

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

In the Matter of:)
)
Nor-Lake, Inc.) Case Number: 2016-SE-53004
(panels for walk-in coolers and freezers))
)
)

Issued: January 19, 2017

NOTICE OF NONCOMPLIANCE DETERMINATION

Components of walk-in coolers and freezers (“WICF”), including panels,¹ are covered equipment subject to federal energy conservation standards. 42 U.S.C. §§ 6311(1)(G), 6313(f), and 10 C.F.R. § 431.306. Manufacturers and private labelers are prohibited from distributing covered equipment 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. § 6316(a).

TESTING

In June 2015, the U.S. Department of Energy (“DOE”) tested one unit of Nor-Lake, Inc. (“Nor-Lake”) walk-in freezer panel 4” Wall Panel model. On March 29, 2016, DOE issued a Test Notice pursuant to 10 C.F.R. § 429.110(b), requiring Nor-Lake to ship three units of the walk-in freezer panel 4” Wall Panel model to a designated test facility. In June and July 2016, DOE completed testing of these three additional units of the model, in accordance with DOE test procedures.

DOE’s testing in accordance with DOE test procedures (10 C.F.R. § 431.304) demonstrates that the walk-in freezer panel 4” Wall Panel model is not in compliance with the applicable energy conservation standard. The 4” Wall Panel model has a minimum permissible energy conservation standard of R-32 for freezer applications.² Based on their performance during testing, the four units that DOE tested had thermal resistance values of 29.59, 30.55, 30.26, and 30.31.

¹ Panel is defined at 10 C.F.R. § 431.302 as a construction component that is not a door and is used to construct the envelope of the walk-in, i.e., elements that separate the interior refrigerated environment of the walk-in from the exterior.

² Under 10 C.F.R. § 431.306(a)(3), each walk-in freezer manufactured on or after January 1, 2009, shall contain wall, ceiling, and door insulation of at least R-32.

BASIC MODEL AND CERTIFICATION OF COMPLIANCE

In April 2016 and August 2016, Nor-lake submitted a certification of compliance to DOE for the relevant basic model in CCMS # 88573 and CCMS #98847, respectively. Both certifications of compliance stated that walk-in freezer panel basic model 4” Wall Panel (“the basic model”) contains individual model 4” Wall Panel.

The certifications of compliance provided that the basic model is a wall or ceiling panel for walk-in freezers, and has a thermal resistance value of 32.

FINDINGS

Based on the facts stated above, DOE has determined that the basic model, including each individual model within the basic model, does not comply with the applicable energy efficiency standard of R-32.

MANDATORY ACTIONS BY NOR-LAKE

In light of the above findings, Nor-Lake 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 Nor-Lake (or any affiliated or parent company) 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 Nor-Lake 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 basic model 4” Wall Panel in the United States in the past five years,³ including information regarding the walk-in cooler panel 4” Wall Panel model.⁴

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

³ 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.

⁴ In both CCMS # 88573 and CCMS #98847, Nor-Lake provided a certification of compliance for walk-in cooler panel basic model 4” Wall Panel. In addition to information pertaining to the walk-in freezer panel, DOE seeks records regarding the walk-in cooler panel.

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 NOR-LAKE

In addition to the mandatory steps listed above that Nor-Lake must complete, Nor-Lake may elect to modify the basic model to bring it into compliance with the applicable standard. The 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. Prior to distribution in commerce in the United States, Nor-Lake must provide to DOE test data demonstrating that the modified basic model complies with the applicable standard.⁵ All units must be tested in accordance with DOE regulations, and Nor-Lake shall bear the costs of all such testing that is conducted.

If, after this testing, DOE determines that the modified basic model complies with the applicable standard, DOE shall issue a Notice of Allowance to permit Nor-Lake 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, Nor-Lake is prohibited from selling or otherwise distributing units in commerce in the United States.

CONSEQUENCES FOR FAILURE TO COMPLY WITH THIS NOTICE

Should Nor-Lake 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, Nor-Lake provides DOE with a satisfactory statement within that 30-day period detailing the steps that Nor-Lake 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.

_Smitha Vemuri /S/ for_____
Laura L. Barhydt
Assistant General Counsel
For Enforcement

⁵ DOE may require that this testing be performed at an independent, third-party testing facility.