

May 24, 2007

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

Dear Mr. Karney and Mr. Butzbaugh:

Let me first start by saying that we at Takagi Industrial Co would like to thank you for considering our Energy Star Certification request. Takagi has been selling tankless water heaters in the US for 12 years; our largest roadblock over the years has been skepticism by contractors and consumers. Since we have qualified for the Energy Tax Credit and with the possibility of Energy Star Certification, instilling confidence in our customers that these products work will come much easier. Our company is also grateful for the opportunity to submit our concerns/thoughts on the criteria for a tankless water heater to receive an Energy Star rating. Those concerns are as follows:

1. Is there a maximum BTU rating? We offer a 235,000 BTU heater that is used in residential and commercial applications. Our feeling is that it should qualify for Energy Star, even though it doesn't qualify for the Energy Tax Credit due to exceeding the 199,000 BTU limit.
2. Would you consider another category for tankless water heaters, instead of only having "whole house tankless," create an "apartment/condo tankless" category? Reason being, Takagi offers a 140,000 BTU heater that is perfect for 2 showers in the southern market and 1 shower plus 1 faucet in the northern market (at a 77° ΔT). The heater has direct vent/sealed combustion convertibility and is perfect for the apartment/condo/townhouse market.
3. Staying with the multiple category idea, is there consideration for a rating higher than the standard Energy Star rating if the heater has a thermal efficiency higher than 90%? Currently, Takagi is the only manufacturer that offers a condensing tankless water heater that has a thermal efficiency of 92% NG and 95% LP. We are very proud to present our customers an option for tankless that is 10% more efficient than any other tankless water heater.
4. One of the criteria listed was for a heater to have a 10 year warranty. Our heaters have a residential warranty of 10 years on the heat exchanger and 5 years on parts. Based on the knowledge of our biggest competitors, their warranties are similar; however, no one offers a 10 year warranty on the entire heater. Does the warranty criterion in your list refer only to the heat exchanger?

Thank you again for considering our concerns involving Energy Star tankless water heater criteria. Please feel to contact me if you have any questions.

Regards,

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