Executive Summary – Enforcement Matter – Case No. 62464
Regal Rexnord Corporation
RN102155470
Docket No. 2022-0716-AIR-E

Order Type:
1660 Agreed Order
Findings Order Justification:
N/A
Media:
AIR
Small Business:
No
Location(s) Where Violation(s) Occurred:
RBC Manufacturing, 6801 South Bentsen Road, McAllen, Hidalgo County
Type of Operation:
Aluminum manufacturing plant
Other Significant Matters:
Additional Pending Enforcement Actions: No
Past-Due Penalties: No
Past-Due Fees: No
Other: N/A
Interested Third-Parties: None
Texas Register Publication Date: September 26, 2025
Comments Received: No

Penalty Information

Total Penalty Assessed: $27,000
Amount Deferred for Expedited Settlement: $5,400
Total Paid to General Revenue: $21,600
Total Due to General Revenue: $0
Payment Plan: N/A
Compliance History Classifications:
Person/CN - Satisfactory
Site/RN - Satisfactory
Major Source: Yes
Statutory Limit Adjustment: N/A
Applicable Penalty Policy: January 2021

Investigation Information

Complaint Date(s): N/A
Complaint Information: N/A
Date(s) of Investigation: March 25, 2022 through April 7, 2022
Date(s) of NOE(s): May 31, 2022

Violation Information

1. Failed to comply with the certified emissions rates. Specifically, the Respondent exceeded the certified volatile organic compounds ("VOC") emissions rate of 0.10 ton per year ("tpy") based on any consecutive 12-month period, the nitrogen oxides ("NOx") emissions rate of 1.82 tpy based on any consecutive 12-month period, and the carbon monoxide ("CO") emissions rate of 58.74 tpy based on any consecutive 12-month period on two 12-month periods ending on December 2020 and January 2021 for the Annealing Furnace No. 1, Emissions Point Number ("EPN") AN1, resulting in the unauthorized release of 2.40 pounds ("lbs") of VOC, 42 lbs of NOx, and 674 lbs of CO emissions [30 TEX. ADMIN. CODE §§ 106.6(c) and 122.143(4), Permit by Rule ("PBR") Registration No. 93180, Federal Operating Permit ("FOP") No. O3691, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") Nos. 6 and 8, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to certify compliance with the terms and conditions of the permit for at least each 12-month period following initial permit issuance and failed to submit a permit compliance certification ("PCC") within 30 days of any certification period. Specifically, the PCC for the March 3, 2021 through March 2, 2022 certification period was due by April 1, 2022, but was not submitted until April 6, 2022 and the PCC contained an incorrect regulated entity number, an incorrect permit holder name, no account number, and no end date [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(1) and (2), FOP No. O3691, GTC and STC No. 11, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

3. Failed to report all instances of deviations and failed to submit the deviation report no later than 30 days after the end of each reporting period. Specifically, the Respondent reported no deviations in the deviation reports for the September 3, 2020 through March 2, 2021 and September 3, 2021 through March 2, 2022 reporting periods but the deviations for failing to comply with the certified emissions rates for EPNs AN1 and AN2 should have been reported by April 2, 2021 and April 2, 2022, respectively [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A) and (C), FOP No. O3691, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent implemented the following corrective measures:

a. On May 13, 2022, submitted a revised and complete PCC for the March 3, 2021 through March 2, 2022 certification period;

b. On May 13, 2022, submitted revised deviation reports for the September 3, 2020 through March 2, 2021 and September 3, 2021 through March 2, 2022 reporting periods that included the deviations for failing to comply with the certified emissions rates for EPN AN1;

c. By November 9, 2022, obtained a revision for PBR Registration No. 93180 that increased the certified emissions for EPN AN1; and

d. By April 1, 2024, established monthly meeting cadence with third-party contractor to review upcoming due dates in order to ensure that complete and accurate PCCs are submitted in a timely manner.

