

November 4, 2007

Mr. Richard Karney
Mr. Josh Butzbaugh
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Dear Mr. Butzbaugh and Mr. Karney:

This is a response to the Energy Star Criteria for Gas Tankless Water Heaters.

In regards to the .82 minimum EF, Takagi is questioning the need to move up from what the government has deemed as an acceptable minimum for the tax credit (.80). We ask that the EF minimum stay .80. The idea of tankless, whether it is done at a .80, .81, or .82 EF, is by nature, more energy friendly than tank-type. The difference between .80 and .82, is \$0.02/therm. At what you've listed as annual therm usage with tankless (183/year), we are discussing a difference of \$3.66/year. That moves the annual cost per year up from \$253 to \$256.66. Obviously insignificant when compared to \$360 cost of operation of a standard tank water heater. My concern is that the .82 has been put out there by competition that has a slightly better EF. The idea here should be, to have "tankless" Energy Star, not just certain tankless. If we wanted to Energy Star only the higher efficiency tankless, than Takagi would be happy to point out we have the only .90 + EF unit in production currently. It has been tested between 91% and 95% efficient (NG and LP).

In regards to the 10 year minimum warranty, Takagi would like to point out that no manufacturer has a 10 year warranty on parts. We ask that the warranty restriction be listed as 10 year H/E and 5 year parts.

Thanks,

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