

May 29, 2007

To: Richard Karney, U.S. DOE
Josh Butzbaugh, U.S. DOE

From:

Re: ENERGY STAR Residential Water Heaters

To Whom It May Concern:

Lowe's is the #2 retailer of water heaters in the U.S. and has been the recipient of an ENERGY STAR partner award for five consecutive years, including the 2004 ENERGY STAR retail partner of the year. We therefore have a vested interest in the development of an ENERGY STAR program for this product category.

As way of introduction, we applaud the DOE's efforts in adding water heaters to this successful federal program. It has been our experience that the ENERGY STAR mark is a developing and recognizable symbol to the buying public and does affect their purchasing decisions. Which is why I wanted to take a moment to voice a concern of my company regarding the draft criteria analysis?

While we are great supporters of the promotion of gas tankless water heaters via inclusion in the ENERGY STAR family of products, we feel that excluding mid-size models (less than 3.5gpm flow rate at a 77°F rise) will limit the impact of the program and create confusion at point of sale. Lowe's has been selling gas tankless models for well over 10 years and the vast majority of our sales during this history have been of these mid-size units. These models are far less expensive for our customers to purchase (almost half the price of the models your proposal would require), much simpler to install and maintain, and qualify for the \$300 federal tax credit. You state that the 3.5gpm flow rate at a 77°F rise is necessary to ensure sufficient water delivery, but our customers have been consistently pleased with these mid-size models we carry. Not everyone needs the biggest and most powerful (and most expensive) water heaters available; therefore we are recommending the inclusion of the mid-size models in your Energy Star program.

Thank you for the opportunity to share our opinion, and thank you for your efforts in including water heaters in the ENERGY STAR program.

Sincerely,

Denise Copeland