

Executive Summary – Enforcement Matter – Case No. 64768
Gerdau Ameristeel US Inc (formerly known as "Chaparral Steel Midlothian, LP")
RN100216472
Docket No. 2023-1288-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Chaparral Steel Midlothian Plant, 300 Ward Road, Midlothian, Ellis County

Type of Operation:

Steel 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 5, 2025

Comments Received: No

Penalty Information

Total Penalty Assessed: \$16,500

Amount Deferred for Expedited Settlement: \$3,300

Total Paid to General Revenue: \$6,600

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project ("SEP") Conditional Offset: \$6,600

Name of SEP: American Energy Institute (Third-Party Pre-Approved)

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: August 8, 2023

Date(s) of NOE(s): August 31, 2023

Executive Summary – Enforcement Matter – Case No. 64768
Gerdau Ameristeel US Inc (formerly known as "Chaparral Steel Midlothian, LP")
RN100216472
Docket No. 2023-1288-AIR-E

Violation Information

Failed to comply with the emission specification. Specifically, the Respondent exceeded the nitrogen oxides ("NOx") emission specification of 0.10 pound per one million British thermal units ("lb/MMBtu") on a 30-day rolling average by a range from 0.01 lb/MMBtu to 0.03 lb/MMBtu for the 30-day periods ending from June 8, 2022 through July 20, 2022 for the Bar Mill Reheat Furnace, Unit ID No. 02A-FURN, resulting in approximately 0.59 ton of unauthorized NOx emissions [30 TEX. ADMIN. CODE §§ 117.410(a)(8)(B) and 122.143(4), Federal Operating Permit No. 02110, General Terms and Conditions and Special Terms and Conditions Nos. 1.A and 15.A(i), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

N/A

Technical Requirements:

1. The Order will require the Respondent to implement and complete a SEP (see SEP Attachment A).
2. The Order will also require the Respondent to:
 - a. Within 30 days, implement measures designed to comply with the NOx emission specification for Unit ID No. 02A-FURN; and
 - b. Within 45 days, submit written certification to demonstrate compliance with a.

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Michael Wilkins, Enforcement Division, Enforcement Team 2, MC R-03, (325) 698-6134; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

TCEQ SEP Coordinator: Stuart Beckley, Enforcement Division, MC 219, (512) 239-3565

SEP Third-Party Administrator: American Energy Institute, 2315 Newfield Lane
Austin, Texas 78703

Respondent: Dale Harman, Environmental Manager, Gerdau Ameristeel US Inc, 300 Ward Road, Midlothian, Texas 76065-9646

Daniel Rodrigues Dorego, Vice President and General Manager, Gerdau Ameristeel US Inc, 300 Ward Road, Midlothian, Texas 76065-9646

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

DATES	Assigned PCW	5-Sep-2023	Screening	11-Sep-2023	EPA Due	27-Feb-2024
		9-Apr-2025				

RESPONDENT/FACILITY INFORMATION

Respondent	Gerdau Ameristeel US Inc (formerly known as "Chaparral Steel Midlothian, LP")				
Reg. Ent. Ref. No.	RN100216472				
Facility/Site Region	4-Dallas/Fort Worth		Major/Minor Source	Major	

CASE INFORMATION

Enf./Case ID No.	64768	No. of Violations	1
Docket No.	2023-1288-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Michael Wilkins
		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	\$15,000
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	10.0%	Adjustment	Subtotals 2, 3, & 7	\$1,500
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Notes

Enhancement for one NOV with same/similar violations and one order containing a denial of liability. Reduction for seven notices of intent to conduct an audit and four disclosures of violations.

Culpability	No	0.0%	Enhancement	Subtotal 4	\$0
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Notes

The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$0
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Economic Benefit	0.0%	Enhancement*	Subtotal 6	\$0
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Total EB Amounts
Estimated Cost of Compliance

\$872
\$5,000

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$16,500
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount	\$16,500
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$16,500
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DEFERRAL	20.0%	Reduction	Adjustment	-\$3,300
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY	\$13,200
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Screening Date	11-Sep-2023	Docket No.	2023-1288-AIR-E	PCW
Respondent	Gerdau Ameristeel US Inc (formerly known as "Chaparral Steel			<i>Policy Revision 5 (January 28, 2021)</i>
Case ID No.	64768			<i>PCW Revision February 11, 2021</i>
Reg. Ent. Reference No.	RN100216472			
Media	Air			
Enf. Coordinator	Michael Wilkins			

