

<b>DOCKETED</b>	
<b>Docket Number:</b>	16-ENFORCE-03
<b>Project Title:</b>	Settlement Agreements
<b>TN #:</b>	244308
<b>Document Title:</b>	HP Inc Settlement Agreement and Release
<b>Description:</b>	N/A
<b>Filer:</b>	Amanda Harris
<b>Organization:</b>	California Energy Commission
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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 HP Inc. (HP), with a place of business at 1501 Page Mill Road, Palo Alto, California 94304, 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) HP manufactures several models of HP brand computers that it sells or offers for sale in California, either directly or through retailers or distributors.

(4) HP computers are subject to the testing, efficiency, marking, and certification requirements for this appliance class as described in paragraph I(1) above.

(5) From January 2019 to February 2022, HP sold or offered for sale in California through retailers or distributors notebook computers, desktop computers, and mobile gaming systems that met efficiency requirements but were not listed in MAEDbS by basic model as required in section 1606. From February 2018 to February 2022, HP sold or offered for sale in California through retailers or distributors high expandability computers that met efficiency requirements but were not listed in MAEDbS by basic model as required in section 1606.

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

(6) Based on the above Recitals, CEC, through administrative adjudication, could impose penalties for each violation alleged, obtain injunctive relief to prohibit HP from continuing to sell or offer for sale, non-compliant computer 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 HP cooperated with CEC in the investigation by promptly testing, certifying, and marking the units, and by providing to CEC sales data of non-compliant units. The efforts by HP saved CEC time and resources in investigating the violations and minimized the impacts on the competitive business environment in California, from the non-compliant units.

(9) HP is willing to enter into this Agreement solely for the purpose of settlement and resolution of this matter with CEC. 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. Nothing in this Agreement shall be construed as an admission of liability by HP or a prohibition on HP's right to disclaim or dispute liability in any future proceeding.




## 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 HP agree as follows:

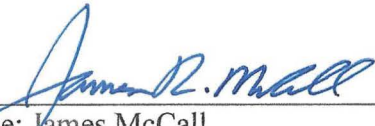
- (1) This Agreement covers the HP computer model numbers listed in the attachment.
- (2) For selling or offering for sale in California, the computers identified in paragraph I(5), whose model numbers are identified in the attachment, that were not certified to MAEDbS as required by section 1606, and, in consideration of the factors listed in paragraph I(7) and I(8) above, HP shall pay as an administrative civil penalty the total sum of \$288,000.00 by electronic transfer to CEC by September 1, 2022. Banking information and instructions necessary to complete the electronic transfer shall be provided by CEC.
- (3) HP 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 HP 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 HP 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 period and appliances identified in paragraph I(5), whose model numbers are identified in paragraph II(1).
- (6) This Agreement constitutes the entire agreement and understanding between CEC and HP 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 HP 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) HP 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 HP 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: 8/4/22

**HP Inc.**

By:   
Name: James McCall  
Title: Chief Sustainability Officer  
Date: 7/29/2022



### Attachment

#### Desktop Computers:

TPC-F118-R L09623-021 250W
TPC-F119-R L09623-021 250W
TPC-F123-MT L75365-001 180W
TPC-F123-MT L75365-001 310W
TPC-F123-MT L75365-001 400W
TPC-F123-MT L75365-001 500W
TPC-F123-MT M16092-001 180W
TPC-F123-MT M16092-001 310W
TPC-F123-MT M16092-001 350W
TPC-F123-MT M16092-001 400W
TPC-F123-MT M16092-004 180W
TPC-F123-MT M16092-004 310W
TPC-F123-MT M16092-004 400W
TPC-F123-MT M74218-001 310W
TPC-F123-MT M74218-001 350W
TPC-F123-MT M74218-001 400W
TPC-F123-MT M74218-001 500W
TPC-F123-MT M74218-002 310W
TPC-F123-MT M74218-002 350W
TPC-F123-MT M74218-002 400W
TPC-F123-MT M74218-002 500W
TPC-F123-MT M82922-001 180W
TPC-F123-MT M82922-001 310W
TPC-F123-MT M82922-001 400W
TPC-F124-MT L56021-004 180W
TPC-F124-MT L56021-004 310W
TPC-F124-MT L56021-004 400W
TPC-F124-MT L56021-005 180W
TPC-F124-MT L56021-005 310W
TPC-F124-MT L56021-005 400W
TPC-F124-MT L56021-006 310W