Technical Requirements:

N/A

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: Johnnie Wu, Enforcement Division, Enforcement Team 2, MC 219, (512) 239-2524; Michael Parrish, Enforcement Division, MC R-12, (512) 239-2548
Respondent: Rubi Cantu, Human Resources Manager, Regal Rexnord Corporation, 6801 South Bentsen Road, McAllen, Texas 78503
Brooke Lang, Executive Vice President and President, Regal Rexnord Corporation, 6801 South Bentsen Road, McAllen, Texas 78503
Respondent's Attorney: N/A

Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021) *PCW Revision February 11, 2021*

DATES	**Assigned**	6-Jun-2022			
	PCW	5-Aug-2025	**Screening** 8-Jun-2022	**EPA Due**	27-Nov-2022

RESPONDENT/FACILITY INFORMATION

Respondent	Regal Rexnord Corporation		
Reg. Ent. Ref. No.	RN102155470		
Facility/Site Region	15-Harlingen	**Major/Minor Source**	Major

CASE INFORMATION

Enf./Case ID No.	62464	**No. of Violations**	3
Docket No.	2022-0716-AIR-E	**Order Type**	1660
Media Program(s)	Air	**Government/Non-Profit**	No
Multi-Media		**Enf. Coordinator**	Johnnie Wu
		EC's Team	Enforcement Team 2

Admin. Penalty $ Limit Minimum $0 **Maximum** $25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) ***Subtotal 1*** **$30,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History **5.0%** Adjustment ***Subtotals 2, 3, & 7*** **$1,500**

Notes: Enhancement for one NOV with same/similar violations.

Culpability No **0.0%** Enhancement ***Subtotal 4*** **$0**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments ***Subtotal 5*** **-$4,500**

Economic Benefit **0.0%** Enhancement* ***Subtotal 6*** **$0**

Total EB Amounts $196

Estimated Cost of Compliance $2,450

**Capped at the Total EB $ Amount*

SUM OF SUBTOTALS 1-7 ***Final Subtotal*** **$27,000**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** ***Adjustment*** **$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount **$27,000**

STATUTORY LIMIT ADJUSTMENT ***Final Assessed Penalty*** **$27,000**

DEFERRAL **20.0%** Reduction ***Adjustment*** **-$5,400**

Reduces the Final Assessed Penalty by the indicated percentage.

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY **$21,600**

Screening Date	8-Jun-2022	**Docket No.**	2022-0716-AIR-E
Respondent	Regal Rexnord Corporation		
Case ID No.	62464		
Reg. Ent. Reference No.	RN102155470		
Media	Air		
Enf. Coordinator	Johnnie Wu		

PCW

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

Compliance History Worksheet

>> Compliance History *Site* Enhancement (Subtotal 2)

Component	Number of...	Number	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (*number of NOVs meeting criteria*)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (*number of orders meeting criteria*)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (*number of judgments or consent decrees meeting criteria*)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (*number of counts*)	0	0%
Emissions	Chronic excessive emissions events (*number of events*)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which notices were submitted)*	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (*number of audits for which violations were disclosed*)	0	0%

Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 5%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes	Enhancement for one NOV with same/similar violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 5%

>> Final Compliance History Adjustment

Final Adjustment Percentage ****capped at 100%*** 5%

Screening Date	8-Jun-2022	**Docket No.** 2022-0716-AIR-E	**PCW**
Respondent	Regal Rexnord Corporation		*Policy Revision 5 (January 28, 2021)*
Case ID No.	62464		*PCW Revision February 11, 2021*
Reg. Ent. Reference No.	RN102155470		
Media	Air		
Enf. Coordinator	Johnnie Wu		

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 106.6(c) and 122.143(4), PBR Registration No. 93180, Federal Operating Permit ("FOP") No. O3691, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") Nos. 6 and 8, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to comply with the certified emissions rates. Specifically, the Respondent exceeded the certified volatile organic compounds ("VOC") emissions rate of 0.10 ton per year ("tpy") based on any consecutive 12-month period, the nitrogen oxides ("NOx") emissions rate of 1.82 tpy based on any consecutive 12-month period, and the carbon monoxide ("CO") emissions rate of 58.74 tpy based on any consecutive 12-month period on two 12-month periods ending on December 2020 and January 2021 for the Annealing Furnace No. 1, Emissions Point Number ("EPN") AN1, resulting in the unauthorized release of 2.40 pounds ("lbs") of VOC, 42 lbs of NOx, and 674 lbs of CO emissions.

