

**DOCKETED**

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<b>Project Title:</b>	Settlement Agreements
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<b>Document Title:</b>	Satco Products Inc Settlement Agreement and Release
<b>Description:</b>	N/A
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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 Satco Products Inc (Satco), with a place of business at 110 Heartland Boulevard, Brentwood, New York, 11717, 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),<sup>1</sup> 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) Satco manufactures several models of state-regulated light emitting diode lamps (SLEDs), state-regulated small diameter directional lamps (SDDLs), previously state-regulated general service incandescent lamps (SGSLs), previously state-regulated incandescent reflector lamps (SRLs) that it sells or offers for sale in California, either directly or through retailers or distributors.

(4) Satco SLEDs, SDDLs, SGSLs, and SRLs are subject or were subject at the time of sale to the testing, efficiency, marking, and certification requirements for this appliance class as described in paragraph I(1) above.

(5) From January 2018 to December 2019 it is alleged that Satco sold or offered for sale through retailers or distributors SLEDs, SDDLs, SGSLs, and SRLs, in California, that were not listed in MAEDbS as required in section 1606, did not meet the efficiency standards set forth in section 1605.3.

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<sup>1</sup> 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 adjudication, could impose penalties for each violation alleged, obtain injunctive relief to prohibit Satco from continuing to sell or offer for sale, non-compliant SLEDs, SDDLs, SGSLs, and SRLs in California, and take any other enforcement action as allowed by law.

(7) Section 1609(b)(3) and California Public Resources Code section 25402.11(a)(2) identify the following factors CEC shall consider when determining the amount of an administrative civil penalty:

- The nature and seriousness of the violation.
- The persistence of the violation, meaning a responsible person's history of past violations of the Appliance Efficiency Regulations over the previous seven years.
- The number of violations arising from the course of conduct that is subject of the enforcement proceeding.
- The length of time over which the violation occurred.
- The willfulness of the persons responsible for the violation.
- The harm to consumers and to the state that resulted from the amount of energy wasted due to the violation.
- The number of persons responsible for the violation.
- The efforts of the persons responsible for the violation to correct the violation prior to initiation of an enforcement action by CEC.
- The cooperation, by the persons responsible for the violation, with CEC during its investigation.
- The assets, liabilities, and net worth of the persons responsible for the violation. This information will be considered to reduce the administrative civil penalty amount, should a responsible person or persons elect to provide asset, liability, and net worth documentation to the Executive Director to demonstrate that a reduction in a penalty amount is necessary to avoid an undue burden.

(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 Satco cooperated with CEC in the investigation by notifying retailers and removing the non-compliant units from the California market, and by providing to CEC sales data of non-compliant units. The efforts by Satco saved CEC time and resources in investigating the violations and minimized the impacts on energy consumption and the environment in California, from the non-compliant units.

(9) Satco is willing to enter into this Agreement solely for the purpose of settlement and resolution of this matter with CEC without making any admission of liability. 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 adjudication.


## **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 Satco agree as follows:

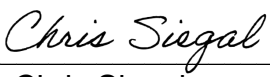
- (1) This Agreement covers the Satco models in the Attachment.
- (2) For selling or offering for sale in California, lamps identified in paragraph I(5), whose model numbers are identified in Attachment that allegedly did not meet the energy efficiency standards prescribed by section 1605.3 and were not certified to MAEDbS as required by section 1606, and, in consideration of the factors listed in paragraph I(7) and I(8) above, Satco shall pay as an administrative civil penalty the total sum of \$58,828.00 by electronic transfer to CEC by January 1, 2022. Banking information and instructions necessary to complete the electronic transfer shall be provided by CEC.
- (3) Satco 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 Satco, 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 Satco 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 Attachment.
- (6) This Agreement constitutes the entire agreement and understanding between CEC and Satco 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 Satco concerning these claims.