TPC-F124-MT L56021-006 350W
TPC-F124-MT L56021-006 400W
TPC-F124-MT L56021-006 500W
TPC-F124-MT L56021-007 180W
TPC-F124-MT L56021-007 310W
TPC-F124-MT L56021-007 400W
TPC-F125-SF M16092-004 180W
TPC-F125-SF M82922-001 180W
TPC-F130-MT-550 L76443-002 260W
TPC-F130-MT-550 L76443-002 350W
TPC-F130-MT-550 L76444-002 260W
TPC-F130-MT-550 L76444-002 350W
TPC-F130-MT-550 L76444-002 550W
TPC-F130-MT-550 M26313-001 550W
TPC-F131-SF L76443-202 260W
TPC-F131-SF L76444-002 260W
TPC-F131-SF L76444-002 350W
TPC-F132-MT L76445-002 180W
TPC-F132-MT L76445-002 260W
TPC-F132-MT L76447-002 180W
TPC-F132-MT L76447-002 260W
TPC-F132-MT L82472-002 180W
TPC-F132-MT L82472-002 260W
TPC-I025-R 917978-001 65W
TPC-I025-R 917978-002 90W
TPC-I025-R 917978-003 120W
TPC-I037-24 L73000-001 120W
TPC-I037-24 M11114-001 120W
TPC-I037-24 M11114-001 150W
TPC-I039-27 L73000-*** 120W
TPC-I039-27 L73000-*** 150W

TPC-I039-27 M11114-*** 120W
TPC-I039-27 M11114-*** 150W
TPC-I039-27 M11114-*** 180W
TPC-I043-19 L81038-001 120W
TPC-I043-19 L81038-001 90W
TPC-I043-19 L81038-002 120W
TPC-I043-19 L81038-002 150W
TPC-I044-21 L81038-001 120W
TPC-I044-21 L81038-001 90W
TPC-I044-21 L81038-002 120W
TPC-I044-21 L81038-002 150W
TPC-I045-23 L81038-001 120W
TPC-I045-23 L81038-001 90W
TPC-I045-23 L81038-002 120W
TPC-I045-23 L81038-002 150W
TPC-I047-15 L85664-002 230W
TPC-I047-15 L85664-002 280W
TPC-I047-19 L85664-001 230W
TPC-I047-19 L85664-002 230W
TPC-I047-19 L85664-002 280W
TPC-I047-23 L85664-001 230W
TPC-I047-23 L85664-002 230W
TPC-I047-23 L85664-002 280W
TPC-P069-SF L76446-002 180W
TPC-P069-SF L76448-002 180W
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TPC-P070-21 M14525-*** 65W
TPC-P072-SF M04638-003 180W
TPC-P072-SF M04638-003 210W
TPC-P072-SF M04768-003 180W
TPC-P072-SF M04768-003 210W
TPC-P072-SF M04768-004 180W
TPC-P072-SF M04768-004 210W
TPC-P072-SF M39536-001 180W
TPC-P072-SF M39536-001 210W

