

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

In the Matter of:)
)
Nor-Lake, Inc.) Case Number: 2016-SE-53004
Respondent)
)

COMPROMISE AGREEMENT

The U.S. Department of Energy (“DOE”) Office of the General Counsel, Office of Enforcement, initiated this action against Nor-Lake, Inc. (“Respondent”) pursuant to 10 C.F.R. § 429.122 by Notice of Proposed Civil Penalty alleging that Respondent had distributed in commerce in the United States a basic model of walk-in freezer panels that Respondent failed to properly test and certify pursuant to 10 C.F.R. Part 429, Subpart B and 10 C.F.R. Part 431, Subpart R. Respondent, on behalf of itself and any parent, subsidiary, division or other related entity, and DOE, by their authorized representatives, hereby enter into this Compromise Agreement for the purpose of settling this specific enforcement action.

I. DEFINITIONS

For the purposes of this Compromise Agreement, the following definitions apply:

- (a) “Act” means the Energy Policy and Conservation Act of 1975, as amended, 42 U.S.C. § 6291 *et seq.*
- (b) “Adopting Order” means an Order of the General Counsel adopting the terms of this Compromise Agreement without change, addition, deletion, or modification.
- (c) “Distribute in Commerce” or “Distribution in Commerce” means 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.
- (d) “DOE” means the U.S. Department of Energy.
- (e) “DOE Rules” means DOE’s energy and water conservation regulations found in Title 10, Parts 429, 430, and 431 of the Code of Federal Regulations.
- (f) “Manufacture” means to manufacture, produce, assemble, or import.
- (g) “Notice” means the Notice of Proposed Civil Penalty DOE issued to Respondent on August 29, 2018, and captioned under case number 2016-SE-53004.
- (h) “Parties” means DOE and Respondent.
- (i) “Respondent” means Nor-Lake, Inc., and any parent, subsidiary, division or other related entity.
- (j) “Subject Model” means the walk-in freezer panel basic model “4” Wall Panel” at issue in the proceedings captioned under case number 2016-SE-53004.

The Agreement further incorporates by reference all of the definitions set forth in 42 U.S.C. §§ 6291 and 6311 and 10 C.F.R. Parts 429, 430, and 431.

II. RECITALS

WHEREAS, pursuant to 42 U.S.C. § 6291 *et seq.*, DOE is responsible for promulgating and enforcing the energy conservation requirements set forth in DOE Rules; and

WHEREAS, DOE has promulgated energy conservation standards for walk-in freezer panels at 10 C.F.R. § 431.306; and

WHEREAS, a manufacturer of walk-in freezer panels must submit a certification report to DOE for each basic model of walk-in freezer panels prior to distributing that basic model in commerce in the United States. 10 C.F.R. §§ 429.12, 429.53; and

WHEREAS, prior to submitting a certification of compliance, a manufacturer must test a randomly selected sample of a sufficient quantity of each basic model to ensure the compliance of the basic model with the energy conservation standards in accordance with 10 C.F.R. §§ 429.11, 429.12, 429.53, 431.304, 431.306; and

WHEREAS, the Subject Model was manufactured between December 31, 2014, and January 19, 2017; and

WHEREAS, walk-in freezer panels manufactured between December 31, 2014, and January 19, 2017, were required to be tested pursuant to 10 C.F.R. §§ 429.11, 429.53, and 10 C.F.R. Part 431, Subpart R; and

WHEREAS, on August 29, 2018, DOE initiated an action to assess a civil penalty for failing to properly test and certify the Subject Model prior to distributing the model in commerce in the United States; and

WHEREAS, Respondent admits that, between December 31, 2014, and January 19, 2017:

1. Respondent manufactured the Subject Model;
2. Respondent distributed the Subject Model in commerce for at least 365 days;
3. Respondent failed to properly test and certify the Subject Model before distributing it in commerce; and

WHEREAS, DOE, pursuant to 42 U.S.C. §§ 6296, 6302, 6303, and 6316, and 10 C.F.R. Part 429, Subpart C, is authorized to assess civil monetary penalties against any manufacturer for failure to properly certify the compliance of any covered product or covered equipment subject to an applicable energy conservation standard prior to distribution in commerce and annually thereafter; and

WHEREAS, DOE, on January 19, 2017, issued a Notice of Noncompliance Determination, finding that the Subject Model, manufactured and distributed in commerce by Respondent, does not comply with the applicable energy conservation standard;

WHEREAS, DOE is authorized to assess civil monetary penalties against any manufacturer that knowingly distributes in commerce any new covered equipment that is not in conformity with an applicable energy conservation standard; and

WHEREAS, Respondent understands that, in accordance with 10 C.F.R. Part 429, a manufacturer must properly test and annually certify all basic models of all covered products and covered equipment that it manufactures and distributes in commerce in the United States, as required by DOE Rules.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements set forth below, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree as follows:

III. TERMS OF THE AGREEMENT

1. **Adopting Order.** The Parties agree that the provisions of this Compromise Agreement are subject to final approval by the General Counsel by incorporation of such provisions by reference in the Adopting Order without change, addition, modification, or deletion.
2. **Obligations of Respondent.**
 - a. If Respondent executes this Compromise Agreement and returns it to DOE within thirty (30) calendar days after the date of the Notice, Respondent agrees to pay the sum of **\$16,000 (sixteen thousand dollars)**, as full satisfaction of the civil penalty proposed in the Notice, within thirty (30) calendar days of the issuance of an Adopting Order.
 - b. Respondent agrees to not distribute the Subject Model in commerce in the United States.
3. **Obligations of DOE.**
 - a. DOE agrees to issue promptly an Adopting Order adopting this Agreement.
 - b. In express reliance on the covenants and representations in this Compromise Agreement and to avoid further expenditure of public resources, DOE agrees to accept Respondent's payment pursuant to paragraph III.2.a in full satisfaction of the civil penalty authorized by the Act.
 - c. DOE agrees not to assess further civil monetary penalties against Respondent for the distribution in commerce of any units of the Subject Model prior to January 31, 2017. DOE agrees that this settlement fully addresses DOE's findings in the proceedings under case number 2016-SE-53004.
 - d. DOE agrees to terminate enforcement actions captioned under case number 2016-SE-53004 with prejudice, upon Respondent's fulfillment of its Obligations in accordance with paragraph III.2, above. If Respondent fails to fulfill its Obligations in accordance with paragraph III.2, above, DOE may notify Respondent that the Agreement is null and void and may seek the maximum penalty in accordance with 10 C.F.R. § 429.120.
4. **Jurisdiction.** This Compromise Agreement is entered pursuant to DOE's authority to interpret and enforce its rules for energy conservation and to enter into its own agreements interpreting and applying those rules. The Parties agree that DOE has jurisdiction over Respondent and primary jurisdiction over the matters contained in this Compromise Agreement and has the authority to enter into this Compromise Agreement.

5. **Effective Date.** The Parties agree that this Compromise Agreement will become effective on the date on which the General Counsel issues the Adopting Order. As of that date, the Adopting Order and this Compromise Agreement have the same force and effect as any other Order of the General Counsel. Any violation of the Adopting Order or of the terms of this Compromise Agreement constitutes a separate violation of an Agency Order, entitling DOE to exercise any rights and remedies attendant to the enforcement of an Agency Order.
6. **Payment Instructions and Late Payments.** Respondent agrees to make all payments in a timely manner and in a method set forth in the attached “Payment Instructions.” Respondent acknowledges and agrees to comply with the “Late Payment” provisions provided therein.
7. **Limitations.** Nothing in this agreement binds any other agency of the United States government beyond DOE.
8. **Waivers.** Respondent agrees not to seek judicial review or otherwise contest or challenge the validity of the terms and penalties set out in this Compromise Agreement, the January 19, 2017 Notice of Noncompliance Determination associated with this case, or the Notice associated with this case, including any right to judicial review that may be available to the Respondent. If either Party (or the United States on behalf of DOE) brings a judicial action to enforce the terms of this Compromise Agreement, neither Respondent nor DOE will contest the validity of the Compromise Agreement, and Respondent waives any statutory right to a trial *de novo*. Respondent hereby agrees to waive any claims it may otherwise have under the Equal Access to Justice Act, 5 U.S.C. § 504, relating to the matters addressed in this Compromise Agreement.
9. **Final Settlement.** The Parties agree and acknowledge that this Compromise Agreement constitutes a final settlement between the Parties. This Compromise Agreement resolves only issues addressed in this Compromise Agreement.
10. **Merger.** This Compromise Agreement constitutes the entire agreement between the Parties and supersedes all previous understandings and agreements between the Parties with respect to this matter, whether oral or written.
11. **Modifications.** This Compromise Agreement cannot be modified without the written consent of both Parties.
12. **Severability.** If any provision of this agreement is held to be invalid, illegal, void, or unenforceable, then that provision is to be construed by modifying it to the minimum extent necessary to make it enforceable; or if such modification is not possible, then the rest of this agreement remains enforceable to the maximum extent allowed by law.
13. **Authorized Representative.** Each party represents and warrants to the other that it has full power and authority to enter into this Compromise Agreement.

14. **Counterparts.** This Compromise Agreement may be signed in any number of counterparts (including by facsimile or electronic mail), each of which, when executed and delivered, is an original, and all of which counterparts together constitute one and the same fully executed instrument.

/S/ _____
Laura L. Barhydt
Assistant General Counsel for
Enforcement
U.S. Department of Energy

/S/ _____
(Signature)
Typed Name: Alan J. Glass
Title: Vice President + Secretary
Company Name: Nor-Lake, Inc.

Sept. 28, 2018 _____
Date

9-28-2018 _____
Date