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 (<i>number of NOVs meeting criteria</i>)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	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 (<i>number of judgments or consent decrees meeting criteria</i>)	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 (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	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 (<i>number of audits for which notices were submitted</i>)	7	-7%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	4	-8%
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) 10%

>> 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 and one order containing a denial of liability. Reduction for seven notices of intent to conduct an audit and four disclosures of violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 10%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 10%

Screening Date	11-Sep-2023	Docket No.	2023-1288-AIR-E	PCW
Respondent	Gerdau Ameristeel US Inc (formerly known as "Chaparral Steel	<i>Policy Revision 5 (January 28, 2021)</i>		
Case ID No.	64768	<i>PCW Revision February 11, 2021</i>		
Reg. Ent. Reference No.	RN100216472			
Media	Air			
Enf. Coordinator	Michael Wilkins			
Violation Number	1			
Rule Cite(s)	30 Tex. Admin. Code §§ 117.410(a)(8)(B) and 122.143(4), Federal Operating Permit No. 02110, General Terms and Conditions and Special Terms and Conditions Nos. 1.A and 15.A(i), and Tex. Health & Safety Code § 382.085(b)			
Violation Description	Failed to comply with the emission specification. Specifically, the Respondent exceeded the nitrogen oxides ("NOx") emission specification of 0.10 pound per one million British thermal units ("lb/MMBtu") on a 30-day rolling average by a range from 0.01 lb/MMBtu to 0.03 lb/MMBtu for the 30-day periods ending from June 8, 2022 through July 20, 2022 for the Bar Mill Reheat Furnace, Unit ID No. 02A-FURN, resulting in approximately 0.59 ton of unauthorized NOx emissions.			
Base Penalty				\$25,000

>> Environmental, Property and Human Health Matrix

OR	Harm				
	Release	Major	Moderate	Minor	
	Actual			x	
	Potential				
					Percent 30.0%

>> Programmatic Matrix

Matrix Notes	Falsification	Major	Moderate	Minor	
					Percent 0.0%
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	43	Number of violation days
daily			
weekly			
monthly	x		
quarterly			
semiannual			
annual			
single event			
Violation Base Penalty			
\$15,000			
Two monthly events are recommended for the period of non-compliance from June 8, 2022 through July 20, 2022.			

Good Faith Efforts to Comply

	0.0%	
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	
Notes	The Respondent does not meet the good faith criteria for this violation.	
Violation Subtotal		\$15,000

Economic Benefit (EB) for this violation

Estimated EB Amount	\$872
Statutory Limit Test	
Violation Final Penalty Total	\$16,500
This violation Final Assessed Penalty (adjusted for limits)	
\$16,500	

Economic Benefit Worksheet

Respondent Gerdau Ameristeel US Inc (formerly known as "Chaparral Steel Midlothian, LP")
Case ID No. 64768
Reg. Ent. Reference No. RN100216472
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
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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)	\$5,000	8-Jun-2022	2-Dec-2025	3.49	\$872	n/a	\$872
Notes for DELAYED costs	Estimated cost to implement measures designed to comply with the NOx emission specification for Unit ID No. 02A-FURN. The Date Required is the first date of non-compliance and the Final Date is the estimated date of compliance.						

Avoided Costs

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

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 \$5,000

TOTAL \$872



Compliance History Report

Compliance History Report for CN600128656, RN100216472, Rating Year 2024 which includes Compliance History (CH) components from September 1, 2019, through August 31, 2024.