TPC-P072-SF M39591-001 180W
TPC-Q052-DM L04546-002 65W
TPC-Q066-22 L73804-001 90W
TPC-Q066-22 L73805-001 65W
TPC-Q066-22 L73805-002 65W
TPC-Q066-22 L73805-003 65W
TPC-Q066-22 L73805-003 90W
TPC-Q066-22 L73805-004 65W
TPC-Q066-22 L73805-004 90W
TPC-Q066-22 L73806-*** 65W
TPC-Q066-22 L73806-*** 90W
TPC-Q066-22 L84406-*** 65W
TPC-Q066-22 L84406-*** 90W
TPC-Q066-22 L99094-*** 65W
TPC-Q066-22 L99094-*** 90W
TPC-Q066-22 M89925-*** 65W
TPC-Q067-22 L73423-*** 65W
TPC-Q068-24 L73804-001 90W
TPC-Q068-24 L73805-001 65W
TPC-Q068-24 L73805-002 65W
TPC-Q068-24 L73805-003 65W
TPC-Q068-24 L73805-003 90W
TPC-Q068-24 L73805-004 65W
TPC-Q068-24 L73805-004 90W
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TPC-Q069-24 L73427-*** 65W
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TPC-Q070-27 L84406-*** 90W
TPC-Q070-27 L99094-*** 65W
TPC-Q070-27 L99094-*** 90W
TPC-Q071-27 L73425-*** 65W
TPC-Q072-DM L79216-002 90W
TPC-Q072-DM L79218-002 65W
TPC-Q072-DM L79219-002 65W
TPC-Q072-DM L79219-002 90W
TPC-Q072-DM L79219-003 65W
TPC-Q072-DM L79219-003 90W
TPC-Q072-DM L79220-002 65W
TPC-Q072-DM M25879-001 120W
TPC-Q072-DM M25879-001 180W
TPC-Q072-DM M25879-001 90W
TPC-Q073-DM L93611-009 65W
TPC-Q073-DM L93611-010 65W
TPC-Q073-DM L93611-011 65W
TPC-Q073-DM L93611-012 65W
TPC-Q073-DM M81299-001 65W
TPC-Q073-DM M81299-002 65W
TPC-Q073-DM M81299-003 65W
TPC-Q074-23 L89057-001 210W
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TPC-Q075-27 L89057-001 210W
TPC-Q075-27 M34014-001 210W
TPC-Q076-DM L92261-002 65W

TPC-Q076-DM L92261-002 90W
TPC-Q076-DM L92262-003 65W
TPC-Q076-DM L92262-004 65W
TPC-Q076-DM M39084-001 150W
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TPC-Q076-DM M39084-001 90W
TPC-Q076-DM M39085-001 65W
TPC-Q076-DM M39085-002 65W
TPC-Q084-34 M81630-001 330W
TPC-Q085-24 M82236-*** 150W
TPC-Q085-24 M82237-*** 65W
TPC-Q085-24 M82237-*** 90W
TPC-Q085-24 N08151-*** 65W
TPC-Q086-24 N11801-*** 90W
TPC-Q086-24 N11803-*** 90W
TPC-Q086-24 N11804-*** 120W
TPC-Q086-24 N11811-*** 65W
TPC-Q087-27 M82236-002 150W
TPC-Q087-27 M82237-*** 65W
TPC-Q087-27 M82237-*** 90W
TPC-Q087-27 N08151-*** 65W
TPC-Q088-27 N11801-*** 90W
TPC-Q088-27 N11802-*** 120W
TPC-Q088-27 N11803-*** 90W
TPC-Q088-27 N11811-*** 65W
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TPC-Q089-24 M82237-*** 65W
TPC-Q089-24 M82237-*** 90W
TPC-Q089-24 N08151-*** 65W
TPC-Q090-24 N11801-*** 90W
TPC-W058-MT L76699-001 500W
TPC-W058-MT L76699-001 750W
TPC-W058-MT L76700-003 750W
TPC-W058-MT M21501-*** 500W
TPC-W058-MT M21501-*** 600W



TPC-W058-MT M21501-*** 750W
TPC-W059-MT M22426-002 500W
TPC-W059-MT M22426-002 600W
TPC-W059-MT M22426-002 750W
TPC-W062-MT M75026-001 600W
TPC-W063-MT M75026-001 600W
TPC-W063-MT M75026-002 600W
TPC-W063-MT M75026-002 800W
TPC-W064-MT M81403-001 600W

TPC-W065-MT M81403-001 600W
TPC-W065-MT M93493-001 600W
TPC-W065-MT M93493-001 800W
TPC-W066-MT M75026-003 500W
TPC-W067-MT M81403-002 500W
TPC-W068-MT M75026-004 500W
TPC-W068-MT M75026-004 600W
TPN-Q253 20P**AV

#### High Expandability Computers:

TPC-W058-MT L76699-001 750W
TPC-W058-MT L76700-003 750W
TPC-W058-MT M21501-*** 600W
TPC-W058-MT M21501-*** 750W
TPC-W059-MT M22426-002 600W
TPC-W059-MT M22426-002 750W
TPC-W063-MT M75026-001 600W

TPC-W063-MT M75026-002 600W
TPC-W063-MT M75026-002 800W
TPC-W065-MT M81403-001 600W
TPC-W065-MT M93493-001 600W
TPC-W065-MT M93493-001 800W
TPC-W068-MT M75026-004 600W

#### Mobile Gaming Systems:

TPN-Q267 2W4**AV
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#### Notebook Computers:

