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Attorneys for Petitioner
*B. BRAUN US PHARMACEUTICAL MANUFACTURING LLC.*

**BEFORE THE HEARING BOARD OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

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| In the Matter of<br><br>B. BRAUN US PHARMACEUTICAL MANUFACTURING LLC,<br><br>Petitioner,<br><br>v.<br><br>SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT,<br><br>Respondent. | CASE NO. 4780-5<br>FACILITY ID NO. 117290<br><br>**DECLARATION OF PETER KLAES IN SUPPORT OF B. BRAUN US PHARMACEUTICAL MANUFACTURING LLC'S PETITION FOR MODIFICATION / EXTENSION OF A FINAL COMPLIANCE DATE**<br><br>**Date:** October 24, 2024<br>**Time:** 9:30 AM<br>**Location:** 21865 Copley Drive<br>Diamond Bar, CA 91765 |

I, Peter Klaes, declare:

1. This declaration is made, pursuant to Rule 4 of the SCAQMD Hearing Board Rules and Procedures, in support of B. Braun US Pharmaceutical Manufacturing LLC's ("Pharma" or the "Company") Petition for Modification of an Existing Variance (the "Modification Petition") before the South Coast Air Quality Management District ("SCAQMD" or the "District") Hearing Board, in Case No. 4870-5.

2. I am the President of Pharma and the General Manager of the Company's manufacturing facility located at 2525 McGaw Avenue in Irvine, California (the "Irvine Facility" or "Facility"). As stated in my December 7, 2023 declaration, which was filed as Petitioner's Exhibit No. 9 to B. Braun Medical Inc.'s ("BMI" and together with Pharma, the "Companies") Petition for a Regular Variance (the "Variance Petition"), I have been the General Manager of the Irvine Facility since December 2017.

3. As detailed in my December 7 declaration, as the Irvine Facility General Manager, I am responsible for and oversee all operations at the Facility. Up until recently, the Irvine Facility was owned and operated by BMI. On May 1, 2024, Pharma assumed ownership and operation of the Facility. Pharma and BMI are affiliate entities and are both wholly-owned subsidiaries of B. Braun of America Inc. Day-to-day operations at the Facility have not been materially impacted by this corporate restructuring. In particular, there has been no material change in the individual employees, or consultants, involved with Variance compliance at the Irvine Facility following transfer of ownership to Pharma.

**Necessity of SCE Tie-In**

4. As detailed in my December 7 declaration, the Irvine Facility relies on electrical energy provided via two switching stations to support its operations; Switchyard A supplies approximately 65 to 75 percent of required energy while Switchyard B supplies the remaining 25 to 35 percent of energy. Currently, the primary source of energy at Switchyard A consists of two natural gas-fueled cogeneration turbines (the "Cogens" or "Turbines").

5. The Irvine Facility is in the process of installing two Bloom Energy ("Bloom") natural gas solid oxide fuel cell systems (the "Fuel Cells") to replace the Cogens. The Fuel Cells are being configured as a 7.8 megawatt ("MW") Tier 1 closed transition microgrid attached to the Southern California Edison ("SCE") electrical grid, comprised of a 2.8 MW Fuel Cell at Switchyard B and a 5.0 MW Fuel Cell at Switchyard A.

6. Once operational, the Fuel Cells will act as primary power for the Irvine Facility, providing roughly 95% of the Facility's energy needs, with the remaining 5% coming from the SCE electrical grid. The microgrid design means that, during SCE outages, the Fuel Cells will be capable of operating independently to power the Irvine Facility. However, SCE approval of the Fuel Cells project is a necessary step in the installation process, due to the tie-in to the SCE grid. The Fuel Cells cannot be brought online until the SCE tie-in is complete.

**Pharma's Dedication to Compliance**

7. Completion of the Fuel Cells project includes the decommissioning of the Cogens. Continued operation of the Cogens is authorized by the Variance; the decommissioning of the Cogens will bring the Irvine Facility into compliance with the nitrogen oxide ("NOx") emissions limit set by SCAQMD Rule 1134.

8. During an extension of the Variance period, Pharma will continue to:

   a. operate the Cogens in compliance with all applicable SCAQMD Rules and the Irvine Facility's Title V Permit to Operate (the "Permit"), except for the NOx emissions standard subject to the Variance;

   b. comply with all existing Variance Conditions, except to the extent modified as a result of this Modification Petition; and

   c. tune and ensure proper operation of the Cogens.

9. Upon information and belief, operation of the Cogens between January 1, 2024, and the date of this declaration has not caused a nuisance due to any discharge of air contaminants or other material resulting in injury, detriment, nuisance, or annoyance to any considerable number of persons or the public, or endangered the comfort, repose, health, or safety of any person or the public.

Similarly, continued operation of the Cogens during an extended Variance period is not expected to result in a violation of California Health and Safety Code Section 41700 (nuisance).

10. Pursuant to the Permit, Pharma monitors emissions from the Turbines through the Facility's CEMS and will continue to do so during the Variance period, as extended. Pharma will also continue to report this data daily to SCAQMD via the RECLAIM WATERS system.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 29th day of August, 2024 at Irvine, California.

PETE KLAES
President/General Manager
Pharma