Customer, Respondent, or Owner/Operator:	CN600128656, Chaparral Steel Midlothian, LP	Classification:	SATISFACTORY	Rating:	6.43
Regulated Entity:	RN100216472, CHAPARRAL STEEL MIDLOTHIAN PLANT	Classification:	SATISFACTORY	Rating:	6.43
Complexity Points:	28	Repeat Violator:	NO		
CH Group:	14 - Other				
Location:	300 Ward Road, Midlothian, Ellis County, Texas 76065-9646				
TCEQ Region:	REGION 04 - DFW METROPLEX				

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER ED0011D

AIR NEW SOURCE PERMITS PERMIT 1635

AIR NEW SOURCE PERMITS ACCOUNT NUMBER ED0011D

AIR NEW SOURCE PERMITS PERMIT 8097

AIR NEW SOURCE PERMITS AFS NUM 4813900018

AIR NEW SOURCE PERMITS EPA PERMIT PSDTX138M4

AIR NEW SOURCE PERMITS REGISTRATION 135656

AIR NEW SOURCE PERMITS REGISTRATION 112109

AIR NEW SOURCE PERMITS EPA PERMIT PSDTX138M6

AIR NEW SOURCE PERMITS REGISTRATION 171751

PETROLEUM STORAGE TANK REGISTRATION REGISTRATION 52027

STORMWATER PERMIT TXR05U015

STORMWATER PERMIT TXR05GP26

POLLUTION PREVENTION PLANNING ID NUMBER P00124

INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXD066362559

Compliance History Period: September 01, 2019 to August 31, 2024

Date Compliance History Report Prepared: April 08, 2025

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: April 08, 2020 to April 08, 2025

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

Name: Michael Wilkins

Phone: (325) 698-6134

AIR OPERATING PERMITS PERMIT 2110

AIR NEW SOURCE PERMITS PERMIT 3026

AIR NEW SOURCE PERMITS PERMIT 5983

AIR NEW SOURCE PERMITS EPA PERMIT PSDTX138M5

AIR NEW SOURCE PERMITS EPA PERMIT PSDTX138M2

AIR NEW SOURCE PERMITS REGISTRATION 84490

AIR NEW SOURCE PERMITS REGISTRATION 105588

AIR NEW SOURCE PERMITS REGISTRATION 166137

AIR NEW SOURCE PERMITS REGISTRATION 166860

AIR NEW SOURCE PERMITS REGISTRATION 178264

PETROLEUM STORAGE TANK REGISTRATION REGISTRATION 87633

STORMWATER PERMIT TXR05V752

AIR EMISSIONS INVENTORY ACCOUNT NUMBER ED0011D

INDUSTRIAL AND HAZARDOUS WASTE PERMIT 50162

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 30661

Rating Year: 2024

Rating Date: 09/01/2024

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:

- | | | |
|---|--|--|
| 1 | Effective Date: 12/20/2022 | ADMINORDER 2021-0932-IHW-E (1660 Order-Agreed Order With Denial) |
| | Classification: Minor | |
| | Citation: 30 TAC Chapter 335, SubChapter A 335.9(a)(2) | |
| | Description: Failed to submit to the Executive Director a complete and correct AWS detailing the management of each hazardous and/or Class 1 waste generated on-site during the reporting calendar year. | |

Classification: Minor

Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(2)
30 TAC Chapter 335, SubChapter C 335.69(a)(3)
30 TAC Chapter 335, SubChapter C 335.69(d)(2)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(a)(3)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(c)(1)(ii)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(c)(2)

Description: Failed to label all hazardous waste containers with accumulation start dates and with the words "Hazardous Waste."

Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(A)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT I 265.173(a)

Description: Failed to keep a container holding hazardous waste closed except when adding or removing waste.

Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter H 335.262(c)(2)(A)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT I 265.173(a)

Description: Failed to keep containers of paint and paint-related waste closed, except when adding or removing waste.

Classification: Minor

Citation: 30 TAC Chapter 335, SubChapter A 335.9(a)(1)(G)

Description: Failed to maintain records of the location of all hazardous waste accumulation areas, situated at or near any point of generation.

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

Rqmt Prov: Provision IV.C1 PERMIT

Description: Failed to comply with all permit conditions.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	December 16, 2020	(1692630)
Item 2	September 01, 2021	(1706752)
Item 3	February 16, 2022	(1794130)
Item 4	August 22, 2022	(1819374)
Item 6	April 12, 2023	(1902114)
Item 8	June 27, 2023	(1902262)
Item 9	August 03, 2023	(1909196)
Item 10	August 24, 2023	(1886461)
Item 11	September 29, 2023	(1918321)
Item 12	February 21, 2024	(1922981)
Item 13	March 30, 2024	(1959798)
Item 15	August 14, 2024	(2003141)
Item 17	January 17, 2025	(1924411)
Item 18	March 28, 2025	(2062027)
Item 19	March 31, 2025	(2055173)