HSN-C12C 30M**AV
HSN-C13C-5 48T4*AV
HSN-C13C-5 48T50AV
HSN-C13C-7 48T3*AV
HSN-C13C-7 4D0G3AV
HSN-I37C-4 243C3AV
HSN-I41C-4 19X3*AV
HSN-I41C-5 1G1X7AV
HSN-I43C 1W3K*AV
HSN-I43C-4 1W3K*AV

HSN-I43C-5 1V3V*AV
HSN-I44C 28M**AV
HSN-Q26C 10J9*AV
HSN-Q26C 33D**AV
HSN-Q26C 434Z*AV
HSN-Q27C-4 464N1AV
HSN-Q27C-5 464P*AV
HSN-Q28C-4 4P459AV
HSN-Q28C-5 2Q12*AV
TPN-C139 191M8AV

TPN-C139 19H92AV
TPN-C139 1A3X9AV
TPN-C139 1A3Y5AV
TPN-C139 1T4J6AV
TPN-C139 1T4K2AV
TPN-C139 1T4K4AV
TPN-C139 1T4L0AV
TPN-C139 1T4L6AV
TPN-C139 54P05AV
TPN-C139 5NU89AV
TPN-C139 5NU90AV
TPN-C139 5NU94AV
TPN-C139 5NU95AV
TPN-C139 5NU96AV
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TPN-C139 8VX84AV
TPN-C141 2P1Z0AV
TPN-C141 8VD**AV
TPN-C145 8KD09AV
TPN-C145 8KD12AV
TPN-C146 19S**AV
TPN-C149 8JE9*AV
TPN-C149 8JG8*AV
TPN-C151 1E411AV
TPN-C151 1E414AV
TPN-C151 1W9Z3AV
TPN-C151 347S3AV
TPN-C152 460**AV
TPN-C154 39H2*AV
TPN-C154 39R2*AV
TPN-C154 508**AV
TPN-I130 191H*AV
TPN-I130 268K2AV
TPN-I130 3JD4*AV
TPN-I130 3JD58AV

TPN-I130 3JD6*AV
TPN-I130 43H03AV
TPN-I130 43N8*AV
TPN-I130 7XB78AV
TPN-I133 18B**AV
TPN-I135 1M9K*AV
TPN-I135 1M9L*AV
TPN-I135 33L19AV
TPN-I135 52T**AV
TPN-I137 8SS20AV
TPN-I137 1W7**AV
TPN-I139 2W0H8AV
TPN-I139 2W0J2AV
TPN-I139 2W0J3AV
TPN-I139 2W0J8AV
TPN-I139 2W0J9AV
TPN-I140 2Q7V*AV
TPN-I140 2Q7W*AV
TPN-Q221 2D1**AV
TPN-Q221 2L0**AV
TPN-Q221 4T7Z5AV
TPN-Q221 6MC**AV
TPN-Q222 2D1**AV
TPN-Q222 2N8**AV
TPN-Q222 4V9X4AV
TPN-Q222 6MV**AV
TPN-Q229 2P6A7AV
TPN-Q230 2J4**AV
TPN-Q230 4X3**AV
TPN-Q234 323**AV
TPN-Q238 2L1**AV
TPN-Q240 9WL**AV
TPN-Q242 12N**KV
TPN-Q242 1B2**AV
TPN-Q242 2L1**AV



TPN-Q244_190**AV
TPN-Q244_28Z**AV
TPN-Q244_4Z012AV
TPN-Q245_172**AV
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TPN-Q245_4U8**AV
TPN-Q246_2H5**AV
TPN-Q246_4V3**AV
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TPN-Q263_53F41AV
TPN-Q264_457**AV
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TPN-Q265_4Z7S2AV
TPN-Q265_4Z7S4AV
TPN-Q265_603**AV
TPN-Q267_2W4**AV
TPN-Q267_2X9U3AV
TPN-W146_23S34AV
TPN-W146_4R5T4AV
TPN-W147_23T74AV
TPN-W148_23***AV
TPN-W148_23S**AV
TPN-W148_4U9**AV
TPN-W149_268**AV
TPN-W149_4V3**AV
TPN-W150_4V9**AV
TPN-W151_27A**AV
TPN-W152_3B***AV
TPN-W152_3B3**AV
TPN-W152_50***AV