

September 9, 2011

Ms. Abigail Daken  
United States Environmental Protection Agency  
Office of Air and Radiation  
Washington, DC 20460

Dear Ms. Daken:

The Consortium for Energy Efficiency would like to thank you for your invitation to provide input on the ENERGY STAR® Water Heater Specification Draft 1 Version 2.0.

CEE is the binational organization of energy efficiency program administrators and a staunch supporter of the ENERGY STAR Program. CEE members are responsible for ratepayer-funded efficiency programs in 43 U.S. states and 8 Canadian provinces. In 2010, CEE members directed over \$6.2 billion of energy efficiency program budgets in the two countries, and gas efficiency program budgets, have grown to over \$1 billion. In short, CEE represents the groups that are actively working to make ENERGY STAR the relevant platform for energy efficiency across North America.

CEE highly values the role ENERGY STAR plays in differentiating energy efficient products and services that the CEE membership supports locally throughout the US and Canada. The ENERGY STAR brand plays an important role in CEE member programs, and therefore it is important that any changes to criteria are consistent with the established brand attributes and principles. In this spirit, we offer comments on the merits of the proposal, and appreciate the opportunity to provide these comments..

## **CEE Requests More Information on New Product Categories**

We would like to see more data and analysis to support the inclusion of the tankless point-of-use electric water heaters. More specifically, we would like confirmation that these products will yield

consistent, cost-effective energy savings without any unintended consequences related to peak demand spiking or unintended fuel switching. We are also interested in better understanding the method EPA is using to estimate the energy savings of add-on heat pump units. In addition to the reliability concerns that have been previously raised, CEE has concerns over the difficulty in predicting the savings an add-on heat pump unit could offer given the high variability in conditions from home to home. Until the analysis and data showing savings and reliability of these units from a broader range of usage patterns is available, we recommend EPA does not extend the label to these categories given the potential for significant negative experiences for consumers.

## **CEE Supports combining Gas Condensing and High Efficiency Storage into a Single Category**

Combining the gas condensing and high efficiency storage categories is consistent with CEE's understanding of how the ENERGY STAR Program works in other product areas and of the realities of the water heater market. If ENERGY STAR adopts this proposed change, CEE looks forward to working with ENERGY STAR and water heater manufacturers to find ways to continue to support the entrance of condensing storage water heaters with burner inputs of 75,000 Btu per hour or less. CEE's Tier 2 for water heaters is intended to do this and is currently set at 0.80 EF. In many product areas, CEE has worked together successfully with ENERGY STAR to advance product efficiency by aligning CEE's Tier 1 with ENERGY STAR criteria and providing specifications for improved efficiency through higher tiers. The higher level tiers are then supported by programs that are able to provide differentiated rebates for higher efficiency products. We look forward to exploring whether this approach could work in the water heater market as well.

CEE is committed to working with EPA to ensure that the ENERGY STAR brand for water heaters remains relevant to the market and a reliable way for consumers to identify efficient water heating options. CEE and its members have invested considerable resources in promoting high efficiency water heaters. In 2011, 36 CEE members provide rebates for storage water heaters, 35 for tankless and 8 for solar. In addition, CEE manages a marketing and awareness campaign called the Coalition for ENERGY STAR® Water Heaters. This campaign is financially supported by CEE members, water heater manufacturers and the Air-Conditioning, Heating and Refrigeration Institute. Its mission is to promote ENERGY STAR water heaters to consumers, installers and distributors.

Thank you again for the opportunity to comment. We hope that these comments help in the development of the next draft specification. Please contact Kara Rodgers, CEE Natural Gas Senior Program Manager, at 617-337-9262 or [krodgers@cee1.org](mailto:krodgers@cee1.org) with any questions.

Respectfully yours,

A handwritten signature in black ink that reads "Marc G. Hoffman". The signature is written in a cursive style with a large, stylized initial "M".

Marc G. Hoffman  
Executive Director