



July 7, 2023

Ms. Abigail Daken  
U.S. Environmental Protection Agency  
ENERGY STAR HVAC Program  
Washington, DC 20460

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## **RE: A. O. Smith Comments to the Proposed Sunsetting of the ENERGY STAR Program for Residential Boilers**

A. O. Smith Corporation (“A. O. Smith” or “Company”) appreciates the opportunity to submit comments to the U.S. Environmental Protection Agency (“EPA”) regarding its June 2023 ENERGY STAR® (“ENERGY STAR”) discussion guide for residential boilers that includes a provision proposing the sunsetting of the current ENERGY STAR residential boiler specification. As you know, the Company is a proud ENERGY STAR program partner and prides itself on its strong working relationship with you and the Product Management team at EPA. The Company will be submitting additional comments on the discussion guide questions in a subsequent filing.

### **About A. O. Smith**

A. O. Smith Corporation, with global headquarters in Milwaukee, Wisconsin since 1874, applies technology and energy-efficient solutions to products manufactured and marketed worldwide with operations in the U.S., Canada, China, India, Mexico, the Netherlands, Turkey, and the UK. Listed on the New York Stock Exchange (NYSE: AOS), the company is one of the world’s largest manufacturers of residential and commercial water heating equipment and boilers, as well as a leading manufacturer of water treatment and air purification products. Along with its wholly owned subsidiaries, A. O. Smith is the largest manufacturer and seller of residential and commercial water heating equipment, high efficiency residential and commercial boilers, and pool heaters in North America.

### **Overview**

In general terms the Company does not support the EPA’s proposal to sunset the ENERGY STAR residential boiler specification.<sup>1</sup> As the EPA knows, the success of the ENERGY STAR program is in large part based on the premise that it provides trusted and credible information that highlight products that deliver real consumer savings, while continually adapting to a changing marketplace without favoring one technology over another.<sup>2</sup> It is this unbiased foundational principle, and the information flowing from it, that consumers and businesses rely on to make well-informed decisions. ENERGY STAR certified boilers have annual fuel utilization efficiency (“AFUE”) ratings of 87% or greater for oil boilers and 90%

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<sup>1</sup> See, ENERGY STAR Residential Boilers Discussion Guide June 2023

<sup>2</sup> <https://www.energystar.gov/about?s=mega>

or greater for gas boilers.<sup>3</sup> Among other energy savings characteristics of ENERGY STAR certified boilers are: electronic ignition, which eliminates the need to have the pilot light burning all the time; new combustion technologies that extract more heat from the same amount of fuel; and sealed combustion that uses outside air to fuel the burner, reducing drafts and improving safety.<sup>4</sup> Consistent with the program's intent, there were 222,000 ENERGY STAR certified residential boilers shipped in 2021.<sup>5</sup> This is an outstanding achievement that has demonstrated energy and greenhouse gas emission reductions considering that these units are replacing lower efficiency units in the field. Considering that there are additional households that will be replacing their boilers it is the Company's recommendation that the EPA maintain its residential boiler specification program to incentivize those households that choose to replace their boiler do so with an ENERGY STAR certified boiler.

### **Sunsetting Comments**

While the Company understands and appreciates the EPA's concerns as expressed in the residential boiler discussion guide with the current penetration of ENERGY STAR residential boilers, and its desire to move the market forward, the Company believes sunseting the program for residential boilers is premature.<sup>6</sup>

#### **1. Pending Department of Energy Rulemaking**

As threshold matter, EPA should table its decision until such time as the U.S. Department of Energy ("DOE") completes its pending rulemaking establishing a new minimum energy conservation standard for residential boilers.<sup>7</sup> An ensuing change in the federal minimum standard for residential boilers will have a corresponding impact on future market offerings and afford the EPA the opportunity to raise its minimum specification standard with stakeholder input. Such a change could result in additional energy savings for consumers as well as avoided greenhouse gas emissions, which, as stated earlier, are two of the primary goals of the ENERGY STAR program while remaining technology neutral.

#### **2. Heat Pumps for Space Heating**

Based on the EPA's proposal it is attempting to move the program away from fossil-fuel fired sources for space heating and toward heat pump technology. In the instant case, EPA is proposing a first air-to-water heat pump specification. While the Company is supportive of EPA exploring this specification and encourages a robust stakeholder review and consensus on an initial specification, it is equally important to maintain consumer choices for high efficiency products on a technology and fuel-neutral basis. While the market for heat pumps continues to grow for space and water heating applications, and air-to-water heat pumps are an efficient solution to heating, these products are nascent in the marketplace and are not yet an affordable alternative for the average household. Moreover, these products still have many design limitations, such as low leaving water temperature and performance drop off at low ambient conditions, which make them an inappropriate replacement in many applications. While these products can offer great efficiency when designed into a new building, given their current market penetration they are not yet a good-to-product in the replacement market.

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<sup>3</sup> <https://www.energystar.gov/products/boilers>

<sup>4</sup> Id.

<sup>5</sup> See, ENERGY STAR CY2021 Certified Units Shipped, Corresponding Estimated Market Penetration, and Relevant Specification Updates:

<sup>6</sup> See, ENERGY STAR Residential Boilers Discussion Guide June 2023

<sup>7</sup> See, Energy Conservation Standards for Consumer Boilers EERE-2019-BT-STD-0036: RIN 1904-AE82.

ENERGY STAR is a household name for high efficiency products and serves as a guiding star for consumers that want to make energy conscious decision. Removing residential fossil-fuel fired residential boilers from the ENERGY STAR program would remove an educational resource for consumers and leave a gap for consumers in the marketplace who want to make energy conscious decisions for their families.

Finally, as the market transitions to heat pumps and new technologies, it is important to maintain an ENERGY STAR pathway for hydronic heating equipment.

**Conclusion**

Once again, A. O. Smith appreciates the opportunity to provide comments in response to the EPA's proposal to sunset the residential boiler specification. Please feel free to contact me if you have questions and the Company stands ready to work with the EPA moving forward.

Best Regards,

A handwritten signature in black ink, appearing to read 'Kyle Bergeron', with a long horizontal flourish extending to the right.

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