Base Penalty $25,000

>> Environmental, Property and Human Health Matrix

Release	Harm: Major	Moderate	Minor
Actual			x
Potential			

Percent 30.0%

OR

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes: Human health or the environment has been exposed to insignificant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $17,500

$7,500

Violation Events

Number of Violation Events 2

730 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	x
single event	

Violation Base Penalty $15,000

Two annual events are recommended.

Good Faith Efforts to Comply

10.0% Reduction $1,500

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		x
N/A		

Notes: The Respondent completed the corrective measures on November 9, 2022, after the Notice of Enforcement ("NOE") dated May 31, 2022.

Violation Subtotal $13,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount $44

Violation Final Penalty Total $14,250

This violation Final Assessed Penalty (adjusted for limits) $14,250

Economic Benefit Worksheet

Respondent Regal Rexnord Corporation
Case ID No. 62464
Reg. Ent. Reference No. RN102155470
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Delayed Costs							
Equipment				0.00	$0	$0	$0
Buildings				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0
Engineering/Construction				0.00	$0	$0	$0
Land				0.00	$0	n/a	$0
Record Keeping System				0.00	$0	n/a	$0
Training/Sampling				0.00	$0	n/a	$0
Remediation/Disposal				0.00	$0	n/a	$0
Permit Costs				0.00	$0	n/a	$0
Other (as needed)	$450	1-Dec-2020	9-Nov-2022	1.94	$44	n/a	$44

Notes for DELAYED costs

Estimated cost to obtain an revision for PBR Registration No. 93180 that increased the certified emissions for EPN AN1. The Date Required is the initial date of non-compliance and the Final Date is the date of compliance.

Avoided Costs — ANNUALIZE avoided costs before entering item (except for one-time avoided costs)

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Disposal				0.00	$0	$0	$0
Personnel				0.00	$0	$0	$0
Inspection/Reporting/Sampling				0.00	$0	$0	$0
Supplies/Equipment				0.00	$0	$0	$0
Financial Assurance				0.00	$0	$0	$0
ONE-TIME avoided costs				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0

Notes for AVOIDED costs

Approx. Cost of Compliance $450

TOTAL $44

Screening Date	8-Jun-2022	**Docket No.** 2022-0716-AIR-E	**PCW**
Respondent	Regal Rexnord Corporation		*Policy Revision 5 (January 28, 2021)*
Case ID No.	62464		*PCW Revision February 11, 2021*
Reg. Ent. Reference No.	RN102155470		
Media	Air		
Enf. Coordinator	Johnnie Wu		

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.146(1) and (2), FOP No. O3691, GTC and STC No. 11, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to certify compliance with the terms and conditions of the permit for at least each 12-month period following initial permit issuance and failed to submit a permit compliance certification ("PCC") within 30 days of any certification period. Specifically, the PCC for the March 3, 2021 through March 2, 2022 certification period was due by April 1, 2022, but was not submitted until April 6, 2022 and the PCC contained an incorrect regulated entity number, an incorrect permit holder name, no account number, and no end date.

Base Penalty $25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Major	Moderate	Minor
Actual			
Potential			

Harm

Percent 0.0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 20.0%

Matrix Notes: 100% of the rule requirements were not met.

Adjustment $20,000

$5,000

Violation Events

Number of Violation Events 1

68 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $5,000

One single event is recommended.

Good Faith Efforts to Comply

10.0%

Reduction $500

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		x
N/A		

Notes: The Respondent completed the corrective measures by April 1, 2024, after the NOE dated May 31, 2022.

