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SETTLEMENT AGREEMENT AND RELEASE
CALIFORNIA ENERGY COMMISSION and BEST BUY STORES, L.P. and BESTBUY.COM, LLC
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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 Best Buy Stores, L.P. and BestBuy.com, LLC (Best Buy), with a place of business at 7601 Penn Avenue South, Richfield, Minnesota 55423, 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) Best Buy manufactures several models of Insignia brand portable air conditioners, wine coolers, non-commercial refrigerators, and microwave ovens that it sells or offers for sale in California, either directly or through retailers or distributors.

(4) Insignia portable air conditioners, wine coolers, non-commercial refrigerators, and microwave ovens are subject to the testing, efficiency, marking, and certification requirements for this appliance class as described in paragraph I(1) above.

(5) From May 2021 to May 2025, Best Buy sold or offered for sale in California through retailers or distributors portable air conditioners, that were not listed in MAEDbS as required in section 1606. From August 2021 to August 2025, Best Buy sold or offered for sale in California through retailers or distributors wine coolers, non-commercial refrigerators, and microwave ovens, that were not 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 Best Buy from continuing to sell or offer for sale, non-compliant portable air conditioners, wine coolers, non-commercial refrigerators, and microwave ovens 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 Best Buy cooperated with CEC in the investigation by promptly testing, certifying, and marking the units; removing the non-compliant units from the California market; and providing to CEC sales data of non-compliant units. The efforts by Best Buy 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) Best Buy, without admitting any liability, 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.

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 Best Buy agree as follows:

- (1) This Agreement covers the models listed in the attachment.
- (2) For selling or offering for sale in California, the portable air conditioners, wine coolers, non-commercial refrigerators, and microwave ovens 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

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consideration of the factors listed in paragraph I(7) and I(8) above, Best Buy shall pay as an administrative civil penalty the total sum of \$246,566.00 by check made payable to the California Energy Commission by March 1, 2026. Payment shall be made by the applicable due date, and sent with the corresponding remittance statement to the following address:

California Energy Commission
Accounting Office, MS-2
715 P Street
Sacramento, California 95814

(3) Best Buy also agrees to take each of the following actions for any and all regulated appliances it manufactures and 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 Best Buy 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 Best Buy and its parent corporation, principals, directors, officers, agents, employees, shareholders, subsidiaries, predecessors, and successors from any and all claims for violations of California Code of Regulations, Title 20, Article 4, sections 1601-1609, relating to the time frame and appliances identified in paragraph I(5), whose model numbers are identified in the attachment.

(6) This Agreement constitutes the entire agreement and understanding between CEC and Best Buy 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 Best Buy 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.

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(8) Best Buy 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 Best Buy 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

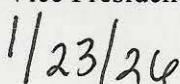
Date: 1/29/2026

Best Buy Stores, L.P. and BestBuy.com, LLC

By: 

Name: Keri Grafin

Title: Vice President – Chief Compliance Officer

Date: 

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Attachment

Model	Appliance Type
NS-AC08PWH1	Portable Air Conditioner
NS-BC2ZSS1	Wine Cooler
NS-OCF55SS2	Non-Commercial Refrigerator
NS-CFR45R3	Non-Commercial Refrigerator
NS-MW11BK5	Microwave Oven
NS-MW7WH5	Microwave Oven
NS-MW7RR5	Microwave Oven
NS-MW9SS5	Microwave Oven
NS-MW7BK5	Microwave Oven
NS-MW7RM5	Microwave Oven
NS-MW7RC5	Microwave Oven