

ENERGY STAR® Water Heating Newsletter Fall 2023

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ENERGY STAR Products Partner Meeting + Pre-Conference Workshop

The ENERGY STAR Products Partner Meeting is quickly approaching, taking place September 26-28 in Atlanta. The ENERGY STAR Products Partner Meeting will bring together utilities, manufacturers, State Energy Offices, implementers, and other industry stakeholders and representatives to share knowledge, learn, problem solve, and network. There will be two dedicated heat pump water heater sessions: "Keys to Success: Designing a Highly Effective HPHW Program"



and "Addressing Workforce Challenges for HPWHs", in addition to many other sessions on heat pumps, whole home efficiency, and equity.

Additionally, this year, the ENERGY STAR team is hosting a pre-conference workshop focused on heat pumps and heat pump water heaters on Monday, September 25 from 1:30-5. If you are still interested in signing up for this workshop, please email dominique.boczek@icf.com.

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Celebrate ENERGY STAR Day!

This year EPA is excited to take ENERGY STAR Day to the next level with a research-informed strategy designed to reach and engage low-income audiences with energy-saving products and services and enhanced incentives provided by the Inflation Reduction Act (IRA).

- Employee Education: In addition to consumerfacing communications, we encourage partners to leverage existing employee communications channels to educate your team members on ways to save energy with ENERGY STAR. The 2023 ENERGY STAR Day toolkit includes templated educational messages/materials that you can download and customize.
- Social Sharing Event: Join us on social on October 11th. We are asking partners to share our ENERGY STAR Day Facebook post with your followers and we, in turn, will share your posts that feature and tag @ENERGYSTAR.



ENERGY STAR Day's landing page will feature participating partners who help reach low-income audiences either through employee outreach or other initiatives. Please share your plans for participation so we can recognize your contribution.

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Heat Pump Water Heater Heroes: Crystal Nispuruk from General Pacific



The ENERGY STAR HPWH team recently sat down with Crystal Nispuruk, who has served as Conservation Sales Manager at General Pacific for the last decade, to discuss her perspectives on residential energy efficiency programs. General Pacific has been a products' stocking distributor for utility programs for over 55 years. Crystal has worked in the HPWH industry since its inception and has watched the product evolve while partnering with both utilities and contractors.

According to Crystal, a critical strategy for increasing HPHW sales is to inform customers about the technology early, and in a straightforward way. "We haven't even started with the lowest of hanging fruit," says Nispuruk. "Emergency replacement is too late." Customers need to be aware of the technology and have a plan in place for when their current water heater reaches its end-of-life.

HPHW advertising frequently concludes with the recommendation to "talk to your retailer," but this is not a strong enough ask, especially since not all retailer staff have the necessary product knowledge. Nispuruk recommends directing customers to places where they can learn more customer-centric information about HPHWs. Marketing should be more robust, and General Pacific prefers to see advertising that is transparent regarding related product and installation costs and includes a specific call to action with local partners.

Nispuruk's team manages a direct call-in line where customers can ask questions and make purchases. In her experience, it is important for people to know the complexities up front, like air flow across the heat pump, associated noise, and condensate management. However, getting too far into technical details overwhelms many consumers. She avoids using the term "hybrid" which she has found leads customers to assume there is a gas component, and instead markets the product as the "most efficient water heater." Customers want the best product, so reassuring them that heat pump water heaters are the most efficient and reliable product on the market helps customers feel secure in their purchasing decision.

One of the most effective areas of focus for General Pacific has been increasing installation cost transparency and providing financing options. "Fixed installation price is the easiest way to appeal to the homeowner so they can have a better expectation of the costs," stated Nispuruk. General Pacific has seen the biggest success in sales with programs that offer on-bill financing or a 0-3 percent interest structure. Sharing prices up front is also helpful, but due to larger price increases in the past few years, customers may experience sticker shock. In these cases, it is important to paint a more comprehensive financial picture with costs, incentives, energy savings and payback period.

Overall, Crystal Nispuruk and the General Pacific team are anticipating significant growth in demand for HPHW installations as more incentives come into the market beyond the federal tax credit currently offered. Simple instructions on how to apply this credit to a tax return are also needed. By working together as an industry, offering strategic pricing and incentives, educating consumers to increase demand, and providing an excellent customer experience, stakeholders will ensure collaborative growth of this important technology.

