

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

In the Matter of:)
)
Galanz Americas Limited Company)
(refrigerators, refrigerator-freezers, and freezers))
)

Case Number: 2019-SE-14008

Issued: September 2, 2022

NOTICE OF NONCOMPLIANCE DETERMINATION

Refrigerators, refrigerator-freezers, and freezers are covered products subject to federal energy conservation standards. 42 U.S.C. §§ 6292(a)(1), 6295(b); 10 C.F.R. § 430.32(a). Manufacturers and private labelers are prohibited from distributing in commerce¹ covered products that do not comply with the applicable federal energy conservation standard. 42 U.S.C. §§ 6302(a)(5); 10 C.F.R. § 429.102(a)(6). Specifically, compact refrigerator-freezers and refrigerators other than all-refrigerators with manual defrost manufactured² on or after September 15, 2014 (“Product Class 11”) must have a yearly energy consumption (in kilowatt hours per year (kWh/year)) that does not exceed 9.03 multiplied by the volume of the refrigerator and plus 252.3. 10 C.F.R. § 430.32(a). Similarly, compact refrigerator-freezers – partial automatic defrost manufactured on or after September 15, 2014 (“Product Class 12”) must have a yearly energy consumption that does not exceed 5.91 multiplied by the volume of the refrigerator and plus 335.8. *Id.*

TESTING

In January 2019 and November 2019, the U.S. Department of Energy (“DOE”) tested four units of Galanz model number BCD-215V-62H (“the basic model”), which is manufactured by Galanz. DOE’s testing in accordance with DOE test procedures (Appendix A to Subpart B of Part 430) demonstrates that the basic model had a measured volume of 8.6 ft³ and does not meet the applicable energy conservation standard at 10 C.F.R. § 430.32.

The basic model belongs to either Product Class 11 or Product Class 12. The maximum daily energy consumption of the basic model, given a volume of 8.6 ft³, is 330 kWh/year for Product Class 11 and 387 kWh/year for Product Class 12. Based on its performance during testing, the units tested at 462 kWh/year, 530 kWh/year, 535 kWh/year, and 520 kWh/year.

¹ 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).

² “Manufacture” means manufacture, produce, assemble, or import. 42 U.S.C. § 6291(10).

FINDINGS

Based on the facts stated above, DOE finds, after applying the statistical sampling provisions found in Appendix A to Subpart C of 10 C.F.R. Part 429, that the basic model (including each individual model within the basic model) does not comply with the applicable energy conservation standard at 10 C.F.R. § 430.32(a).

NOTICE

Distribution in commerce of a covered equipment that does not meet the energy conservation standards is a violation subject to civil penalty, regardless of the issuance of this Notice. If Galanz continues to distribute the basic model, DOE may assess a higher civil penalty for units sold after the date of this Notice.

MANDATORY ACTIONS BY GALANZ

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

- (1) Immediately cease distribution in commerce of the basic model;
- (2) Give immediate written notification of this noncompliance determination to all persons in the United States to whom Galanz has distributed units of any model within the basic model manufactured since the date of the last determination of compliance; and
- (3) 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 in the past five years.

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 GALANZ

In addition to the mandatory steps listed above that Galanz must complete, Galanz may elect to modify a basic model to bring it into compliance with the current 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 Galanz 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, Galanz 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, and Galanz 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 Galanz 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, Galanz is prohibited from selling or otherwise distributing units in commerce in the United States.

CONSEQUENCES FOR CONTINUING TO DISTRIBUTE THE BASIC MODEL

Should Galanz 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 may seek a judicial order within 30 calendar days to restrain further distribution. If, however, Galanz provides DOE with a satisfactory statement within that 30-day period detailing the steps that Galanz 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.

Adam Curfman
Trial Attorney
Office of the Assistant General Counsel
for Enforcement
U.S. Department of Energy

Certificate of Service

This is to certify that on September 2, 2022, the undersigned served the designated copies of the Notice of Noncompliance Determination issued in DOE Case Number 2019-SE-14008 on the parties listed below in the manner indicated.

Galanz Americas Limited Company

c/o Terry M. Henry

Blank Rome

terry.henry@blankrome.com

PDF by e-mail

Adam Curfman