

Dear Richard and Josh,

We at the Rinnai Corporation have reviewed the second set of draft language and have just a few comments we would like to make for the record, largely regarding whole-house gas tankless water heaters:

1. Warranty language should be excluded. Energy Star is designed to encourage more Americans to adopt more energy efficient products. It is an ill-conceived notion to think that attaching warranty language will instill consumer confidence. Consumer confidence is earned by the manufacturer developing the trust of the consumer based on actual product performance and actual product reliability. The DOE cannot develop consumer confidence with a warranty term, but the DOE will drive the cost up by mandating a commercial term. This will make energy efficient products less affordable, not more affordable. Let market forces, product performance, and manufacturers earn consumer confidence and determine their own commercial terms. Keep Energy Star focused on energy efficiency.
2. If warranty is to be included, it must state that it is a limited warranty, and it must state that the limited warranty is on the heat exchanger only. Warranties throughout the gas whole-house tankless water heater industry are always limited warranties and limited to the heat exchanger only.
3. A minimum Energy Factor of 0.82 with a 3.0 gpm is acceptable, but we believe that it would be in the interest of a broader base of Americans to set a 2.5gpm minimum. Many Americans may only have one shower facility in their house, which is required to be a 2.5 max gpm. We would want all levels of society in America to have the ability to buy an Energy Star-rated product without having to “over-size” their purchase. We believe in “right-sizing,” and therefore make small models just as efficient as the large models, but sized for the small home application. Consumers who need the smaller units should be able to purchase an Energy Star-rated energy efficient tankless water heater without over-spending.

Additionally, we noticed that the category for advanced non-condensing gas storage was removed. In the spirit of encouraging innovation, we believe this category should be added back into the final document to encourage innovation among the tank, tankless, and solar builders. Just as there are no reliable manufacturers identified today for heat pump water heaters, the DOE has elected to leave the category in the draft language to encourage innovation in this area. This is good. The same spirit should hold true for the advanced non-condensing gas storage category. The DOE has already identified in the initial draft criteria substantial potential savings that can come from this type of technology. As stated in the first draft criteria release, the category should not be based on btu's, but rather on energy factor and first hour rating. We encourage your consideration of adding this category back into the list.

In summary, we support the DOE exercising the leadership taking the action to form an Energy Star program for residential water heating. We appreciate the DOE keeping the program on schedule and allowing us the opportunity to express concerns and interests. This is a positive step to help us become more energy efficient and less dependent on foreign energy sources.

Ervin L. Cash
Executive Vice President
Rinnai Corporation