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

In the Matter of the Application of
JDS UNIPHASE CORPORATION
For a Variance from Permit Condition 25081,
Item #4.

Docket No.: 3664
ORDER GRANTING EMERGENCY VARIANCE

The above-entitled matter, being an Application for Emergency Variance (EV) from
the provisions of Permit Condition 25081, Item #4, having been filed on July 27, 2014, at
3:51 p.m., and having been considered by the Hearing Board,

THE HEARING BOARD STATES as the reasons for its decision and FINDS as to
those matters in which findings are required:

A. Applicant filed an application under the EV procedures, Hearing Board Rules,
Section 2.5. Pursuant to Health and Safety Code Sections 42359 and 42359.5, and the Hearing
Board determined that this Application properly could be ruled upon without notice and
hearing. Prior to making this determination, and in accordance with Hearing Board Rules
Section 2.5.d.2, the Hearing Board requested and received a response to this Application from
the Executive Officer/Air Pollution Control Officer for the Bay Area Air Quality
Management District (Air District). The Air District staff response recommended the
Application for EV be granted.

B. Applicant operates a plant that manufactures products for optical
communications networks, communications test and measurement equipment, lasers, optical
solutions for authentication and decorative applications, and other custom optics at 80 Rose Orchard Way, San Jose, CA 95134.

C. The computer controls for S-16 Semiconductor Fabrication Area (S-16) were damaged as a result of the PG&E regional power outage occurring Friday, July 25, 2014 at 7:00 p.m. S-16 lost power simultaneously with Abatement Unit A-14 Recuperative Catalytic Oxidizer (A-14), the required abatement for solvent stations and photoresist coating operations. S-16 operated without A-14 abatement from the time of the power outage until Sunday, July 27, 2014 at 10:00 a.m., when fabrication production ceased and was shut down following completion of the production run that was already in progress when the power outage occurred. Applicant then placed the fabrication production into a shutdown mode, solvent station and photoresist use were minimized where possible, and no new production runs were started.

D. Applicant immediately summoned and flew-in an A-14 equipment manufacturer technician to troubleshoot and repair A-14 in an effort to achieve compliance as quickly as possible.

E. Applicant requested a variance period of July 27, 2014, at 12:01 p.m., to August 11, 2014, at 12:01 p.m. (16 days) and estimates the following excess emissions during the repair period:

<table>
<thead>
<tr>
<th>Substance</th>
<th>Emission Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Isopropyl alcohol</td>
<td>38 lbs/day</td>
</tr>
<tr>
<td>Acetone</td>
<td>39 lbs/day</td>
</tr>
<tr>
<td>Methanol</td>
<td>2 lbs/day</td>
</tr>
<tr>
<td>Ecocelear</td>
<td>7 lbs/day</td>
</tr>
<tr>
<td>EBR</td>
<td>2 lbs/day</td>
</tr>
<tr>
<td>Resist Remover</td>
<td>2 lbs/day</td>
</tr>
<tr>
<td>ST-33</td>
<td>20 lbs/day</td>
</tr>
</tbody>
</table>
F. Applicant curtailed all solvent operations during the power outage and, upon return to power, any solvent cleaning processes that could be delayed without resulting in damage to the work in progress were halted.

G. Reportable Compliance Activity Breakdown #06R32 investigation resulted in the recommendation of granting relief, determining that the violation did not cause a nuisance, was not intentional, was not recurring, was not related to insufficient maintenance, and the facility responded appropriately. Air District staff recommended that no conditions are needed as the violation ceased with the repair of A-14, which went back into operation on July 29, 2014 at 1:45 p.m., in full compliance with Air District regulations.

H. The Applicant does meet the good cause standard for issuance of an EV.

THEREFORE, THE HEARING BOARD ORDERS:

An Emergency Variance from Permit Condition 25081, be and is hereby granted from July 27, 2014 at 12:01 p.m. through July 30, 2014 at 12:01 a.m.

DATED: August 22, 2014

[Signature]

Peter Y. Chiu, M.D., P.E.
Hearing Board Member
BEFORE THE HEARING BOARD
OF THE
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
STATE OF CALIFORNIA

In the Matter of the Application of ) Docket No.: 3664
JDS UNIPHASE CORPORATION ) CERTIFICATE OF SERVICE
For a Variance from Permit Condition 25081, )
Item #4. )

STATE OF CALIFORNIA ) ss.
Count of San Francisco )

I, Sean Gallagher, do hereby certify under penalty of perjury as follows:

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 Order Granting
Emergency Variance on:

Michael Lane
JDS Uniphase
80 Rose Orchard Way
San Jose, CA 95134

by depositing same in the United States certified mail, return receipt requested, on August 26,
2014; and on

Brian Bunger
District Counsel
Bay Area Air Quality Management District
939 Ellis Street, 7th Floor
San Francisco, CA 94109

by hand-delivery deposit of same in the in-box of the District Counsel’s office, on August 26,
2014.

DATED: August 26, 2014

Sean Gallagher
Clerk of the Boards

CERTIFICATE OF SERVICE