Violation Subtotal $4,500

Economic Benefit (EB) for this violation

Estimated EB Amount $151

Statutory Limit Test

Violation Final Penalty Total $4,750

This violation Final Assessed Penalty (adjusted for limits) $4,750

Economic Benefit Worksheet

Respondent Regal Rexnord Corporation
Case ID No. 62464
Reg. Ent. Reference No. RN102155470
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Equipment				0.00	$0	$0	$0
Buildings				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0
Engineering/Construction				0.00	$0	$0	$0
Land				0.00	$0	n/a	$0
Record Keeping System				0.00	$0	n/a	$0
Training/Sampling	$1,500	1-Apr-2022	1-Apr-2024	2.00	$150	n/a	$150
Remediation/Disposal				0.00	$0	n/a	$0
Permit Costs				0.00	$0	n/a	$0
Other (as needed)	$250	1-Apr-2022	13-May-2022	0.12	$1	n/a	$1

Notes for DELAYED costs

Estimated cost to submit a revised and complete PCC for the March 3, 2021 through March 2, 2022 certification period ($250) and to establish monthly meeting cadence with third-party contractor to review upcoming due dates in order to ensure that complete and accurate PCCs are submitted in a timely manner ($1,500). The Dates Required are the date the PCC was due and the Final Dates are the date the revised PCC was submitted and the date of compliance.

Avoided Costs

ANNUALIZE avoided costs before entering item (except for one-time avoided costs)

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Disposal				0.00	$0	$0	$0
Personnel				0.00	$0	$0	$0
Inspection/Reporting/Sampling				0.00	$0	$0	$0
Supplies/Equipment				0.00	$0	$0	$0
Financial Assurance				0.00	$0	$0	$0
ONE-TIME avoided costs				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0

Notes for AVOIDED costs

Approx. Cost of Compliance $1,750

TOTAL $151

Screening Date	8-Jun-2022	**Docket No.**	2022-0716-AIR-E
Respondent	Regal Rexnord Corporation		
Case ID No.	62464		
Reg. Ent. Reference No.	RN102155470		
Media	Air		
Enf. Coordinator	Johnnie Wu		

PCW

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A) and (C), FOP No. O3691, GTC, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to report all instances of deviations and failed to submit the deviation report no later than 30 days after the end of each reporting period. Specifically, the Respondent reported no deviations in the deviation reports for the September 3, 2020 through March 2, 2021 and September 3, 2021 through March 2, 2022 reporting periods but the deviations for failing to comply with the certified emissions rates for EPNs AN1 and AN2 should have been reported by April 2, 2021 and April 2, 2022, respectively.

Base Penalty $25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 20.0%

Matrix Notes: 100% of the rule requirements were not met.

Adjustment $20,000

$5,000

Violation Events

Number of Violation Events 2

406 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $10,000

Two single events are recommended (one event for each report).

Good Faith Efforts to Comply

25.0% Reduction $2,500

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		

Notes: The Respondent completed the corrective measures on May 13, 2022, prior to the NOE dated May 31, 2022.

Violation Subtotal $7,500

Economic Benefit (EB) for this violation

Estimated EB Amount $1

Statutory Limit Test

Violation Final Penalty Total $8,000

This violation Final Assessed Penalty (adjusted for limits) $8,000

Economic Benefit Worksheet

Respondent Regal Rexnord Corporation
Case ID No. 62464
Reg. Ent. Reference No. RN102155470
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Delayed Costs							
Equipment				0.00	$0	$0	$0
Buildings				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0
Engineering/Construction				0.00	$0	$0	$0
Land				0.00	$0	n/a	$0
Record Keeping System				0.00	$0	n/a	$0
Training/Sampling				0.00	$0	n/a	$0
Remediation/Disposal				0.00	$0	n/a	$0
Permit Costs				0.00	$0	n/a	$0
Other (as needed)	$250	1-Apr-2022	13-May-2022	0.12	$1	n/a	$1

Notes for DELAYED costs

Estimated cost to submit revised deviation reports for the September 3, 2020 through March 2, 2021 and September 3, 2021 through March 2, 2022 reporting periods that included the deviations for failing to comply with the certified emissions rates for EPNs AN1 and AN2. The Date Required is the initial date the deviations should have been reported and the Final Date is the date of compliance.

