Docusign Envelope ID: A29A586F-7FAF-8F6F-80B8-371281449756

BEFORE THE HEARING BOARD
OF THE
SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT
NORTHERN REGION
STATE OF CALIFORNIA

In the matter of: Owens Brockway Glass Containers, Inc. 14700 West Schulte Road Tracy, CA 95377	) **DOCKET NO. N-26-08S**	
For a variance from: 1080 – *Stack Monitoring* 2070 – *Standards for Granting Applications* 2201 – *New and Modified Stationary Review Rule* 2520 – *Federally Mandated Operating Permits* 4354 – *Glass Melting Furnaces* *California Health and Safety Code Section 40701*	) **ORDER GRANTING A SHORT VARIANCE**	
District Permit #: N-593-0-6; 10-21	) **Granted on:**	October 7, 2026
	) **Effective from:**	September 3, 2026
EPA Airs Number: 06-077-N0593	) **Effective to:**	October 30, 2026

On July 30, 2026, Owens Brockway Glass Containers, Inc. (OWENS) filed with the Northern Region Hearing Board a petition for a short variance. An interim variance was not requested. OWENS requested that the Hearing Board grant a short variance from San Joaquin Valley Unified Air Pollution Control District (District) Rules 1080, 2070, 2201, 2520, 4354, and California Health and Safety Code Section 41701.

On October 7, 2026, a hearing on the petition for a short variance was held. Carolina Tirado Jaramillo and Edgar Toscano, represented OWENS, while Will Coon, Air Quality Specialist, represented the District. All persons, including the public, were given the opportunity to give testimony or make comment.

The Hearing Board declared the hearing closed after receiving testimony and took the matter under submission for the decision. The Hearing Board made the following findings of fact.

LOCATION AND EQUIPMENT

1. OWENS operates two natural gas-fired glass-melting furnaces located at 14700 West Schulte Road, Tracy CA.

2. The subject of this variance is the 60 MMBTU/HR Glass Melting Furnace #22-C, and associated O_2 analyzer probe.

3. Operation of the subject equipment is authorized by duly issued District permits.

Docusign Envelope ID: A29A586F-7FAF-8F6F-80B8-371281449756

BACKGROUND

OWENS operates two natural gas-fired glass-melting furnaces to melt sand, soda ash, and limestone and produce glass containers. To control particulate matter emissions (PM10) and oxides of sulfur (SOX) the exhaust stream of each furnace is routed through its own scrubber and electrostatic precipitator (EP). To reduce oxides of nitrogen (NOX), the exhaust then passes through a selective catalytic reduction (SCR) system. A continuous emissions monitoring system (CEMS) is located on each individual stack to monitor NOX, SOX, Carbon Monoxide (CO) and a variety of operating parameters, including temperature and flows. A continuous opacity monitoring system (COMS) also measures the visible emissions from each stack.

OWENS is requesting a short variance following a critical equipment failure within its (CEMS). On August 30, 2026, the system's O_2 analyzer sample probe failed, preventing required data collection. The CEMS maintenance contractor, STI, was immediately contacted and arrived onsite on August 31, 2026, to troubleshoot and evaluate the analyzer. However, following corrective actions and a system reboot, the analyzer was unable to achieve or sustain its required operating temperature, resulting in a total system failure.

To resolve the issue, OWENS requires this variance to troubleshoot further and completely replace the faulty O_2 analyzer sample probe. Once the new sample probe is physically installed, the CEMS will immediately resume data collection. However, the collected data will not be valid until the system successfully completes a formal testing and certification process, which includes a 7-Day Drift Test and a Relative Accuracy Test Audit (RATA).

During this requested variance window, the furnace will continue production as normal, and all emissions control equipment will remain fully operational. Therefore, OWENS does not expect any excess emissions during this period. However, because the analyzer will need certification, OWENS will temporarily operate in violation of its permit conditions while running without a certified system.