Updated HPWH Savings Estimates

ENERGY STAR has updated its annual product savings calculations. Due to increases in electric prices in the past several years, HPWH's now provide even larger financial savings for customers who make the switch.

An ENERGY STAR certified HPWH can save an average household an estimated \$370 per year and household of four more than \$550 per year on its electric bills compared to a standard electric water heater.

The <u>ENERGY STAR Water Heater Marketing Toolkit</u> has been updated to reflect these new savings numbers. The toolkit includes key messaging, factsheets, social media posts and graphics, and web buttons and banners.

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ESMAC Membership Grows... Again!

The ENERGY STAR HPHW Manufacturers Action Council (ESMAC) recently added Bits Limited and Embertec to its membership. That now makes 11 of the largest and most relevant manufacturing partners effectively collaborating to increase the awareness, education, and adoption of HPWHs across the country.























ESMAC continues contributing training and program design expertise for the following: California Clean TECH, Ameren IL, Xcel Energy, Energy Trust of Oregon, BPI, PNNL, State of Minnesota utilities, Platte River Power Authority, and the Beneficial Electrification League of Colorado. They are also providing content for the soon to be released ENERGY STAR Market Acceleration Guide. Team members attended the National Home Performance Conference in April and the 2023 NEEP Summit in June. New partnerships were initiated and opportunities to leverage ESMAC resources were identified. Look for ESMAC to take a leading role at the upcoming ENERGY STAR Partner Meeting, Product Expo, and HPWH/HP Workshop the last week in September. Presentations and product demonstrations are on tap. The Council is also busy planning for the second annual HPWH Day on October 25 in partnership with the Advance Water Heater Initiative (AWHI).

Please contact ENERGY STAR (paul.campbell@icf.com) to explore additional ways to engage and partner with ESMAC.

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ENERGY STAR's Roles in the Implementation of HOMES and HEEHRA Programs

The EPA has been making a special effort to conduct outreach to State Energy Offices in advance of the launch of the Inflation Reduction Act HOMES and HEEHRA programs. While most states will not have programs until next year, the DOE recently released <u>guidance to states</u> regarding the administration of these programs. This guidance outlines goals, utility data access, data tools, application documents, and definitions. The press release also outlines the importance of ENERGY STAR in the following areas:

- Partnering with them to educate American households about the benefits of a clean energy future and to activate them to take steps to upgrade their homes.
- Producing complimentary rebate-focused outreach and education materials for use by states or their implementors.
- Launching a new ENERGY STAR incentive-finder that will feature state-specific information on rebate-eligible products, authorized installers, and will have the capability to connect customers to state rebate program fulfillment processes.
- Helping consumers with buying guidance and savings calculators for key products, including heat pumps and HPWHs.
- Launching a new community-based initiative to educate low-income households about available home upgrade resources and services.
- The U.S. Environmental Protection Agency (EPA) manages the ENERGY STAR program and owns the ENERGY STAR trademark. Since the rebate programs require ENERGY STAR certification where applicable, EPA also plays important roles:
 - Maintaining the <u>integrity</u> of the ENERGY STAR program in overseeing the appropriate use of the ENERGY STAR name and marks.
 - Extending the benefits of its <u>voluntary partnership</u> to state and tribal entities charged with implementing these rebate programs.

If you work for a utility, manufacturer, or stakeholder, now is a good time to start making connections with your State Energy Office to help ensure successful programs. We hope to see many states in attendance at the ENERGY STAR Products Partner Meeting discussing program design considerations and partnership options.

Thanks for your support of ENERGY STAR!

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Ask the Experts - UEF

ENERGY STAR will be publishing a new "Ask the Experts" segment on measuring water heater efficiency with UEF (Uniform Energy Factor). UEF is the Department of Energy's industry standard for measuring water heater efficiency, and it is the easiest way to compare the energy efficiency of different water heaters quickly and effectively.



UEF provides consistent standards, simplifies the selection process, and allows for better comparisons between different models. With changing industry standards, consumers may be unsure of how to guarantee they are purchasing an appliance that matches their needs and energy-saving goals. Keep an eye out for our upcoming "Ask the Experts" article to learn what UEF means for you as a consumer and how to use ENERGY STAR to guide your search for a new HPWH.

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