

DOCKETED	
Docket Number:	16-ENFORCE-03
Project Title:	Settlement Agreements
TN #:	260362
Document Title:	ASUS Computer Inc Settlement Agreement and Release
Description:	N/A
Filer:	Wendy Maienknecht
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	12/2/2024 8:12:03 AM
Docketed Date:	12/2/2024

SETTLEMENT AGREEMENT AND RELEASE
CALIFORNIA ENERGY COMMISSION and ASUSTEK COMPUTER INCORPORATED
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SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (Agreement) is entered into between the California Energy Commission (CEC), with its principal office at 715 P Street, Sacramento, California 95814, and ASUSTeK Computer Incorporated (ASUSTeK), with a place of business at No. 15 Lide Road, Taipei City 11259, Taiwan, collectively referred to as the Parties.

I. RECITALS

(1) CEC's Appliance Efficiency Regulations at California Code of Regulations, Title 20, Article 4, sections 1601-1609 (Appliance Efficiency Regulations),¹ set forth the requirements to sell or offer for sale regulated appliances in California. The pertinent requirements include:

- Testing: The appliance is tested as required in section 1603, using the applicable test method set forth in section 1604.
- Efficiency: The appliance meets the required efficiency standards set forth in sections 1605.2 or 1605.3.
- Marking: The appliance is correctly marked and labeled as required under section 1607.
- Certification: The appliance is certified to CEC and appears in CEC's most recent Modernized Appliance Efficiency Database System (MAEDbS) as required under section 1606.

(2) CEC's enforcement authority includes the removal of non-complying appliances from MAEDbS, as set forth in section 1608, and the issuance of administrative civil penalties under section 1609.

(3) ASUSTeK sells several models of ASUS brand computer monitors, federally regulated battery chargers, desktops, mobile gaming systems, and notebook computers, made available for distribution in California, either by ASUSTeK directly or through retailers or distributors.

(4) ASUS brand computer monitors, computers, and federally regulated battery chargers are subject to the testing, efficiency, marking, and certification requirements for this appliance class as described in paragraph I(1) above.

(5) From June 2018 to June 2022, ASUSTeK sold or offered for sale in California through retailers or distributors desktops that did not meet the efficiency standards set forth in section 1605.3(v)(5) when tested using the appropriate test method as described in section 1604(v) or were not marked as required in section 1607. In addition, ASUSTeK sold or offered for sale in California ASUS-branded computer monitors, federally regulated battery chargers, desktops, mobile gaming systems, and notebook computers, that were not properly listed in MAEDbS as required in section 1606.

¹ All references are to California Code of Regulations, Title 20, Article 4, unless otherwise specified.

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(6) Based on the above Recitals, CEC, through administrative adjudication, could impose penalties for each violation alleged, obtain injunctive relief to prohibit ASUSTeK from continuing to sell or offer for sale, non-compliant computer monitors, federally regulated battery chargers, desktop, mobile gaming system, and notebook computers in California, and take any other enforcement action as allowed by law.

(7) California Public Resources Code section 25402.11(a)(2) identifies the following factors CEC shall consider when determining the amount of an administrative civil penalty:

- The nature and seriousness of the violation.
- The number of violations.
- The persistence of the violation.
- The length of time over which the violation occurred.
- The willfulness of the violation.
- The violator's assets, liabilities, and net worth.
- The harm to consumers and to the state that resulted from the amount of energy wasted due to the violation.

(8) Penalties must be set at levels sufficient to deter violations. In developing this Agreement CEC considered the facts of the case and applied the above factors to determine an appropriate settlement. Further, in this case ASUSTeK cooperated with CEC in the investigation by promptly testing, certifying, and marking the units; notifying retailers and removing the non-compliant units from the California market; by updating a software patch to correct the higher energy consumption issue in future and existing units; and by providing to CEC sales data of non-compliant units. The efforts by ASUSTeK saved CEC time and resources in investigating the violations and minimized the impacts on the competitive business environment, energy consumption, and the environment in California, from the non-compliant units.

