



## AMERICAN PUBLIC GAS ASSOCIATION

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U.S. Environmental Protection Agency  
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*Submitted via email to [WaterHeaters@energystar.gov](mailto:WaterHeaters@energystar.gov)*

### **RE: Comments on Proposed ENERGY STAR Version 5.0 Residential Water Heaters Draft 1 Specification**

Ms Daken:

The American Public Gas Association (APGA) appreciates the opportunity to provide comments in response to the U.S. Environmental Protection Agency's (EPA) ENERGY STAR® Version 5.0 Residential Water Heaters Draft 1 Specification.<sup>1</sup> Although not appliance manufacturers, our members provide the energy needed to fuel gas-fired water heaters and some APGA members utilize the ENERGY STAR® labeling program to identify appliances that qualify for rebates offered to customers, making public natural gas utilities a critical stakeholder in this work.

APGA is the trade association for approximately 1,000 communities across the U.S. that own and operate their retail natural gas distribution entities. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies, all locally accountable to the citizens they serve. Public gas systems focus on providing safe, reliable, and affordable energy to their customers and support their communities by delivering fuel to be used for cooking, clothes drying, and space and water heating, as well as for various commercial and industrial applications.

While APGA appreciates the need for EPA to promulgate more stringent specifications as appliances on the market continue to improve their efficiency, we are concerned that Version 5.0 has gone a step too far, especially when it comes to gas-fired storage water heaters. As noted

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<sup>1</sup> ENERGY STAR® Program Requirements for Residential Water Heaters - Eligibility Criteria ( Draft 1 Version 5.0) [https://www.energystar.gov/sites/default/files/ENERGY%20STAR%20Version%205.0%20Residential%20Water%20Heaters%20Draft%201%20Specification\\_5.pdf](https://www.energystar.gov/sites/default/files/ENERGY%20STAR%20Version%205.0%20Residential%20Water%20Heaters%20Draft%201%20Specification_5.pdf) (Oct. 5, 2021).

in a letter APGA sent to Director Bailey last month,<sup>2</sup> removing ENERGY STAR® labeled options for gas-fired appliances will limit innovation, risk energy resiliency, and squander existing energy infrastructure efficiencies while failing to enlighten the public.

Of most concern to APGA is EPA's proposal to raise the required efficiency level for all gas-fired storage water heaters to that of a gas-fired heat pump water heater even though no gas-fired heat pump storage water heaters are currently available on the market. Accordingly, Version 5.0 proposes to remove the ENERGY STAR® label from all gas-fired storage water heaters.

According to the ENERGY STAR® Products Program Strategic Vision and Guiding Principles,<sup>3</sup> “[t]he ENERGY STAR product labeling program reduces greenhouse gas emissions by removing barriers in the market that deter consumers and businesses from easily identifying the financial and environmental benefits of purchasing the most energy efficient product model that otherwise meets their needs.” Unfortunately, Version 5.0, as currently drafted, would not further this goal. In fact, it may actually do the opposite by encouraging consumers to purchase less efficient appliances that end up costing them more over the life of the appliance.

By raising the efficiency level to where no commercially available appliances are able to meet the specification, EPA contradicts its own strategic vision and guiding principles. The sudden absence of ENERGY STAR® gas-fired storage water heaters on the market will confuse consumers and businesses looking to purchase efficient appliances. Without the ENERGY STAR® label guiding their choices, a consumer replacing an existing appliance will be confronted with confusion and a difficult choice when selecting from all the gas-fired storage water heaters on the market, a daunting task for many without the time to determine which appliance may best fit their needs and budget. This contradicts ENERGY STAR®'s own motto: “The simple choice for saving energy.”

Fuel-switching is a cost prohibitive option, as necessary renovations cost thousands of dollars. For new construction, the proposed specification appears to unduly discriminate against gas-fired storage water heaters, despite the high efficiency that the direct use of natural gas provides to homes and businesses, paired with its affordable and reliable energy source. Furthermore, as mentioned above, some APGA members, in addition to other utilities and varying levels of government, utilize the ENERGY STAR® designation as a way to determine qualifying appliances for rebate programs. Without these rebates, many consumers will likely buy the most affordable replacement appliance, which also means they will likely be buying a less efficient model.

For low income communities, which many APGA member systems serve, this change may lead to higher energy bills for a demographic that already carries a significant energy burden. For instance, landowners of multifamily housing that accommodate low income tenants will be more likely to buy less efficient replacement appliances for their rental properties for the reasons

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<sup>2</sup> Letter from APGA to ENERGY STAR Product Labelling Director re: changes to ENERGY STAR's Most Efficient list, which banned all gas-fired appliances from the designation (Oct. 6, 2021).

<sup>3</sup> EPA, ENERGY STAR® Products Program Strategic Vision and Guiding Principles, [https://www.energystar.gov/ia/partners/prod\\_development/downloads/guiding\\_principles\\_2012.pdf](https://www.energystar.gov/ia/partners/prod_development/downloads/guiding_principles_2012.pdf) (Jan. 2012).

described above, as the more expensive utility bills simply are passed onto their renters. Low income single family households also will likely resort to purchasing lower cost (and accordingly likely low efficiency) replacement appliances with the loss of ENERGY STAR®-related rebates to support their purchase of more efficient alternatives.

Further, APGA is concerned that EPA was not able to analyze consumer payback for gas-fired storage water heaters in its proposed specification, as “no reliable pricing information for models meeting Version 5.0” exists- namely because no commercially available models of these water heaters exist for which to derive such data. Without this information, DOE is proposing to set a specification with no underlying data- a dangerous precedence to set.

The mission of ENERGY STAR® has always been to provide “unbiased information” to consumers. APGA believes that this proposed specification violates that mission. EPA’s action is plainly biased against natural gas-fired storage hot water heaters, and not because such appliances are less efficient. Efforts to promote electrification by the EPA through ENERGY STAR® are contrary to the program’s statutory obligation.<sup>4</sup> Diverting the public from gas-fired water heaters will increase and not “reduce energy consumption”; nor does it “reduce pollution” because the direct use of natural gas in hot water heaters is more efficient than electricity, and electricity for the foreseeable future is created in substantial part in nearly ever corner of the U.S. with natural gas. Thus EPA’s proposal is legally infirm as it cannot contradict its congressional mandate in this manner.

APGA asks EPA to revise Version 5.0 to better align with the program’s congressional purpose, strategic vision, and guiding principles. The agency should ensure that a proportionate number of gas-fired storage water heaters on the market qualify for the ENERGY STAR® label to promote consumer purchase of these more efficient appliances that are currently commercially available. These changes will ensure that consumers remain motivated to purchase more efficient appliances without mitigating the progress being made to continuously improve the efficiency of newer appliances.

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<sup>4</sup> 42 USC Section 6294a.

We thank you for the review and consideration of these comments. If you have any questions regarding this submission, please do not hesitate to contact us.

Respectfully submitted,

A handwritten signature in blue ink that reads "Dave Schryver". The signature is written in a cursive, flowing style.

Dave Schryver  
President & CEO  
American Public Gas Association