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: 08/21/2024 (1983163)	
	Self Report? NO	Classification: Moderate
	Citation: 30 TAC Chapter 106, SubChapter T 106.454(1)(F) 30 TAC Chapter 115, SubChapter E 115.412(1)(A) 5C THSC Chapter 382 382.085(b)	
	Description: Failure to keep the cover for a parts washer closed whenever parts are not being handled in the cleaner.	
	Self Report? NO	Classification: Moderate
	Citation: 30 TAC Chapter 117, SubChapter B 117.440(a) 5C THSC Chapter 382 382.085(b)	

Description: Failure to maintain and operate a totalizing fuel flow meter with an accuracy of +/- 5% for the Medium Section Mill Reheat furnace (05A-FURN).
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 113, SubChapter C 113.1090
40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6640(a)
5C THSC Chapter 382 382.085(b)

Description: Failure to change oil and filter, and inspect air cleaner, hoses, and belts at least annually for SRIC 13(Serial No. 08VF156413) and 04 (Serial No. 08VF174835).
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Condition (6)(B) PERMIT

Description: Failure to maintain monthly records of NOx emissions specified in terms of pounds or tons per day for the Bar Mill Reheat Furnace (EPN 02A).
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 117, SubChapter B 117.445(f)(2)(B)
5C THSC Chapter 382 382.085(b)

Description: Failure to maintain records of daily emissions for units complying with an emission specification enforced on a daily or rolling 30-day average in lb/MMBTU and pounds or tons per day for all reheat furnaces (EPNs 02A-FURN, 05A-FURN, and 09A- FURN).
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Condition 12(D) PERMIT

Description: Failure to maintain records of the hourly feed to the auto shredder.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Condition (E) PERMIT

Description: Failure to maintain records of the hourly Systems and Technology and Advanced Recycling (STAR) process throughput for calendar year 2022.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Condition 12(F) PERMIT

Description: Failure to maintain records of the hourly shredded steel output.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Condition 28 PERMIT

Description: Failure to operate and maintain the bag leak detection system for Baghouse C (EPN 07) in a manner consistent with the approved site-specific monitoring plan.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)

Description: Failure to report all instances of deviation for the reporting period of January 25, 2022 through July 24, 2022.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)

Description: Failure to report all instances of deviation for the reporting period of July 25, 2022 through January 24, 2023.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)

Description: Failure to report all instances of deviation for the reporting period of January 25, 2023 through July 24, 2023.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)

Description: Failure to report all instances of deviation for the reporting period of July 25, 2023 through January 24, 2024.

F. Environmental audits:

Notice of Intent Date: 06/01/2020 (1658461)
Disclosure Date: 12/14/2020

Viol. Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.116(d)
 Rqmt Prov: PERMIT GC 10
 OP SC 9

Description: Failed to incorporate by reference the changes authorized by PBR 106.183 for the ladle preheaters into Permit No. 8097 when the permit was amended on February 2, 2010.

Viol. Moderate

Citation: 30 TAC Chapter 122, SubChapter C 122.217
 30 TAC Chapter 122, SubChapter C 122.222(c)

Description: Failed to update the Title V to reflect the replacement of the ladle preheaters and their authorization by PBR 106.183.

Notice of Intent Date: 06/23/2021 (1745070)
 No DOV Associated

Notice of Intent Date: 04/06/2022 (1810288)
 Disclosure Date: 06/17/2022

Viol. Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(a)
 30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt Prov: PERMIT G 1, 8, 10, 14
 PERMIT SC 1

Description: Failed to obtain authorization for VOC emissions prior to construction. Specifically, VOC emissions were emitted from the automobile shredder without authorization as Permit No. 3026 authorizes emissions from the automobile shredder (EPN No. 16), but not VOC emissions.

Viol. Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt Prov: PERMIT SC 24
 PERMIT SC 29

Description: Failed to conduct a quarterly visible emissions determination to demonstrate compliance with the opacity limitations specified in Permit No. 8097 for SR Dryer Baghouse Stack (EPN No. 73) for a minimum of six minutes.

