source testing will occur on the
17 following timeline:

- 18
- 19 a. The facility ends seasonal operation and begins construction in October 2026;
 - 20 b. The stacks undergo construction between October 2026 and May 2027;
 - 21 c. The facility begins seasonal operation at full capacity in July 2027;
 - 22 d. Source testing of units S-3 and S-4 is complete in July 2027;
 - 23 e. Olam Gilroy's consultant completes source test report by August 2027;
 - 24 f. Olam Gilroy finalizes and submits the source test results to the Air District by September
25 2027; and
 - 26 g. The Air District completes review of source tests, validates the data, and finds that the
27 source tests passed by December 2027.
- 28

1 I declare under penalty of perjury under the laws of the United States of America that the foregoing
2 is true and correct.

3 Executed on June 24, 2026 in Oakland CA.

4
5 Date:

6 _____
7 Andrew Berg, Principal Air Quality Specialist
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- 1 5. The Air District cannot issue the Permit to Operate that includes S-3 and S-4 until these units pass
2 stack tests. For efficiency, the next stack tests should be delayed until this permanent
3 reconfiguration is complete.
- 4 6. The Air District will need the following information from Olam Gilroy in order to complete the
5 permit evaluation and issue the Permit to Operate:
- 6 a. Validated source test data with results for units S-3 and S-4 that demonstrate these units are
7 operating in compliance with the emissions limits prescribed in the Order and the
8 application for the Permit to Operate;
- 9 b. Verified air quality impact analysis modeling results for CO based on the net increase of
10 CO emissions from the project; and
11
- 12 c. A complete CEQA evaluation.
- 13 7. I anticipate that the steps necessary to fully comply with the Order can occur on the following
14 timeline:
- 15 a. The facility ends seasonal operation and begins construction in October 2026;
- 16 b. Construction is complete and the facility begins seasonal operation at full capacity by July
17 2027;
- 18 c. Source testing of units S-3 and S-4 completed in July 2027;
- 19 d. Olam Gilroy's consultant completes source test report by August 2027;
- 20 e. Olam Gilroy finalizes and submits the source test results to the Air District by September
21 2027;
- 22 f. The Air District completes review of the source test results by December 2027;
- 23 g. The Air District proposes the draft Permit to Operate by January 2028;
- 24 h. Olam Gilroy reviews the draft Permit to Operate by February 2028;
- 25 i. The Air District completes the draft Permit to Operate by March 2028;
- 26 j. The Air District publishes notice for 30 days by May 2028; and
27
28

1 k. The Air District reviews and responds to public comments and issues the Permit to
2 Operate by June 2028.

3 I declare under penalty of perjury under the laws of the United States of America that the foregoing
4 is true and correct.

5 Executed June 24, 2026 in Oakland, CA

6
7
8 Date:

Cameron Fee

Cameron Fee, Senior Air Quality Engineer