

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

In the Matter of:)
))
Lutron Electronics Co., Inc.) Case Number: 2012-SE-3796
(external power supplies))
))

NOTICE OF PROPOSED CIVIL PENALTY

Date issued: May 2, 2013

Number of alleged violations: **79,000**
Maximum possible assessment: **\$15,800,000**
Proposed civil penalty: **\$560,000**

The U.S. Department of Energy (“DOE”) Office of the General Counsel, Office of Enforcement, alleges that Lutron Electronics Co., Inc. (“Lutron”) has violated certain provisions of the Energy Policy and Conservation Act, 42 U.S.C. § 6291 *et seq.* (“the Act”), and 10 C.F.R. Parts 429 and 430.

Specifically, DOE alleges:

1. Each class A external power supply manufactured on or after July 1, 2008, and distributed in commerce in the United States must have a minimum efficacy as in the table below:

Nameplate output	Required efficiency (decimal equivalent of a percentage)
Active Mode	
From 1 watt to not more than 51 watts	The sum of 0.09 times the Natural Logarithm of the nameplate output and 0.5
Greater than 51 watts	0.85
No-Load Mode	
Nameplate output	Maximum consumption
Not more than 250 watts	0.5 watts

42 U.S.C. § 6295(u); 10 C.F.R. § 430.32(w);

2. On or after July 1, 2008, Lutron has manufactured¹ class A external power supply basic models SV-100SF-JBOX, SV-100SF-PI, PPS1-120-15DC-3A, SV-50SF-PI, T120-9AC-3-BL, T120-9AC-3-WH, T120-9DC-3-BL, T120-9DC-3-WH, T120-15DC-9-BL, T120-18AC-3-BL, and GRX-12VDC (the “Lutron Basic Models”);
3. The Lutron Basic Models are not in conformity with the applicable energy conservation standard. Lutron voluntarily self-disclosed to DOE that the Lutron Basic Models are not in conformity with the applicable active mode energy conservation standards; and
4. Since January 1, 2010, Lutron distributed in commerce in the United States at least 79,000 units of the Lutron Basic Models.

The following information is provided in question and answer format to help explain Lutron’s legal obligations and options.

What do I do now?

DOE is offering a settlement of \$13,000 if you submit the signed Compromise Agreement and pay the fine within thirty (30) calendar days of the date of an Adopting Order adopting the Compromise Agreement.

If you do not choose to settle the case, DOE may seek up to the maximum penalty authorized by law (\$15,800,000). You have other options as described below.

What are my other options?

If you do **not** agree to DOE’s settlement offer, then you must select Option 1 or Option 2 below within thirty (30) calendar days of the date of this Notice.

Option 1: You may elect to have DOE issue an order assessing a civil penalty. Failure to pay the assessed penalty within sixty (60) calendar days of the order assessing such penalty will result in referral of the case to a U.S. District Court for an order affirming the assessment of the civil penalty. The District Court has the authority to review the law and the facts *de novo*.

Option 2: You may elect to have DOE refer this matter to an Administrative Law Judge (“ALJ”) for an agency hearing on the record. Upon a finding of violation by the ALJ, DOE will issue an order assessing a civil penalty. This order may be appealed to the appropriate U.S. Court of Appeals.

When must I respond?

You must submit the signed Compromise Agreement within thirty (30) calendar days of the date of this Notice to pay the lowest penalty. If you do not wish to settle AND you wish to choose Option 1 as described above, you must notify DOE of your selection of Option 1 within thirty (30) calendar days of the date of this Notice. Otherwise, if you do not settle the case, DOE will refer the case to an ALJ as described in Option 2.

¹ “Manufacture” means to manufacture, produce, assemble or import. 42 U.S.C. § 6291(10).

How should I submit my response?

To assure timely receipt, DOE strongly encourages you to submit your response by e-mail, fax, or an express delivery service. DOE accepts scanned images of signed documents (such as PDFs). Responses may be sent by any of the following methods:

By email to: christina.studt@hq.doe.gov

By fax to: (202) 586-3274 For this option, please first call (202) 586-0389.

By private carrier to: Christina Studt
Trial Attorney (GC-32)
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

What happens if I fail to respond?

If you fail to respond within thirty (30) calendar days of the date of this Notice, or by the time of any extension granted by DOE, DOE will refer the case to an ALJ for a full administrative hearing (Option 2, above).

What should I include in my response?

- 1) If you wish to accept DOE's settlement offer, you should submit the signed Compromise Agreement. If you do not wish to accept DOE's settlement offer, you should specify if you wish to elect Option 1; otherwise, DOE will proceed with Option 2, as described above.
- 2) Provide your Taxpayer Identification Number (TIN). The Debt Collection Improvement Act ("DCIA") requires all federal agencies to obtain the TIN in any case that may give rise to a debt to the government.

How did DOE calculate the maximum possible assessment?

Federal law sets a maximum civil penalty for each unit of a covered product that does not meet an applicable energy or water conservation standard that is distributed in commerce in the U.S. The maximum penalty is \$200 per unit. 10 C.F.R. § 429.120. DOE has calculated a maximum penalty of \$200 per unit for at least 79,000 units distributed in commerce in the United States beginning in 2010. DOE is not pursuing potential violations in 2009 at this time. If the case goes to hearing, this number could be adjusted to include violations before 2010.

If you have any questions, please contact Christina Studt by phone at (202) 586-0389 or email at christina.studt@hq.doe.gov.

Issued by:

_____/S/_____
Laura L. Barhydt
Assistant General Counsel for
Enforcement