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August 21, 2023

Ann Bailey
Director, ENERGY STAR® Product Labeling
U.S. Environmental Protection Agency
E-mail: MostEfficient@energystar.gov

RE: ENERGY STAR® Most Efficient 2024 Proposed Criteria

Dear Ms. Bailey:

Rheem Manufacturing Company ("Rheem") appreciates the opportunity to submit the following comments regarding the ENERGY STAR *Most Efficient 2024 Proposed Criteria* ("Proposal.")

Rheem is an industry leader for total heating, cooling and water heating solutions and one of the few global brands with product offerings covering residential and commercial heating, cooling, conventional and hybrid storage water heaters, tankless water heaters, solar water heating systems, pool and spa heaters, commercial boilers, residential hydronic and geothermal systems, indoor air quality accessories, and replacement parts for all categories. Rheem, headquartered in Atlanta, Georgia, manufactures in Fort Smith, Arkansas; Montgomery, Alabama; Scottsboro, Alabama; Waterbury, Connecticut; and Oxnard, California, and operates distribution facilities throughout the US, Canada and many other countries around the world.

Rheem supports the Environmental Protection Agency's (EPA) stated intent for the *Most Efficient* program to "recognize the best of Energy Star"[1] and agrees that updates are needed for 2024. However, the changes from the 2023 criteria within the Proposal are inconsistently applied to various product categories. Rheem suggests the following corrections in order to apply the recognition fairly:

> Criteria should be aligned with federal tax credit levels for *both* ducted and ductless heat pumps. While the basis for the Inflation Reduction Act tax credit differs slightly from that of the ENERGY STAR *Most Efficient* program, Rheem agrees that harmonized criteria stand to reduce complexity for the consumer. EPA proposes to match its criteria to that of the federal tax credit for non-ducted equipment only, which not only creates unequal opportunity for efficient ducted products to qualify, but it generates additional confusion to consumers and installers when determining product eligibility. EPA should align the criteria for ducted heat pumps with that of the Consortium for Energy Efficiency (CEE) specification for ducted air-source heat pumps in the North and Canada, Tier 1[2]. This upgrade would enable ENERGY STAR *Most Efficient* 2024 criteria to be a reference for tax credit-qualifying heat pumps more broadly, and it would also

[1] July 18, 2023 Email to stakeholders with subject "ENERGY STAR Most Efficient 2023 Update and 2024 Proposed Criteria"
[2] CEE[SM] *Residential Heating and Cooling Systems Initiative*, Effective January 1, 2023.

rationalize the EER2 requirement to be more reflective of the capabilities of multi-stage equipment.

Installation capability relief should be applied to *both* ducted and ductless heat pumps. Rheem supports the notion of pausing the applicability of the installation criteria for 2024 as outlined in the Proposal, but this relief is needed for both ducted and non-ducted equipment types. The installation criteria remain overly prescriptive and risk exclusion of otherwise efficient variable systems, regardless of type. Quality installation is a crucial aspect of achieving maximum energy savings, but the execution of such remains a function of the trained installer.

Rheem appreciates that EPA maintains the simplicity of nation-wide requirements for equipment categories and avoids climate-specific criteria.

Rheem continues to support a straightforward, performance-based efficiency program that highlights a variety of highly efficient products and provides visibility of such to consumers. To that end, we respectfully request that this feedback be considered and the criteria adjusted accordingly. Many thanks to EPA for the opportunity to provide comments, and we look forward to continued collaboration.

Sincerely,

Allison J. Skidd
Director, Global Regulatory Affairs – Air
Rheem Manufacturing Company

CC: Karen Meyers