

May 24, 2007

## Comments from the AESP Water Heater Working Group

### Background

The Association of Energy Services Professionals, a member-based association dedicated to improving the delivery and implementation of energy efficiency, energy management and distributed renewable resources. AESP provides professional development programs, a network of energy practitioners, and promotes the transfer of knowledge and experience, convened a special subcommittee of interested members to review and comment on the EPA's ENERGY STAR® Draft Criteria for Water Heaters (<http://www.energystar.gov/waterheaters>). This group was composed of the following AESP members: Rich Hackner, chair of the AESP Energy and Technology Topic Committee, Steve Koep, Marathon, and Katherine Johnson, Vice Chair of the AESP Topic Committees. The comments, summarized below, **do not reflect** any official position of AESP, but rather represent comments from its members for EPA's review and consideration. The comments also represent the consensus of the members.

### Filing Process

Upon review and comment by the subcommittee members, Katherine Johnson will file these comments by May 29, 2007 to Richard Karney at [richard.karney@ee.doe.gov](mailto:richard.karney@ee.doe.gov) and Josh Butzbaugh at [jbutzbaugh@drintl.com](mailto:jbutzbaugh@drintl.com), as a private individual. Other members of this committee and of AESP are invited to send their comments directly to the Mr. Karney and Mr. Butzbaugh.

This subcommittee of AESP members raised the following questions regarding the proposed criteria:

1. **Should there be an ENERGY STAR category for residential water heating category?**
  - a. As the ENERGY STAR criteria indicated, the majority of current water heaters are purchased in either emergency or "crisis" situations, which do not allow for customers to comparison shop.
  - b. The planned purchase decisions for the remaining water heater sales have moved away from plumbing contractors into more of a Do-It-Yourself Model. However, it is unlikely that the new higher efficiency water heaters will be selected in those channels, given the higher costs for both the product and the installation.
  - c. Given these barriers, labeling may not an effective strategy to promote energy efficient water heaters.

**2. The draft criteria ignore the largest part (90%) of the existing water heater market, in favor of a small and expensive tankless water heaters.**

- a. This approach seems to contradict the intent of ENERGY STAR's purpose, which is to promote the market through commercially available equipment, rather than waiting for new technologies to gain market share.
- b. The exclusion of electric resistance water heating ignores the savings opportunity available during the next 5-10 years.
- c. The draft criteria also disregards the Off-Peak Electric Water Heating opportunity and the intent of the Energy Policy Act.
- d. Alternatively, ENERGY STAR should consider maximizing the existing technology capability by mandating that only the most efficient units gain Energy Star designation for a period of 5 years in order to shift the current market to the highest efficiency units.

**3. The proposed criteria also do not take into account the energy resource capability that may be lost by waiting for the market to change in five years.**

Half of the installed inventory of residential water heaters will be replaced in the next five years while Energy Star is focusing their attention and resources on gaining "nominal" market share for water heating technologies that are not widely available or even commercially viable