



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204

November 21, 2007

Richard Karney
ENERGY STAR Product Manager
US Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Mr. Karney,

Portland General Electric (PGE) appreciates the opportunity to provide comments on the Energy Star® Residential Water Heaters Second Draft Criteria Analysis and Proposal.

PGE is an investor owned electric utility company serving over 800,000 customers in Oregon.

PGE supports an Energy Star label for water heaters as a way to increase sales and availability of energy efficient water heating products. The Energy Star label has proven to be a valuable reference for consumers purchasing new appliances and equipment. Energy Star is considered to have strong brand recognition among consumers and is an important component in increase energy efficiency awareness.

Heat Pump Water Heaters

PGE supports the inclusion of heat pump water heaters in the Energy Star criteria.

Heat pump water heaters have proven to be successful in Asia and Australia but we believe they have not taken hold in the U.S. for several reasons, including product availability, price, and quality manufacturing. If an Energy Star label helps to entice a manufacturer to mass produce product overcoming these obstacles, then it is very valuable. A manufacturer must be able to mass produce heat pump water heaters at a price point that makes sense in the U.S. in order for the product to take hold.

We believe considerable effort will be required to demonstrate energy savings and performance in building consumer confidence. PGE would be in a position to support a performance based test market for heat pump water heaters as a launching pad for educating the market.

Electric-Resistance Storage Water Heaters

We are disappointed to see that electric-resistance storage water heaters are not included in the Energy Star criteria. An Energy Star label for 95% efficient electric water heater could result in cost effective energy savings. The modest savings from the 90% Federal standard could be made up in volume at a national sales level. We believe an electric equivalent to the gas storage water heater should be available for consumers in support of a fuel neutral position.

Thank you for the opportunity to comment on the Energy Star Proposal. We look forward to having Energy Star labeled water heater equipment in the market.

Sincerely,

Cheryl Carter
Program Manager
Portland General Electric