Disclosure Date: 06/24/2022

Viol. Moderate

Citation: 30 TAC Chapter 106, SubChapter A 106.4(c)
 30 TAC Chapter 106, SubChapter W 106.511

Description: Failed to perform annual inspections and maintenance for Engine Nos. SRIC 01 [ID 23118], SRIC 03 [ID 844], and SRIC 08 [ID 23119]. Specifically, oil and filters were not changed annually, spark plugs were not inspected annually and changed if necessary, and hoses and belts were not inspected annually for the referenced engines.

Notice of Intent Date: 04/02/2023 (1889818)
 Disclosure Date: 08/21/2023

Viol. Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT AA 60.273(d)

Description: Failed to conduct shop opacity observations at least once per day when the furnace is operating in the meltdown and refining period.

Notice of Intent Date: 12/01/2023 (1944628)
 No DOV Associated

Notice of Intent Date: 03/28/2024 (1974070)
 Disclosure Date: 07/03/2024

Viol. Minor

Viol.

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 117, SubChapter B 117.445(c)(1)

Rqmt Prov: PERMIT SC 41

Description: Failed to submit the results of the Relative Accuracy Test Audit (RATA) for the Bar Mill Reheat Furnace (02A-FURN) CEMS, Medium Section Mill Reheat Furnace (05A-FURN) CEMS, and Large Section Mill Reheat Furnace (09-FURN) within 60 days of the completion of the test.

Disclosure Date: 08/19/2024

Viol. Minor

Classification:

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt Prov: PERMIT SC 27.C

Description: Failed to reduce Medium Section Mill Reheat Furnace (05A-FURN) CEMS data to 1-hr average concentrations at least once every day, to units of the permit allowable emission rate in pounds per hour at least once per day and cumulative tons per year on a 12-month rolling basis at least once per month.

Notice of Intent Date: 04/07/2025 (2056632)

No DOV Associated

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
ENFORCEMENT ACTION
CONCERNING

GERDAU AMERISTEEL US INC
(formerly known as "CHAPARRAL
STEEL MIDLOTHIAN, LP")
RN100216472

§
§
§
§
§
§

BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2023-1288-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 Gerdau Ameristeel US Inc (formerly known as "Chaparral Steel Midlothian, LP") (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 a steel manufacturing plant located at 300 Ward Road in Midlothian, Ellis 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 \$16,500 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$6,600 of the penalty and \$3,300 of the penalty is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order and shall be waived only upon full compliance with all the terms and conditions of this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms and conditions contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.

Pursuant to TEX. WATER CODE § 7.067, \$6,600 of the penalty shall be conditionally offset by the Respondent's timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the attached SEP Agreement ("Attachment A", incorporated herein by reference). The Respondent's obligation to pay the conditionally

offset portion of the penalty shall be discharged upon full compliance with all the terms and conditions of this Order, which includes the timely and satisfactory completion of all provisions of the SEP Agreement, as determined by the Executive Director. 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.

5. 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.
6. 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.
7. 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.

II. ALLEGATIONS

During a record review for the Plant conducted on August 8, 2023, an investigator documented that the Respondent failed to comply with the emission specification, in violation of 30 TEX. ADMIN. CODE §§ 117.410(a)(8)(B) and 122.143(4), Federal Operating Permit No. O2110, General Terms and Conditions and Special Terms and Conditions Nos. 1.A and 15.A(i), and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent exceeded the nitrogen oxides ("NOx") emission specification of 0.10 pound per one million British thermal units ("lb/MMBtu") on a 30-day rolling average by a range from 0.01 lb/MMBtu to 0.03 lb/MMBtu for the 30-day periods ending from June 8, 2022 through July 20, 2022 for the Bar Mill Reheat Furnace, Unit ID No. 02A-FURN, resulting in approximately 0.59 ton of unauthorized NOx emissions.

