

**SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT  
NORTHERN REGION  
4800 Enterprise Way  
Modesto, California 95356  
(209) 557-6400**

**STAFF REPORT**

**October 7, 2026**

**SHORT VARIANCE**

**DOCKET No. N-26-08S**

**FACILITY:** Owens-Brockway Glass Container, Inc.  
14700 W. Schulte Road  
Tracy, CA 95377

**LOCATION:** Same

**RULE VIOLATIONS:** 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*

**PERMIT NUMBERS:** N-593-0-6, N-593-10-21

**EPA AIRS NUMBER:** 06-077-N0593

**NOV NUMBER:** N/A

**TYPE OF BUSINESS:** Glass Container Manufacturing

**NATURE OF THE PROBLEM:**

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 (PM<sub>10</sub>) and oxides of sulfur (SO<sub>x</sub>) the exhaust stream of each furnace is routed through its own scrubber and electrostatic precipitator (EP). To reduce oxides of nitrogen (NO<sub>x</sub>), 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 NO<sub>x</sub>, SO<sub>x</sub>, 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<sub>2</sub> 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<sub>2</sub> 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.

#### **PETITIONER'S REQUEST:**

OWENS has requested a short variance from the applicable requirements of District Rules 1080, 2070, 2201, 2520, 4001, and 4354, in addition to the applicable conditions of the subject permits. The requested variance period would be from September 3, 2026, through October 30, 2026, inclusive. If granted, the variance would allow the continued operation of the glass melting furnace without a certified CEMS.

#### **EXCESS EMISSIONS:**

OWENS does not expect any excess emissions during the variance.

#### **IMMEDIATE COMPLIANCE:**

OWENS is currently not in compliance.

#### **COMMENTS ON REQUIRED FINDINGS:**

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.***

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.***

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 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.***

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.***

No excess emissions are expected during the variance period.

**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.***

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:**

A nuisance as defined in District Rule 4102 is not expected to occur as a result of this variance. Nor would continued operations likely create an immediate threat or hazard to public health or safety.

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

**RECOMMENDATIONS:**

Should the Northern Region Hearing Board make the required findings and move to grant a short variance to Owens-Brockway Glass Containers, Inc., the District would recommend the following conditions:

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

2. Variance protection shall be granted from the requirements of the applicable sections of District Rules 1080, 2070, 2201, 2520, 4001, and 4354, in addition to the listed conditions of the following permits to operate (PTO):

|                 |              |
|-----------------|--------------|
| PTO N-593-0-6   | Condition 5, |
| PTO 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<sub>2</sub> 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.
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

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E-mail: [Will.Coon@valleyair.org](mailto: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 that may include monetary penalties.