

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

In the Matter of: )  
)  
)  
**Midea America Corp.,** ) Case Number: 2014- SEW-20006  
Respondent )  
)  
)

**ORDER**

By the General Counsel, U.S. Department of Energy:

1. In this Order, I adopt the attached Compromise Agreement entered into between the U.S. Department of Energy (“DOE”) and Midea America Corp. (“Respondent”), a subsidiary of Midea Group. The Compromise Agreement resolves the case initiated to pursue a civil penalty for the distribution in commerce in the U.S. of units of a basic model of residential clothes washer that failed to meet the energy and water conservation requirements as described at 10 C.F.R. § 430.32(g).

2. DOE and Respondent have negotiated the terms of the Compromise Agreement that resolve this matter. A copy of the Compromise Agreement is attached hereto and incorporated by reference.

3. After reviewing the terms of the Compromise Agreement and evaluating the facts before me, I find that the public interest would be served by adopting the Compromise Agreement, which completes the adjudication of the case.

4. Based on the information in the case file and Respondent’s admission of violation in the Compromise Agreement, I find that Respondent committed Prohibited Acts as described at 10 C.F.R. § 429.102(a)(6). *See* 42 U.S.C. §§ 6302.

5. Accordingly, pursuant to 10 C.F.R. § 429.120 and 42 U.S.C. § 6303, **I HEREBY ORDER** that the Compromise Agreement attached to this Order is adopted.

/signed/

March 19, 2015

\_\_\_\_\_  
Steven P. Croley  
General Counsel

\_\_\_\_\_  
Date

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

In the Matter of:	)	
	)	
<b>Midea America Corp.</b>	)	Case Number: 2014-SEW-20006
(residential clothes washers)	)	
	)	

**COMPROMISE AGREEMENT**

The U.S. Department of Energy (“DOE”) Office of the General Counsel initiated this action against Midea America Corp. (“Respondent”), a subsidiary of Midea Group, 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 residential clothes washers that are not in compliance with the applicable energy and water conservation standards. 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 enforcement action.

**I. DEFINITIONS**

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

- (a) “Act” means the Energy Policy and Conservation Act of 1975, as amended, 42 U.S.C. § 6291 *et seq.*
- (b) “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.
- (c) “DOE” means the U.S. Department of Energy.
- (d) “DOE Rules” means DOE’s energy conservation regulations found in Title 10, Parts 429, 430 and 431 of the Code of Federal Regulations.
- (e) “Manufacture” means to manufacture, produce, assemble, or import.
- (f) “Notice” means the Notice of Proposed Civil Penalty issued by DOE to Respondent on February 25, 2015, and captioned as case number 2014-SEW-20006.
- (g) “Parties” means DOE and Respondent.
- (h) “Respondent” means Midea America Corp.

The Agreement further incorporates by reference all of the definitions found within 42 U.S.C. § 6291 and 10 C.F.R. § 430.2.

## II. RECITALS

WHEREAS, DOE, pursuant to the Act, is responsible for promulgating and enforcing the energy conservation requirements set forth in DOE Rules; and

WHEREAS, DOE has promulgated energy conservation standards for residential clothes washers at 10 C.F.R. § 430.32(g); and

WHEREAS, DOE, on December 4, 2014, issued a Notice of Noncompliance Determination with respect to the basic model that includes individual model MAE80-S1702GPS (“the subject model”); and

WHEREAS, residential clothes washers are a “covered product” as defined in 10 C.F.R. § 430.2; and

WHEREAS, DOE, on February 25, 2015, initiated an action to assess a civil penalty for Respondent’s alleged distribution in commerce in the United States of the subject model; and

WHEREAS, DOE, on December 11, 2014, entered into an agreement with the original equipment manufacturer of the subject model, Hefei Midea Laundry Appliance Co., Ltd., a subsidiary of Midea Group, as part of case number 2014-SW-20001, which, *inter alia*, included a commitment from DOE not to seek civil penalties from Respondent for distribution of units of the subject model;

WHEREAS, on January 14, 2015, the original equipment manufacturer paid the assessed civil penalty amount in case number 2014-SW-20001; and

WHEREAS, solely for the purpose of this Compromise Agreement, Respondent admits:

1. Respondent imported the subject model;
2. Respondent has distributed in commerce at least 216 units of the subject model;
3. The subject model is a residential clothes washer subject to the conservation standards set forth at 10 C.F.R. § 430.32(g); and
4. The subject model does not meet the applicable energy and water conservation standards as set forth in 10 C.F.R. § 430.32(g); and

WHEREAS, DOE, pursuant to 42 U.S.C. §§ 6296, 6302, and 6303 and 10 C.F.R. Part 429, Subpart C, is authorized to assess civil monetary penalties against any manufacturer that knowingly distributes in commerce any new covered product that is not in conformity with an applicable energy or water conservation standard; and

WHEREAS, DOE, as the agency charged with developing and administering a balanced and coordinated national energy policy, concludes that, in light of the circumstances, this Compromise Agreement properly balances the policies recognized in the Act and is the appropriate way to resolve this matter;

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. **Obligations of Respondent.** Respondent agrees to abide by the terms of the Notice of Noncompliance Determination, issued on December 4, 2014, captioned under case number 2014-SEW-20006.
2. **Obligations of DOE.** 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 performance pursuant to Paragraph III.1 above in full satisfaction of the penalty authorized by the Act and in lieu of taking any additional enforcement action against Respondent, any parent, subsidiary, division, or other related entity of Respondent, or Respondent's customers, related to the subject model.
3. **Jurisdiction.** This Compromise Agreement is entered pursuant to DOE's authority to interpret and enforce its rules for energy efficiency 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.
4. **Effective Date.** The Parties agree that this Compromise Agreement shall become effective on the date on which the General Counsel issues the Adopting Order. Upon release, the Adopting Order and this Compromise Agreement shall 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 shall constitute a separate violation of an agency Order, entitling DOE to exercise any rights and remedies attendant to the enforcement of an Agency Order.
5. **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 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 shall 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.
6. **Final Settlement.** The Parties agree and acknowledge that this Compromise Agreement shall constitute a final settlement between the Parties. This Compromise Agreement resolves only the violations alleged in the Notice.
7. **Merger.** This Compromise Agreement constitutes the entire agreement between the Parties and supersedes all previous understandings and agreements between the Parties, whether oral or written.
8. **Modifications.** This Compromise Agreement cannot be modified without the advance written consent of both Parties.
9. **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.

10. **Authorized Representative.** Each party represents and warrants to the other that it has full power and authority to enter into this Compromise Agreement.
11. **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, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument.
12. **No Admission.** Except for the specific purpose of settling this enforcement action, Respondent does not admit, by entering into this Compromise Agreement, any issue of fact or law alleged by DOE, or any liability under EPCA, or any act of wrongdoing or any liability of any kind. Except in an action to enforce the terms of this Compromise Agreement, this Compromise Agreement shall not be admissible in any administrative or judicial proceeding. Nothing in this Compromise Agreement shall be construed to create any rights in, or grant any cause of action to, any person not a Party to this Compromise Agreement.

/signed/

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Laura L. Barhydt  
Assistant General Counsel for  
Enforcement  
U.S. Department of Energy  
March 18, 2015

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Date

/signed/

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(Signature)  
Printed Name: Eli Glanzberg  
Title: President  
Company Name: Midea America Corp.  
3/13/15

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Date