RULE REQUIREMENTS

1. The equipment subject to this variance are regulated by the following District Rules:

   A. 1080 – *Stack Monitoring*
   B. 2070 – *Standards for Granting Applications*
   C. 2201 – *New and Modified Stationary Source Review*
   D. 2520 – *Federally Mandated Operating Permits*
   E. 4354 – *Glass Melting Furnaces*
   F. *California Health and Safety Code Section 41701*

2. District Rules 1080, 2201, requires the use of a CEMS and COMS. District Rules 2070 and 2520 require a facility to operate in accordance with the conditions of the applicable permits. Rule 4101 requires that visible emissions not exceed 20% opacity for more than three minutes in any one hour.

Docusign Envelope ID: A29A586F-7FAF-8F6F-80B8-371281449756

FINDINGS OF FACT

Pursuant to California Health & Safety Code § 42352, the following findings have been made:

1. ***That the petitioner for a variance is, or will be, in violation of Section 41701 or of any rule, regulation, or order of the District.***

The Hearing Board finds that OWENS will be in violation of the applicable requirements of District Rules 1080, 2070, 2201, 2520, 4001, and 4354, in addition to applicable conditions of the subject permits when they operate without a functional CEMS while the old analyzer is removed and the new is installed. In addition, OWENS will be in violation when they continue to operate without a certified CEMS until the new analyzer completes the certification process.

2. ***That, due to conditions beyond the reasonable control of the petitioner, requiring compliance would result in either (1) an arbitrary or unreasonable taking of property, or (2) the practical closing and elimination of a lawful business.***

The Hearing Board finds that it is beyond the reasonable control of the petitioner to keep the CEMS operational at all times. The analyzer must be periodically changed or upgraded as they age over time and technology improves or changes. It would be arbitrary and unreasonable to require OWENS to shut down the furnace, a process that takes several weeks and costs millions of dollars, for such a brief pause in the data collection, especially since the emissions control equipment will be in operation and OWENS does not expect any excess emissions.

3. ***That the closing or taking would be without a corresponding benefit in reducing air contaminants.***

The Hearing Board finds that the closing or taking would be without a corresponding benefit in reducing air contaminants as the furnace would have to be shut down and restarted, a process that takes several weeks and could result in damage to the furnace. A cold start of the furnace would produce a significant amount of emissions before the furnace comes up to temperature and the EP is hot enough to restart. Therefore, OWENS determined that seeking variance protection was the best alternative.

4. ***That the applicant for the variance has given consideration to curtailing operations of the source in lieu of obtaining a variance.***

The Hearing Board finds that OWENS considered curtailing operations but they are not expecting any excess emissions. All the emissions control equipment will be in operation during the variance. OWENS will then calibrate the new analyzer and they will begin collecting data, which will become valid when the certification process is complete. Any curtailment of operations would not have an impact on the expected duration of the work.

5. ***During the period the variance is in effect, that the applicant will reduce excess emissions to the maximum extent feasible.***

The Hearing Board finds that no excess emissions are expected during the variance period.

Docusign Envelope ID: A29A586F-7FAF-8F6F-80B8-371281449756

6. ***During the period the variance is in effect, that the applicant will monitor or otherwise quantify emission levels from the source, if requested to do so by the District and report these emissions levels to the District pursuant to a schedule established by the District.***

The Hearing Board finds that as soon as the new analyzer probe is installed, OWENS will calibrate and operate the CEMS and will begin collecting data, which will be used as "credible evidence" until the CEMS can be fully certified. Those records will be available to the District for review.

GENERAL COMMENTS

The Hearing Board also finds that a nuisance as defined in District Rule 4102 is not expected to occur as a result of this variance. Nor would continued operation likely create an immediate threat or hazard to public health or safety.

It should be noted that the US Environmental Protection Agency (EPA) which monitors major sources might not recognize a variance. OWENS should be aware that the EPA could take enforcement action on this matter if it deems such action is appropriate.

CONCLUSIONS AND ORDER

NOW, THEREFORE, the NORTHERN REGION HEARING BOARD ORDERS that a short variance is hereby granted to Owens Brockway Glass Containers, Inc., subject to the following:

1. The variance shall be effective from September 3, 2026, to October 30, 2026, inclusive, or until the CEMS is certified, whichever occurs first.

