



**EDISON ELECTRIC
INSTITUTE**

May 28, 2007

Mr. Richard Karney
U.S. Department of Energy
Energy Star Program
1000 Independence Avenue, N.W.
Washington, DC 20585-0121

RE: Energy Star Residential Water Heaters: Draft Criteria
May 2, 2007 (publication date)

Dear Mr. Karney:

The Edison Electric Institute (EEI) appreciates the opportunity to submit comments regarding the Draft Criteria for ENERGY STAR Residential Water Heaters that was published on May 2, 2007.

EEI is the association of the U.S. shareholder-owned electric companies, international affiliates and industry associates worldwide. Our U.S. members serve over 97 percent of all customers served by the shareholder-owned segment of the industry. They service 71% of all ultimate customers in the United States. Many of our members are combination electric/gas companies, and provide efficiency services for both fuel types.

These comments will state our views on the draft document and its conclusions.

EEI believes that energy efficiency has a very important role in our Nation's energy strategy. We believe new technologies and controls provide important new tools to implement efficiency measures and achieve energy savings. We also believe that the ENERGY STAR program is one of the most successful public-private partnerships ever created. EEI has always endorsed the program, and many member companies use ENERGY STAR information for their efficiency programs that they operate.

EEI has serious concerns with the draft report and its conclusions. Where other ENERGY STAR specifications work with manufacturers to use high efficiency and well proven technologies, it appears that in this case, DOE would prefer to

use less proven technologies and to ignore manufacturer concerns about the efficiency levels being used.

Also, the report covers technologies for electric and gas-fired water heaters, but ignores oil-fired and propane water heaters. While these technologies have much smaller market shares, they should not be ignored for this process.

The draft criteria are also inconsistent with other products that have received an ENERGY STAR label. For example, for many appliances, the main criteria to receive a label was/is to be 10-15% more energy efficient than the “baseline” model available on the market. In other cases, such as consumer electronics, the main criteria was the amount of standby energy used (e.g., 2 Watts), regardless of the amount of “active energy” or annual energy usage. For example, a 42” plasma TV using 500+ Watts in the “active” mode but 1 Watt in the “standby” mode receives an ENERGY STAR label, but a 42” LCD TV using 200 Watts in the “active” mode but 2.1 Watts in the “standby” mode would not receive a label, even though the LCD TV, on an annual basis, would most likely use much less energy.

In the case of water heaters, the draft criteria require an energy efficiency increase of 39.1% for natural gas storage water heaters and an increase of 121.2% for electric storage water heaters. Both of these increases are far above any other ENERGY STAR label that we are aware of. These draft levels are very unlikely to be accepted by manufacturers.

To gain manufacturer acceptance, and to be inclusive of all technologies for water heaters, DOE should investigate more reasonable levels, plus the use of sophisticated controls. As an example, there are high efficiency electric water heaters that have 0.95 Energy Factor ratings plus solid state controls that allow the owner to easily adjust the temperature to items such as “Energy Smart” for hand washing and “Vacation” for when the home will be vacant for several days. For ENERGY STAR water heaters, DOE may want to use two criteria: 1) a level of 4-5% above current baselines, and 2) solid state controls, which could significantly increase annual energy savings for all types of water heaters.

Conclusion

EEl is a firm believer in the ENERGY STAR program and urges DOE to revise its draft criteria to create more “win-win” scenarios for manufacturers, consumers, and energy suppliers. EEl hopes that DOE will consider our suggestions for the upcoming ENERGY STAR specifications, and appreciates the fact that DOE has presented the data in an open and transparent manner.

EEl sincerely appreciates the opportunity to submit these comments.

Respectfully submitted,

A handwritten signature in cursive script that reads "Steven J. Rosenstock".

Steve Rosenstock, P.E.
Manager, Energy Solutions
Edison Electric Institute
701 Pennsylvania Avenue N.W.
Washington, D.C. 20004-2696

cc: Ed Comer, EEI
Rick Tempchin, EEI