



**Department of Energy**  
Washington, DC 20585

September 10, 2018

Via certified mail and email

Simon Wang  
Chigo Electrical Appliances (USA) Inc.  
1314 John Reed Ct.  
City of Industry, CA 91745  
contact@chigo.us

**Re: Case No. 2017-SE-36003**

Dear Mr. Wang:

The attached Notice of Noncompliance Determination (“Notice”) advises Chigo Electrical Appliances (USA) Inc. (“Chigo”) of the Department of Energy’s determination that SoleusAir brand dehumidifier model DME-95IP-01, manufactured by Chigo, does not comply with applicable federal energy conservation standards. The Notice also advises Chigo of certain legal obligations.

Also, please be advised that violations of the applicable federal energy conservation standards may be subject to civil penalties.

Should you have any questions, please feel free to contact me at david.case@hq.doe.gov or by phone at (202) 287-6998.

Sincerely,

A handwritten signature in black ink, appearing to read "DWC", written over a dotted line.

David W. Case  
Trial Attorney

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

In the Matter of: )  
)  
)  
**Chigo Electrical Appliances (USA) Inc.** ) Case Number: 2017-SE-36003  
(central air conditioners and heat pumps) )  
)

Issued: September 10, 2018

**NOTICE OF NONCOMPLIANCE DETERMINATION**

Dehumidifiers are covered products subject to federal energy conservation standards. 42 U.S.C. §§ 6292(a)(20), 6295(cc), and 10 C.F.R. § 430.32(c). Manufacturers and private labelers are prohibited from distributing covered products in the United States that do not comply with applicable federal energy conservation standards. 10 C.F.R. § 429.102(a)(6); 42 U.S.C. § 6302(a)(5).

**TESTING**

The U.S. Department of Energy (“DOE”) tested four units of dehumidifier basic model DME-95IP-01 (the “basic model”), manufactured<sup>1</sup> by Chigo Electrical Appliances (USA) Inc. DOE’s testing in accordance with DOE test procedures (Appendix X to Subpart B of 10 C.F.R. Part 430) demonstrates that the basic model is not in compliance with the applicable energy conservation standard. The minimum permissible energy factor (“EF”) for dehumidifiers with a capacity of more than 75 pints per day is 2.5 liters per kilowatt-hour. The four units that DOE tested performed at an EF of 2.41, 2.48, 2.36, and 2.35, respectively.

**FINDINGS**

Based on the facts stated above, DOE has determined, after applying the calculations set forth in Appendix A to Subpart C of 10 C.F.R. Part 429, that the basic model, irrespective of branding and individual model number, does not comply with the applicable energy conservation standard.

**MANDATORY ACTIONS BY CHIGO**

In light of the above findings, Chigo 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 the basic model;

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<sup>1</sup> The term “manufacture” means to manufacture, produce, assemble or import. 42 U.S.C. § 6291(10).

(2) Provide to DOE within 30 calendar days of the date of this Notice records sufficient to show the number of units of the basic model that Chigo distributed in commerce in the United States, including all units imported into the United States.<sup>2</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 C.F.R. § 429.7. Failure to adhere to these procedures will result in a rejection of your request for confidential treatment.

#### OPTIONAL ACTIONS BY CHIGO

In addition to the mandatory actions listed above, Chigo may elect to modify the 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 Chigo must also maintain, and provide upon request to DOE, records that demonstrate that necessary modifications have been made to all units prior to distribution in commerce. Prior to distribution of the modified basic model in commerce in the United States, Chigo 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 Chigo 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 Chigo 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, Chigo is prohibited from selling or otherwise distributing units in commerce in the United States.

#### CONSEQUENCES FOR FAILURE TO COMPLY WITH THIS NOTICE

Should Chigo 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, Chigo provides DOE with a satisfactory statement within that 30-day period detailing the steps that Chigo 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.

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<sup>2</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. § 6291(16). Accordingly, units manufactured and held in inventory must be reported.

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.



Laura L. Barhydt  
Assistant General Counsel  
for Enforcement