(9) ASUSTeK is willing to enter into this Agreement solely for the purpose of settlement and resolution of this matter with CEC. The Parties understand and agree that neither the payment of any sum of money pursuant to this Agreement nor the execution of the Agreement will constitute or be construed as an admission of any wrongdoing or liability whatsoever by ASUSTeK. The Parties further understand and agree that neither the payment of any sum of money pursuant to this Agreement nor the execution of the Agreement will constitute or be construed as a submission by ASUSTeK to the personal jurisdiction of any authority, governmental or judicial, within the United States. CEC accepts this Agreement in termination of this matter. Accordingly, the Parties agree to resolve this matter completely by means of this Agreement, without the need for administrative adjudication.

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II. TERMS AND RELEASE


In consideration of the Recitals listed above which are incorporated into this section by reference, and the mutual agreements set forth below, CEC and ASUSTeK agree as follows:

- (1) This Agreement covers the ASUSTeK models and appliance types listed in the attachment.
- (2) For selling or offering for sale in California, computer monitors, computers, and federally regulated battery chargers identified in paragraph I(5), whose model numbers are identified in the attachment, that did not meet the energy efficiency standards prescribed by section 1605.3, were not certified to MAEDbS as required by section 1606, or were not marked per section 1607, and, in consideration of the factors listed in paragraph I(7) and I(8) above, ASUSTeK shall pay as an administrative civil penalty the total sum of \$961,633.00 by electronic transfer to CEC by December 1, 2024. Banking information and instructions necessary to complete the electronic transfer shall be provided by CEC.
- (3) ASUSTeK also agrees to take each of the following actions for any and all regulated appliances it will sell or offer for sale in California:
 - a. Test all basic models, utilizing the applicable test method, to ensure conformance with the Appliance Efficiency Regulations.
 - b. Certify all basic models in MAEDbS, and ensure listings are kept current and up to date.
 - c. Add the required marking to the unit.
- (4) This Agreement shall apply to and be binding upon ASUSTeK and its principals, officers, directors, receivers, trustees, employees, successors and assignees, subsidiary and parent corporations, and upon CEC and any successor agency that may have responsibility for and jurisdiction over the subject matter of this Agreement.
- (5) In consideration of the payment specified above, CEC hereby releases ASUSTeK and its parent corporation, principals, directors, officers, agents, employees, shareholders, subsidiaries, predecessors, and successors from any and all claims for violations of section 1608 (efficiency, marking, certification), relating to the time frame and appliances identified in paragraph I(5), whose model numbers are identified in the attachment to this Settlement Agreement.
- (6) This Agreement constitutes the entire agreement and understanding between CEC and ASUSTeK concerning the claims and settlement in this Agreement, and this Agreement fully supersedes and replaces any and all prior negotiations and agreement of any kind or nature, whether written or oral, between CEC and ASUSTeK concerning these claims.

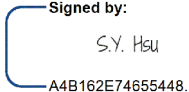
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- (7) No agreement to modify, amend, extend, supersede, terminate, or discharge this Agreement, or any portion thereof, shall be valid or enforceable unless it is in writing and signed by all Parties to this Agreement.
- (8) ASUSTeK further agrees that if the subject matter of this Agreement comes before CEC in an administrative adjudication, neither any member of CEC, nor the Executive Director, shall be disqualified because of prior consideration of this Agreement.
- (9) Each Party to this Agreement has reviewed the Agreement independently, has had the opportunity to consult counsel, is fully informed of the terms and effect of this Agreement, and has not relied in any way on any inducement, representation, or advice of any other Party in deciding to enter into this Agreement.
- (10) This Agreement shall be interpreted and enforced in accordance with the laws of the State of California, without regard to California's choice of law rules. Any litigation arising out of or related to this Agreement shall be filed in the Superior Court of California, County of Sacramento.
- (11) Each provision of this Agreement is severable, and in the event that any provision of this Agreement is held to be invalid or unenforceable, the remainder of this Agreement remains in full force and effect.
- (12) The failure of any Party to enforce any provision of this Agreement shall not be construed as a waiver of any such provision, nor prevent such Party thereafter from enforcing such provision or any other provision of this Agreement.
- (13) This Agreement is deemed to have been drafted equally by the Parties; it will not be interpreted for or against either Party on the ground that said Party drafted it.
- (14) This Agreement is effective upon signature by a representative of ASUSTeK with authority to bind the company, and signature by the Executive Director of CEC. The Parties agree that fax or scanned signatures and multiple signature pages are acceptable for purposes of executing this Agreement, which may be signed in counterparts.

