

# DOE Issues Unprecedented \$25 Million Penalty for Violations of Federal Appliance Efficiency Standards

Article By:

Daniel A. Eisenberg

Nicholas J. Hanel

---

Capping a four-year effort to revitalize enforcement under its Appliance and Equipment Standards Program, earlier this week, the U.S. Department of Energy (DOE) announced that it had assessed and collected a [civil penalty of \\$25,312,725](#) from Galanz Americas Limited Company and Zhongshan Galanz Consumer Electric Appliances Co., Ltd. (“Galanz”). This penalty, the largest in the history of this program, resulted from DOE testing showing that a single compact refrigerator-freezer model manufactured by Galanz for distribution in the United States failed to meet applicable energy efficiency standards. While DOE has not published sales figures, the high penalty likely means that Galanz sold a considerable volume of the model.

Violations of DOE’s energy efficiency standards can result in civil penalties of up to \$575 per violation, with each unit sold of a non-compliant product considered a separate violation. DOE, therefore, has the statutory authority to assess penalties in the millions or even tens of millions of dollar range, but the Department typically exercises its discretion to settle violations for significantly below the maximum, applying factors set out in its [Penalty Policy](#). The large majority of assessed civil penalties range between \$20,000 and \$1,000,000, but the Department has occasionally issued seven-figure penalties. During the Biden Administration, DOE has taken an increasingly aggressive enforcement posture and settled a number of enforcement actions with seven-figure civil penalties. Note also that because DOE is authorized to enjoin further distribution of non-compliant models, civil penalties constitute only a portion of the financial impact on manufacturers, importers, private labelers, and retailers found to be in violation of federal requirements.

DOE has settled over a dozen enforcement cases in the past few months, likely in an effort to resolve as many outstanding violations as possible before a presidential transition that will bring a major change in enforcement priorities.

© 2025 Beveridge & Diamond PC

---

Source URL: <https://natlawreview.com/article/doe-issues-unprecedented-25-million-penalty-violations-federal-appliance-efficiency>