2. Relief shall be granted from the applicable requirements of District Rules 1080, 2070, 2201, 2520, 4354, and CH&SC section 41701 in addition to the following conditions of the subject permits to operate (PTO) and authority to construct (ATC):

   PTO N-593-0-6 Condition 5,
   ATC N-593-10-21 Condition 42

3. The variance would allow the continued operation of the glass melting furnace and the manufacture of glass while the O_2 analyzer probe is replaced and the CEMS is certified.

4. The variance shall end upon completion of the certification.

5. Notwithstanding the protection granted by this variance pending full certification, a failed Relative Accuracy Test Audit (RATA) will not be granted variance protection and the District may take enforcement action upon failure.

6. A Federal Title V deviation report shall be submitted to the District within 10 days each time a Federal Title V permit condition is violated. The deviation report must be sent to the facility inspector.

Docusign Envelope ID: A29A586F-7FAF-8F6F-80B8-371281449756

7. Should the facility experience operational conditions likely to cause a public nuisance, OWENS shall cease operations causing the problems and take all necessary actions to abate the problem immediately.

8. At the conclusion of this variance OWENS must be in compliance with all their permit conditions and applicable District Rules. If OWENS will not achieve compliance prior to conclusion of this variance they must contact the District as soon as possible and before the variance period ends.

9. By November 14, 2026, or no later than 15 calendar days after the CEMS is certified, whichever occurs first, OWENS shall submit a written report to the District. If the report due date should fall on a day the District is closed, it shall be due the next business day. The summary report shall include the following:

    A. A summary of all activities that took place during the variance period,
    B. The date(s), time(s) and duration the CEMs was not operating,
    C. Date(s) of the 7-day drift test(s) (as applicable),
    D. Date(s) of the RATA (results can be submitted at a later date), and
    E. The required certification of truth, accuracy, and completeness, signed by the designated responsible official of the Corporation, as required by sections 9.13.1 and 10.0 of District Rule 2520 – Federally Mandated Operating Permits.

10. The end-of-the-variance summary report shall be submitted to the attention of:

    Will Coon
    SJVAPCD – Compliance Department
    1990 E. Gettysburg Ave.
    Fresno, CA 93726
    Telephone: (559) 230-5878
    E-mail: Will.Coon@valleyair.org

11. Failure to comply with any condition of this variance may render the variance null and void with the possibility of enforcement action taken that may include monetary penalties.

MOTION: Blackhart **SECOND:** Vierra

Ayes: Smedshammer, Blackhart, Ventura, Vierra
Noes: None
Abstained: None
Recused: None
Absent: Hill

Docusign Envelope ID: A29A586F-7FAF-8F6F-80B8-371281449756

THE FOREGOING DECISION IS APPROVED:

Signed by:
Michael Smedshammer
623B7F48DFBA481...

10/20/2026

Michael Smedshammer, Chair
Hearing Board - Northern Region
San Joaquin Valley Unified APCD

Date

ATTEST:

Signed by:
5A5039220E1D454...

10/21/2026

Katrina Rojas, Deputy Clerk to the Boards

Date

San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

PROOF OF SERVICE

I, Lien Vong, declare:

I am a resident of the State of California and over the age of 18 years, and not a party to the within action; my business address is San Joaquin Valley Air Pollution Control District, 1990 E. Gettysburg, Fresno, California 93726.

On October 21, 2026, I served the within documents:

ORDER GRANTING A VARIANCE – **DOCKET No. N-26-08S**

__X__ by placing the document(s) listed above in a sealed envelope, and placing the same for mailing in the United States mail at Fresno, California, in accordance with the company's ordinary practices, and addressed as set forth below.

__X__ based on an agreement of the parties with email addresses below, to accept service by transmitting via email the above listed document(s) to the email addresses set forth below on this date before 5 p.m.

_____ by personally delivering the document(s) listed above to the person(s) at the address(s) set forth below:

Carolina Tirado Jaramillo
Owens Brockway Glass Containers, Inc.
14700 West Schulte Road
Tracy, CA 95377

Roshni Brahmbhatt
USEPA Region IX
75 Hawthorne Street
San Francisco, CA 94105-3901
AEO_R9@epa.gov
CARB – Enforcement Division
PO Box 2815
Sacramento, CA 95814
variance@arb.ca.go

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on October 21, 2026, at Fresno, California.

Lien Vong
Office Assistant II