Avoided Costs — **ANNUALIZE avoided costs before entering item (except for one-time avoided costs)**

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Disposal				0.00	$0	$0	$0
Personnel				0.00	$0	$0	$0
Inspection/Reporting/Sampling				0.00	$0	$0	$0
Supplies/Equipment				0.00	$0	$0	$0
Financial Assurance				0.00	$0	$0	$0
ONE-TIME avoided costs				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0

Notes for AVOIDED costs

Approx. Cost of Compliance $250

TOTAL $1

The TCEQ is committed to accessibility.
To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.

Compliance History Report

Compliance History Report for CN600383111, RN102155470, Rating Year 2024 which includes Compliance History (CH) components from September 1, 2019, through August 31, 2024.

Customer, Respondent, or Owner/Operator: CN600383111, REGAL-BELOIT CORPORATION **Classification:** SATISFACTORY **Rating:** 0.80

Regulated Entity: RN102155470, RBC MANUFACTURING **Classification:** SATISFACTORY **Rating:** 0.80

Complexity Points: 4 **Repeat Violator:** NO

CH Group: 14 - Other

Location: 6801 S BENTSEN RD MCALLEN, TX 78503-8860, HIDALGO COUNTY

TCEQ Region: REGION 15 - HARLINGEN

ID Number(s):

AIR OPERATING PERMITS PERMIT 3691

AIR NEW SOURCE PERMITS REGISTRATION 93180

AIR NEW SOURCE PERMITS AFS NUM 4821500707

AIR EMISSIONS INVENTORY ACCOUNT NUMBER HNA023W

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 84089

Compliance History Period: September 01, 2019 to August 31, 2024 **Rating Year:** 2024 **Rating Date:** 09/01/2024

Date Compliance History Report Prepared: January 24, 2025

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: January 24, 2020 to January 24, 2025

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Johnnie Wu **Phone:** (512) 239-2524

Site and Owner/Operator History:

1) Has the site been in existence and/or operation for the full five year compliance period? YES
2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:
N/A

B. Criminal convictions:
N/A

C. Chronic excessive emissions events:
N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	May 13, 2020	(1644980)
Item 2	June 08, 2021	(1724079)

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1 Date: 07/08/2024 (1996200)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.10(b)(2)

30 TAC Chapter 101, SubChapter A 101.10(e)

5C THSC Chapter 382 382.085(b)
Description: Failure to submit a 2023 Emissions Inventory. CATEGORY B18 (g)(3).

F. Environmental audits:
N/A

G. Type of environmental management systems (EMSs):
N/A

H. Voluntary on-site compliance assessment dates:
N/A

I. Participation in a voluntary pollution reduction program:
N/A

J. Early compliance:
N/A

Sites Outside of Texas:
N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

IN THE MATTER OF AN	**§**	**BEFORE THE**
ENFORCEMENT ACTION	**§**	
CONCERNING	**§**	**TEXAS COMMISSION ON**
REGAL REXNORD CORPORATION	**§**	
RN102155470	**§**	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2022-0716-AIR-E

I. JURISDICTION AND STIPULATIONS

On ___________________________, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Regal Rexnord Corporation (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates an aluminum manufacturing plant located at 6801 South Bentsen Road in McAllen, Hidalgo County, Texas (the "Plant"). The Plant consists or consisted of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).

2. The Executive Director and the Respondent agree that the TCEQ has jurisdiction to enter this Order pursuant to TEX. WATER CODE §§ 7.002, 7.051, and 7.073, and that the Respondent is subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and the rules of the TCEQ.

3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

4. An administrative penalty in the amount of $27,000 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid $21,600 of the penalty and $5,400 is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order. The deferred amount shall be waived only upon full compliance with all the terms and conditions contained in this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms or requirements contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.

5. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a). Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.

6. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Order.

7. This Order represents the complete and fully integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.

8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.

