



GE Consumer & Industrial

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Richard Karney  
Energy Star Program Manager  
U.S. Department of Energy  
Building Technologies Program  
1000 Independence Avenue, SW  
Washington, DC 20585-0121

**Re: Comments Concerning the Second Draft of Criteria for the  
Establishment of ENERGY STAR® Water Heaters**

Dear Mr. Karney,

GE agrees with and strongly supports the DOE's efforts to develop an Energy Star category for residential water heaters. The potential energy savings, nationally and to the individual consumer--is tremendous. In general, GE agrees with the Department's analyses and proposals but urges that some of the qualifying levels be revised and the warranty requirements eliminated.

**I. Gas Water Heater inclusion criteria**

The vast majority of water heaters are purchased to replace units that have failed due to a leak in the tank. Consumers will generally do whatever it takes to replace a failed unit within a day or two. The dreaded cold shower makes a quick decision essential. The Department risks losing energy-conscious consumers by making the replacement choice overly complicated thereby driving them to purchase the familiar tank product.

The Department's proposal for three qualification levels for gas water heaters, with an EF of 0.65 for conventional gas water heaters, 0.82 for tankless gas water heaters, and 0.80 for condensing gas water heaters, would create just such confusion. A gas water heater consumer seeking a replacement would have to do a complex comparison of product attributes and payback to be able to select the best Energy Star product for their household.

A much more consumer-friendly approach would be simply to choose a single Energy Factor level of 0.80, regardless of the water heater technology. By setting a single EF qualification level, consumers would be assured of comparable energy and cost savings from every Energy Star gas water heater, and the task of choosing the best solution to their water heating needs greatly simplified. Simplifying the purchasing will promote the Energy Star selection.

## II. Warranty

The Department of Energy should not attempt to specify warranties on Energy Star water heaters. Warranties should be set by the marketplace, not the Government. The fact that ENERGY STAR is a voluntary program is not justification.

The DOE has proposed various warranties for various Energy Star water heaters: standard Gas Water heaters at a minimum six year, tankless gas water heaters at a minimum ten year, heat pump water heaters at a minimum ten year, solar at a minimum of ten year, and gas condensing water heaters at a minimum of eight year. Everyone understands the damage that poor reliability could inflict on the ENERGY STAR water heater initiative, but the warranty requirement will do nothing to mitigate the risk that poor products will be sold.

No rationale has been presented to justify the different warranty lengths. Why should a gas-condensing product, which has a cost comparable to a tankless product, be required to have an eight- year warranty when the tankless is required to have a ten-year warranty? Why is six years an acceptable warranty period for a standard tank water heater?

This requirement further complicates the already-complex decision-making created by the proposed multiple energy factor levels. A tankless water heater with the EF level proposed above, would have a shorter payback than a comparable gas condensing water heater, but for reasons not explained by the Department, would be required to carry a longer warranty.

Moreover, the proposed warranties are completely undefined. What part of the unit must be warranted for the specified period of time? The burner, the tank, the control?

What must it be warranted against? Rust through, failure, consumer damage? How must the warranty be fulfilled? By providing parts, labor, product replacement? Must the manufacturer maintain a service network in-home service or is carry-in or mail-in service sufficient?

GE Consumer & Industrial provides warranties on all of its products. We believe that we have the finest service network in the home appliance industry. We urge the DOE to abandon these warranty requirements not because we wish to avoid standing behind our products--we will offer strong warranties and maintain a strong service network--but because they are ill-defined, not based on data and do not ensure that consumers obtain the intended benefits. And, most significantly, by imposing this unenforceable requirement DOE would give consumers the false comfort that the ENERGY STAR guarantees that the product manufacturer will be there when needed. This is something the Department plainly cannot do.

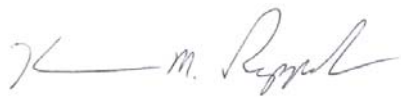
The DOE should focus on energy and leave warranties to the marketplace.

### III. Summary

GE supports the DOE efforts to establish an ENERGY STAR category for water heaters. We believe that this category is long overdue, and we fully intend to provide qualifying products. But DOE should reconsider the proposal to require warranties. Consumers, not the DOE, should dictate the warranties required.

We also believe that simplifying the Energy Factor requirements to 0.80 for all gas water heaters promote consumer understanding and promote technology development to hit that target and meet consumer needs

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kevin Ruppelt". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Kevin Ruppelt

CC: Earl F. Jones