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

In the Matter of:)	
Galanz Americas Limited Company &	j	DOE Case No.: 2019-SE-14008
Zhongshan Galanz Consumer Electric)	OHA Case No.: EEE-24-0018
Appliances Co., Ltd.,)	
(refrigerators, refrigerator-freezers, and)	
freezers)	j	

ORDER

For the U.S. Department of Energy ("DOE"):

- 1. On March 8, 2023, under the above-listed DOE case number, DOE issued a Notice of Proposed Civil Penalty to Galanz Americas Limited Company ("Galanz Americas"), alleging that Galanz Americas had knowingly distributed in commerce compact refrigerator-freezers that failed to comply with the applicable energy conservation standard.
- 2. Refrigerator-freezers, including compact refrigerator-freezers, are covered products. 42 U.S.C. § 6292(a)(1) and 10 C.F.R. § 430.2.
- 3. DOE has promulgated an energy conservation standard for compact refrigerator-freezers at 10 C.F.R. § 430.32(a).
- 4. Galanz Americas and Zhongshan Galanz Consumer Electric Appliances Co., Ltd. (collectively, "Respondents") manufactured basic model BCD-215V-62H, which Respondents subsequently redesignated as basic model GLR76TRDER ("the subject model").
- 5. The subject model is a compact refrigerator-freezer with a partial automatic defrost that was manufactured on or after September 15, 2014.
- 6. Compact refrigerator-freezers with a partial automatic defrost manufactured on or after September 15, 2014, must have a yearly energy consumption in kilowatt hours ("kWh") that does not exceed 5.91 multiplied by the model's adjusted volume in cubic feet plus 335.8. 10 C.F.R. § 430.32(a).
- 7. The subject model has a mean adjusted volume of 8.6 cubic feet; accordingly, the maximum permissible rate of energy consumption for the subject model is 387 kWh/year.
- 8. DOE tested four (4) units of the subject model in accordance with the applicable DOE test procedure for refrigerator-freezers at 10 C.F.R. Part 430, Subpart B, Appendix A.

- 9. DOE's testing yielded energy consumption rates of 462, 530, 535, and 520 kWh/year, respectively.
- 10. After applying the calculations in 10 C.F.R. Part 429, Subpart C, Appendix A, DOE found that the subject model does not comply with the applicable federal energy conservation standard set forth at 10 C.F.R. § 430.32(a).
- 11. Distribution in commerce of any new covered product that does not comply with an applicable energy conservation standard is a prohibited act pursuant to 10 C.F.R. § 429.102(a)(6) and subject to civil penalties as described in 10 C.F.R. § 429.120.
- 12. Pursuant to 10 C.F.R. § 429.120, each unit of a covered product distributed in violation of 10 C.F.R. § 429.102(a)(6) is a separate violation.
- 13. On June 21, 2024, pursuant to 10 C.F.R. § 429.124(c), DOE referred this case to an Administrative Law Judge ("ALJ") by filing a Complaint with the DOE Office of Hearings and Appeals ("OHA") and serving the Complaint on Respondents. ¹
- 14. In the Complaint, DOE alleged that between 2017 and 2022, Respondents had distributed in commerce multiple units of the subject model in violation of 10 C.F.R. § 429.102(a)(6).
- 15. On December 17, 2024, DOE and Respondents executed a Settlement Agreement, in which DOE states that it found that the subject model does not comply with the applicable federal energy conservation standard at 10 C.F.R. § 430.32(a), Respondents distributed in commerce multiple units of the subject model, and each unit of the subject model was a new covered product when Respondents distributed it in commerce.²
- 16. Based on the information above, I find that Respondents knowingly committed Prohibited Acts by manufacturing and distributing in commerce multiple new covered products that did not conform with the applicable energy conservation standard. *See* 42 U.S.C. §§ 6302, 6303; 10 C.F.R. § 429.102(a)(6).
- 17. Accordingly, pursuant to 10 C.F.R. § 429.120 and 42 U.S.C. §§ 6303 and 6316, I **HEREBY ASSESS** a civil penalty of \$25,312,725 (twenty-five million three hundred twelve thousand seven hundred and twenty-five dollars) **AND ORDER** that the Settlement Agreement DOE and Respondents executed is adopted.³

Samuel T. Walsh		
General Counsel		

¹ OHA subsequently assigned OHA Case Number EEE-24-0018 to this civil penalty action.

² Respondents deny the allegations in the Complaint and DOE's findings.

³ DOE acknowledges that DOE received Respondents' \$25,312,725 civil penalty payment in full on or about December 30, 2024.