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: Gerdau Ameristeel US Inc (formerly known as "Chaparral Steel Midlothian, LP"), Docket No. 2023-1288-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. The Respondent shall implement and complete the SEP as set forth in Section I, Paragraph No. 4. The amount of \$6,600 of the assessed penalty is conditionally offset based on the Respondent's implementation and completion of the SEP pursuant to the terms of the SEP Agreement, as defined in Attachment A. Penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment.
3. The Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Order, implement measures designed to comply with the NOx emission specification for Unit ID No. 02A-FURN, in accordance with 30 TEX. ADMIN. CODE § 117.410(a)(8)(B).
 - b. Within 45 days after the effective date of this Order, submit written certification, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be signed by the Respondent and shall include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Dallas/Fort Worth Regional Office
Texas Commission on Environmental Quality
2309 Gravel Drive
Fort Worth, Texas 76118-6951

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

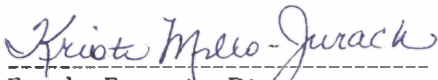
5. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Plant operations referenced in this Order.
6. The Executive Director may grant an extension 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. Extension requests shall be sent to the Enforcement Division at the address listed above.
7. 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.
8. 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.
9. 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



For the Executive Director

09/30/2025

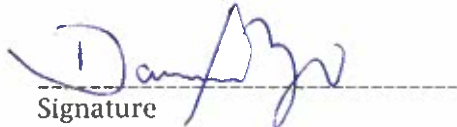
Date

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.



Signature

07/24/2025

Date

DANIEL RODRIGUES DO REGO

VICE PRESIDENT AND GM

Name (Printed or typed)

Title

Authorized Representative of

Gerdau Ameristeel US Inc (formerly known as "Chaparral Steel Midlothian, LP")

☐ 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.

Attachment A
Docket Number: 2023-1288-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Gerdau Ameristeel US Inc f/k/a Chaparral Steel Midlothian, LP
Payable Penalty Amount:	\$13,200
SEP Offset Amount:	\$6,600
Type of SEP:	Contribution to a Third-Party Administrator SEP
Third-Party Administrator:	American Energy Institute
Project Name:	<i>High Emission Vehicle Replacement Project</i>
Location of SEP:	TCEQ Air Quality Control Region 215 – Dallas-Fort Worth - Preference for Ellis County

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above for the *High Emission Vehicle Replacement Project* (the “Project”). The contribution will be used in accordance with the Supplemental Environmental Project between the Third-Party Administrator and the TCEQ, which details the terms and conditions of the Project.

Specifically, the SEP Offset Amount will be used to reimburse an eligible public entity for the total purchase price or five-year lease price of a standard base model alternative-fueled vehicle that will replace an eligible older, diesel-fueled vehicle that the public entity has decommissioned and removed from its fleet. Public entities eligible to receive assistance include state agencies, counties, municipalities, school districts, or other political subdivisions created under the constitution or any statute of this state.

Old, diesel-fueled vehicles emit large amounts of nitrogen oxides (“NOx”) and particulate matter (“PM”), as well as other harmful pollutants such as volatile organic compounds (“VOCs”) and carbon monoxide (“CO”). These pollutants contribute to serious public health problems. This Project shall reduce NOx, PM, VOCs, and CO emissions by replacing high-emission, diesel-fueled vehicles with low-emission, alternative-fueled vehicles. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of implementing the Project, including, but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director (“ED”), be applied to another pre-approved SEP.

The Respondent’s signature affixed to this Agreed Order certifies that the Respondent has no prior commitment to make this contribution and that it is being contributed solely to settle this enforcement action. The Respondent shall not profit from this SEP.

b. Environmental Benefit

This Project will directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. For example, replacing a model year 2002 heavy-duty diesel dump truck with a model year 2010 or newer dump truck powered by natural gas or propane may reduce passengers' exposure to NOx by 95% and PM by 99.9%. Moreover, replacing a model year 1989 diesel school bus with a model year 2010 or newer school bus powered by natural gas or propane may reduce passengers' exposure to NOx by 98%, VOCs by 83%; and PM by 99%.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Texas Natural Gas Foundation SEP** and shall mail the contribution with a copy of the Agreed Order to:

American Energy Institute
Attention: Heather Ball, Grant Coordinator
2315 Newfield Lane
Austin, Texas 78703

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP, shall make the check payable to "Texas Commission on Environmental Quality," and shall mail it to:

Gerdau Ameristeel US Inc f/k/a Chaparral Steel Midlothian, LP
Docket No. 2023-1288-AIR-E
Agreed Order - Attachment A

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP and/or project, made by or on behalf of the Respondent must include a clear statement that **the project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

6. Recognition

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.