

FILED

AUG 31 2006

HEARING BOARD
BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

MARY ROMAIDIS
CLERK
HEARING BOARD
BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

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

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In the Matter of the Application of:)
)
ANHEUSER-BUSCH, INC.)
)
For a Variance from Regulation 2, Rule 1,)
Section 307 (Condition #16202 Items 1c)
and 3))

Docket No. 3518
ORDER GRANTING
VARIANCE

The above-entitled matter is an application for variance from the provisions of Bay Area Air Quality Management District ("District") Regulation 2, Rule 1, Section 307 (Condition #16202, Items 1c and 3) at the Anheuser-Busch brewery located at 3101 Busch Drive, Fairfield, California owned and operated by Anheuser-Busch, Inc. ("Applicant"). Applicant filed an application for variance on July 25, 2006.

Blair Norris of Anheuser-Busch, Inc. appeared for the Applicant.

Alexander Crockett, Assistant District Counsel, appeared for the Air Pollution Control Officer ("APCO").

The Clerk of the Hearing Board provided notice of the hearing on the application in accordance with the requirements of the Health and Safety Code. The Hearing Board heard the request for variance on August 17, 2006.

ARB

1 The Hearing Board provided the public an opportunity to testify at the hearing, as
2 required by the Health and Safety Code. No members of the public testified. The Hearing Board
3 received evidence from both parties. The APCO did not oppose the granting of the variance.

4 The Hearing Board declared the evidentiary portion of the hearing closed after receiving
5 testimony from all parties. Following deliberation on August 17, 2006, the Hearing Board
6 decided the matter for Condition #16202, Items 1c and 3.

7 **BACKGROUND**

8 Applicant operates a brewery which includes a beer keg filling production line. After the
9 kegs are filled with beer an automated ink-jet type printer applies a date, time and location code
10 to two paper labels that are then applied to the keg. The ink-jet printer uses an ink and solvent
11 mixture. The solvent used in this particular coder is 80% acetone and 20% ethanol. The ink-jet
12 printers (coders) are subject to Regulation 2, Rule 1, Section 307 (Condition #16202).

13 Condition #16202 limits the acetone solvent usage to 26 gallons and acetone solvent emissions to
14 174 pounds in any consecutive 12-month period.

15 Anheuser-Busch has exceeded the acetone usage limit and acetone solvent emission limit
16 for the 12-month periods ending June and July of 2006 and will likely continue to exceed these
17 limits in the future. Excess emissions for these two 12-month periods were 0.03 lbs/day and
18 0.09 lbs/day respectively. On July 26, 2006 Anheuser-Busch submitted permit application
19 information to the District to amend the existing acetone usage and emission limits to levels that
20 Anheuser-Busch can comply with.

21 **DISCUSSION**

22 Applicant's noncompliance with Regulation 2, Rule 1, Section 307 (Condition #16202,
23 Item Nos. 1c and 3) resulted from conditions beyond Applicant's reasonable control. Applicant
24 relied upon the ink-jet printer manufacturer for information regarding the amount of solvent
25 required for the operation of their equipment on their original permit application. The equipment
26 manufacturer underestimated the solvent requirement to Anheuser-Busch which resulted in
27 errors in Anheuser-Busch's calculations of acetone solvent use and acetone solvent emissions
28 included in the original permit application package.

1 **SPECIFIC FINDINGS**

2 The Hearing Board finds pursuant to Health and Safety Code Section 42352 that:

3 1. Applicant was and is in violation of Regulation 2, Rule 1, Section 307 (Condition
4 #16202, Items No.1c and 3), which limits acetone usage to 26 gallons in any consecutive
5 12-month period and, 174 pounds of Non-Precursor Organic Compounds (NPOC) emissions in
6 any consecutive 12-month period.

7 2. The cause of the excess emissions was beyond Anheuser-Busch's reasonable control.
8 When initially permitting this device, Anheuser-Busch relied upon the equipment manufacturer's
9 recommendation on the amount of solvent that would be needed to properly run the equipment.
10 The amount specified by the manufacturer was underestimated causing the Applicant's emission
11 calculations, used in the original permitting process, to be too low. Further, requiring
12 compliance with the existing permit condition would cause an unreasonable taking of property.
13 In order to guarantee compliance, Anheuser-Busch would have to shut down the keg line
14 completely. Shutting down the keg line would result in an economic loss of approximately
15 \$1,000,000 per week.

16 3. Shutting down the keg line would not be justified due to the minimal amount of
17 emissions, above the permitted limit, that will occur, and the nature of the excess emission
18 (acetone is a Non-Precursor Organic Compound with negligible impact on ground-level Ozone
19 depletion). Anheuser-Busch has calculated that the excess emissions were:

20 For the cumulative 12 months ending June '06:

21 184.6 lbs/year (actual) – 174 lbs/year (permit) = 10.6 lbs/year = 0.03 lbs/day

22 For the cumulative 12 months ending July '06:

23 205.8 lbs/year (actual) – 174 lbs/year (permit) = 31.8 lbs/year = 0.09 lbs/day

24 ///

25 ///

26 4. Anheuser-Busch has given consideration to curtailing the keg coding operations in
27 lieu of obtaining a variance but due to the loss of revenue and minimal excess emissions
28

1 previously discussed, Applicant does not believe that this would be justified. A variance is thus
2 needed.

3 5. During the period the variance is in effect Anheuser-Busch will control excess
4 emissions to the maximum extent feasible by operating the coding equipment according to the
5 manufacturer's recommendations.

6 6. Anheuser-Busch will continue to track and report acetone usage and acetone
7 emissions on a monthly basis, as required by the facility's air permit.

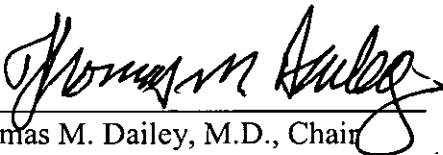
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9 **THEREFORE, THE HEARING BOARD ORDERS:**

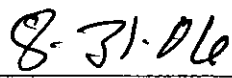
10 A Variance from Regulation 2, Rule 1, Section 307 (Condition #16202, Item No. 1c and 3) is
11 hereby granted from July 25, 2006 to and including October 22, 2006, or until the date when the
12 APCO issues the final permit modification to the Applicant, whichever occurs first.

13 Moved by: Terry A. Trumbull, Esq.

14 Seconded by: Jeffery Raines, P.E.

15 AYES: Rolf Lindenhayn, Esq., Julio Magalhaes, Ph.D., Jeffery Raines, P.E.,
16 Terry A. Trumbull, Esq., and Thomas M. Dailey, M.D.

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21 Thomas M. Dailey, M.D., Chair

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Date