9. The Executive Director recognizes that the Respondent implemented the following corrective measures at the Plant:

   a. On May 13, 2022, submitted a revised and complete permit compliance certification ("PCC") for the March 3, 2021 through March 2, 2022 certification period;

   b. On May 13, 2022, submitted revised deviation reports for the September 3, 2020 through March 2, 2021 and September 3, 2021 through March 2, 2022 reporting periods that included the deviations for failing to comply with the certified emissions rates for Emissions Point Number ("EPN") AN1;

   c. By November 9, 2022, obtained a revision for Permit by Rule ("PBR") Registration No. 93180 that increased the certified emissions for EPNs AN1 and AN2; and

   d. By April 1, 2024, established monthly meeting cadence with third-party contractor to review upcoming due dates in order to ensure that complete and accurate PCCs are submitted in a timely manner.

II. ALLEGATIONS

During an investigation at the Plant conducted from March 25, 2022 through April 7, 2022, an investigator documented that the Respondent:

1. Failed to comply with the certified emissions rates, in violation of 30 TEX. ADMIN. CODE §§ 106.6(c) and 122.143(4), PBR Registration No. 93180, Federal Operating Permit ("FOP") No. O3691, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") Nos. 6 and 8, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent exceeded the certified volatile organic compounds ("VOC") emissions rate of 0.10 ton per year ("tpy") based on any consecutive 12-month period, the nitrogen oxides ("NOx") emissions rate of 1.82 tpy based on any consecutive 12-month period, and the carbon monoxide ("CO") emissions rate of 58.74 tpy based on any consecutive 12-month period on two 12-month periods ending on December 2020 and January 2021 for the Annealing Furnace No. 1, EPN AN1, resulting in the unauthorized release of 2.40 pounds ("lbs") of VOC, 42 lbs of NOx, and 674 lbs of CO emissions.

2. Failed to certify compliance with the terms and conditions of the permit for at least each 12-month period following initial permit issuance and failed to submit a PCC within 30 days of any certification period, in violation of 30 TEX. ADMIN. CODE

§§ 122.143(4) and 122.146(1) and (2), FOP No. O3691, GTC and STC No. 11, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the PCC for the March 3, 2021 through March 2, 2022 certification period was due by April 1, 2022, but was not submitted until April 6, 2022 and the PCC contained an incorrect regulated entity number, an incorrect permit holder name, no account number, and no end date.

3. Failed to report all instances of deviations and failed to submit the deviation report no later than 30 days after the end of each reporting period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A) and (C), FOP No. O3691, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent reported no deviations in the deviation reports for the September 3, 2020 through March 2, 2021 and September 3, 2021 through March 2, 2022 reporting periods but the deviations for failing to comply with the certified emissions rates for EPNs AN1 and AN2 should have been reported by April 2, 2021 and April 2, 2022, respectively.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed a penalty as set forth in Section I, Paragraph No. 4. The payment of this penalty and the Respondent's compliance with all of the requirements set forth in this Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Regal Rexnord Corporation, Docket No. 2022-0716-AIR-E" to:

   Financial Administration Division, Revenue Operations Section
   Attention: Cashier's Office, MC 214
   Texas Commission on Environmental Quality
   P.O. Box 13088
   Austin, Texas 78711-3088

2. All relief not expressly granted in this Order is denied.

3. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Plant operations referenced in this Order.

4. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

5. This Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the

terms of this Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.

6. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms: electronic transmission, owner, person, writing, and written, shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

7. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission	Date
Kristi Mills-Jurach	11/02/2025
For the Executive Director	Date

I, the undersigned, have read and understand the attached Order. I am authorized to agree to the attached Order, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this Order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the OAG for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the OAG of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

	09/03/2025
Signature	Date
Brooke Lang	Executive Vice President and President
Name (Printed or typed) Authorized Representative of Regal Rexnord Corporation	Title

☐ *If mailing address has changed, please check this box and provide the new address below:*

Instructions: Send the original, signed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Ordering Provision 1 of this Order.