- (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) Satco 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 Satco 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: January 14, 2022

**Satco Products Inc**

By:   
Name: Chris Siegal  
Title: VP of Product Development  
Date: 12/21/2021

**Attachment**

**SLEDs**

S12101	S29831	S8915	S9427	S9587	S9816
S12112	S29832	S8916	S9429	S9589	S9818
S21701	S29833	S8920	S9430	S9590	S9819
S21702	S29835	S8950	S9431	S9591	S9824
S21705	S29836	S8951	S9432	S9592	S9825
S21706	S29837	S8952	S9433	S9593	S9827
S21708	S29838	S8953	S9434	S9594	S9830
S21709	S29839	S9021	S9435	S9595	S9831
S21712	S29840	S9022	S9436	S9596	S9832
S21713	S29841	S9029	S9437	S9597	S9833
S21714	S29842	S9030	S9439	S9620	S9835
S21805	S29844	S9031	S9440	S9620	S9836
S21807	S29866	S9032	S9441	S9621	S9837
S22713	S29871	S9200	S9442	S9622	S9838
S28613	S29890	S9201	S9444	S9623	S9839
S28614	S29891	S9202	S9445	S9624	S9840
S28765	S29894	S9316	S9446	S9628	S9841
S28766	S29920	S9317	S9447	S9629	S9845
S28767	S29921	S9318	S9448	S9630	S9846
S28769	S29922	S9390	S9449	S9631	S9866
S28770	S29923	S9391	S9450	S9632	S9867
S28785	S39825	S9392	S9451	S9633	S9868
S28788	S8543	S9400	S9452	S9634	S9869
S28789	S8544	S9401	S9453	S9635	S9870
S28790	S8609	S9403	S9454	S9636	S9871
S29313	S8610	S9404	S9455	S9637	S9872
S29558	S8611	S9404	S9456	S9638	S9872
S29563	S8613	S9405	S9457	S9639	S9874
S29563	S8614	S9406	S9501	S9640	S9875
S29589	S8616	S9407	S9524	S9641	S9876
S29596	S8646	S9408	S9558	S9698	S9890
S29629	S8648	S9409	S9560	S9714	S9892
S29699	S8649	S9410	S9561	S9725	S9893
S29804	S8735	S9411	S9563	S9741	S9894
S29805	S8737	S9412	S9564	S9743	S9895
S29810	S8766	S9413	S9565	S9754	S9920

S29811	S8785	S9414	S9566	S9760	S9921
S29812	S8786	S9415	S9568	S9761	S9922
S29813	S8787	S9416	S9569	S9762	S9923
S29814	S8788	S9417	S9570	S9763	S9960
S29815	S8790	S9418	S9571	S9765	S9961
S29816	S8839	S9419	S9573	S9800	S9962
S29817	S8840	S9420	S9574	S9801	S9963
S29818	S8841	S9421	S9575	S9802	S9964
S29819	S8849	S9422	S9576	S9810	S9965
S29824	S8850	S9423	S9580	S9812	
S29825	S8851	S9425	S9581	S9814	
S29830	S8914	S9426	S9582	S9815	

**SDDLs**

S9386	S9388	S9389
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**SGSLs**

S1950	S1978	S2407	S3103	S3502	S4623
S1952	S1992	S2408	S3113	S3515	S4624
S1953	S1993	S2452	S3139	S3516	S4625
S1954	S1994	S2453	S3169	S3517	S4626
S1955	S2200	S2454	S3170	S4120	S4627
S1956	S2201	S2455	S3175	S4121	S4645
S1957	S2202	S2607	S3446	S4127	S4658
S1959	S2203	S2617	S3451	S4128	S4900
S1960	S2204	S2630	S3460	S4129	S4901
S1961	S2300	S2632	S3461	S4177	S4902
S1962	S2401	S2634	S3462	S4180	S4904
S1963	S2401	S2635	S3463	S4182	S4906
S1966	S2402	S2637	S3464	S4196	S4907
S1967	S2403	S2638	S3465	S4354	
S1972	S2404	S2639	S3466	S4355	
S1976	S2405	S2640	S3500	S4365	
S1977	S2406	S3101	S3501	S4618	

**SRLs**

60/806	S3604	S3896	S3941	S3952	S6040
S3214	S3605	S3899	S3942	S3970	S8517
S3601	S3704	S3934	S3950	S3971	S8518
S3602	S3705	S3935	S3951	S4702	