

**BEFORE THE  
U.S. DEPARTMENT OF ENERGY  
Washington, D.C. 20585**

In the Matter of:

**Islandaire, Inc.**

(commercial packaged terminal air  
conditioners and heat pumps)

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) Case Number: 2015-SE-43008  
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Issued: February 25, 2016

**NOTICE OF NONCOMPLIANCE DETERMINATION**

Packaged terminal air-conditioners and packaged terminal heat pumps are covered equipment subject to federal energy conservation standards. 10 C.F.R. § 431.2, 431.97. Manufacturers and private labelers are prohibited from distributing covered equipment in the United States that does not comply with applicable federal energy conservation standards. 10 C.F.R. § 429.102(a)(6).

**TESTING**

The U.S. Department of Energy (“DOE”) tested four units of Islandaire, Inc. (“Islandaire”) package terminal air conditioning heat pump basic model CPZ-12ANR1-B (individual model EZDR12B). DOE’s testing in accordance with the DOE test procedure (10 C.F.R. § 431.96) demonstrates that the basic model is not in compliance with the applicable energy conservation standard. The minimum permissible energy efficiency ratio (“EER”) for this model of packaged terminal heat pump manufactured on or after October 8, 2012, is 10.6. 10 C.F.R. § 431.97(c), Table 5. The four units that DOE tested performed at an EER of 10.09, 9.39, 10.00, and 10.19, respectively.

**FINDINGS**

Based on the facts stated above, DOE has determined, after applying the calculations set forth in Appendix B to Subpart C of 10 C.F.R. Part 429, that basic model CPZ-12ANR1-B, including individual model EZDR12B and EZ4212B and any other models within the basic model, do not comply with an applicable energy conservation standard.

**MANDATORY ACTIONS BY ISLANDAIRE**

In light of the above findings, Islandaire must take the following steps in accordance with 10 C.F.R. § 429.114(a):

- (1) Immediately cease distribution in commerce in the United States of all units of the basic model;
- (2) Provide immediate written notification of this noncompliance determination to all persons in the United States to whom Islandaire has distributed units of any model within the basic model;
- (3) Provide to DOE within 15 calendar days of the date of this Notice a copy of the written notification required by paragraph (2) and a list of the parties that Islandaire notified; and
- (4) Provide to DOE within 30 calendar days of the date of this Notice any and all records, reports, and other documentation pertaining to the acquisition, ordering, storage, shipment, or sale of units of the basic model in the United States on or after October 8, 2012.<sup>1</sup>

If you claim that any of the information sought by this Notice constitutes confidential commercial material within the meaning of 5 U.S.C. § 552(b)(4), or is protected from disclosure pursuant to 18 U.S.C. § 1905, you must (1) provide one complete and full copy and one copy with the confidential information deleted and (2) submit supporting information together with the materials that are the subject of the confidentiality request. *See* 10 CFR § 429.7. Failure to adhere to these procedures will result in a rejection of your request for confidential treatment.

#### OPTIONAL ACTIONS BY ISLANDAIRE

In addition to ceasing distribution in commerce in the United States of all units of the basic model, Islandaire may elect to modify a basic model to bring it into compliance with the applicable standard. A modified basic model shall be treated as a new basic model under the regulations and must be certified in accordance with the provisions of 10 C.F.R. Part 429. In addition to satisfying all requirements of this part, any models within the basic model must be assigned new model numbers and Islandaire must also maintain, and provide upon request to DOE, records that demonstrate that modifications have been made to all units of the new basic model prior to distribution in commerce. Prior to distribution of the modified basic model in commerce in the United States, Islandaire must provide to DOE test data demonstrating that the modified basic model complies with the applicable standard. All units must be tested in accordance with DOE regulations, with at least one unit tested by an independent, third-party test facility, and Islandaire shall bear the costs of all such testing.

If, after this testing, DOE determines that the modified basic model complies with the applicable standard, DOE will issue a Notice of Allowance to permit Islandaire to resume the distribution of the modified basic model in the United States. Until DOE determines that the modified basic model complies with the applicable standard, Islandaire is prohibited from selling or otherwise distributing units in commerce in the United States.

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<sup>1</sup> Please note that “[t]he terms ‘to distribute in commerce’ and ‘distribution in commerce’ mean to sell in commerce, to import, to introduce or deliver for introduction into commerce, or to hold for sale or distribution after introduction into commerce.” 42 U.S.C. § 6311(7).

CONSEQUENCES FOR FAILURE TO COMPLY WITH THIS NOTICE

Should Islandaire fail to cease immediately the distribution in the United States of all units of models within the basic model, this letter serves as notice that DOE will seek a judicial order within 30 calendar days to restrain further distribution. If, however, Islandaire provides DOE with a satisfactory statement within that 30-day period detailing the steps that Islandaire will take to ensure that units of the noncompliant basic model will no longer be distributed in commerce in the United States, DOE may elect to defer seeking such an order until a more appropriate time, if needed.

The distribution of any units of a noncompliant basic model may result in DOE seeking all appropriate legal remedies available under federal law, including injunctive relief and civil penalties with respect to each unit of the basic model distributed in violation of federal law.

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Laura L. Barhydt  
Assistant General Counsel  
for Enforcement