California Energy Commission

By: 
Name: Drew Bohan
Title: Executive Director
Date: 11/24/2024

ASUSTeK Computer Incorporated

Signed by:
S.Y. Hsu
By: 
Name: S.y Hsu
Title: CEO
Date: 11/20/2024

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Attachment

Computer Monitors

PA34VC	PQ22UC	VG248QG
PG32UQX	VG247Q1AY	VG27AQ
VG27BQ	XG16AHP-W	XG17AHPE
XG16AHPE	XG17AHP	

Desktop Computers

S500MC	GA35DX-XB989	GA15DK-DS776
G15CF-BS764	GA35DX-XB999	GA35DX-MB776
G15CF-BS774	GA35DX-XH999	GL12CX-XB781
G15CF-IS778	GL10CS-DB762	GL12CX-XB981
D340MC	GL12CX-DB763	S300MA
GL12CX-XB771	GL12CX-DH781	S501MD

Mobile Gaming System Computers

G533ZM-ES93	GA401IU-BS76	GA503QM-BS94Q
G533ZS-DS94	GA401IU-PB96	GA503QS-BS96Q
G533ZX-XS96	GA401IV-BR9N6	GA503QS-XS98Q-WH
GU603ZM-DS71-CA	GA401IV-BS96-WH	GU603HM-211.ZM16
GU603ZM-K8022W	GA401IV-XS96	G513IC-EB73
GU603ZM-M16.I73060	GA401QEC-K2064T	G513IE-PH74
GU603ZX-XS92-CA	GA401QM-XS98Q-WH	G513QE-ES76
GU603ZX-XS97	GA402RK-XS96-WH	G513RC-BS91-CB
GV601RW	GA502DU-BR7N6	G513RC-DS71-CA
GA401IH-BR7N2BL	GA502DU-WB73	G513RC-RS94
G513RM-DS71-CA	G513RM-IS94	GL704GV-DS74
G513RM-HF008W	G513RM-WS74	GL704GW-PS71
G513RM-HQ156W	G733ZX-DS94	GU603HE-211.ZM16

Notebook Computers

C101P	GL504GV-DS74	G512LI-RS73
B1400CB	GL504GW-DS74	G512LI-SS74
B1500CB	GL531GU-WB53	G512LU-RS74
M1603Q	GL531GU-WB53-B	G512LU-XS74
Q529Z	GL531GU-WB74	G512LWS-PH74

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Q539Z	2021 ASUS TUF Dash F15	G512LW-WS74
TP202N	UP5302Z	G512LW-XS78
UM6702R	UP6502Z	GL531GT-XS53
UX8402Z	UX9702A	GL504GS-XS76
G531GT-AL123T	X510UA	G512LI-BI7N10
GL504GS-DS74	G733ZM-RS75	

Federally Regulated Battery Chargers

GU603ZX-XS97	GU603HE-211.ZM16	XG16AHPE
GU603ZX-XS92-CA	GL531GT-XS53	PQ22UC
GU603ZM-M16.I73060	G733ZM-RS75	X510UA
GU603ZM-K8022W	XG17AHPE	UX9702A
GU603ZM-DS71-CA	XG17AHP	UP6502Z
GU603HM-211.ZM16	XG16AHP-W	UP5302Z
TP202N	B1500C	B1400C
C101P		