



Bill Greer
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November 11, 2021

Attn: Ms. Abigail Daken
U.S. Environmental Protection Agency
ENERGY STAR Program
Office of Air and Radiation
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Submitted via email: WaterHeaters@energystar.gov

Re: Atmos Energy Comments on EPA Draft 1, Version 5.0 ENERGY STAR Residential Water Heater Product Specification

Dear Ms. Daken:

We provide natural gas service to more than 3 million customers across 1,400 communities in 8 states. We are writing today to share our perspective on the Environmental Protection Agency's ("EPA") Draft 1, Version 5.0 ENERGY STAR Residential Water Heater Product Specification that was released on October 5, 2021, for stakeholder comment under cover of your memorandum. The EPA has offered three reasons—sourced from nine commenters—for suspending ENERGY STAR Most Efficient recognition for products that use natural gas: to help achieve President Biden's 2050 net-zero economy goal; to protect consumer health; to better appeal to the Most Efficient target audience—environmentally-conscious consumers. (September 28, 2021 letter to ENERGY STAR Partners and stakeholders).

We share a common goal with EPA to reduce greenhouse gas emissions. Our experience confirms that communities expect their energy sources to be safe, reliable, efficient, and affordable, and increasingly, environmentally sustainable.

The best strategy is one that takes a balanced, common-sense approach to achieving greenhouse gas emissions without preferring any one energy source. As the country's largest natural gas-only distributor, we have an integral role to play in a balanced energy portfolio and transition to lower GHG emissions.

And so, we have significant concerns about advocating for standards that exclude natural gas and thus indirectly or directly mandate electrification. Atmos Energy has reviewed the comments being filed in this matter on behalf of the American Gas Association, of which Atmos Energy is a member. Atmos Energy concurs with the information contained in those comments and recommends that **EPA suspend development of Version 5.0 changes to residential storage water heater efficiencies from the Version 5.0 criteria and initiate a reevaluation of the proposed Version using a more comprehensive review that follows the EPA Guiding Principles.**

Recommendations to pursue full electrification do not improve environmental performance of the country's energy supply, nor do they improve reliability, affordability, or safety. Ultimately, the consequences of this approach would fall on consumers and our communities in the form of increased greenhouse gas emissions, lost economic opportunity, unacceptable utility rates and increased housing costs.

Two of the underlying assumptions in policy-making that aggressively promotes electrification appear to be (1) that someday all or nearly all electricity will be generated in a completely carbon-free manner, and (2) that this future would be the most effective way to reduce and eventually eliminate CO₂ emissions. Both these assumptions must be challenged if we are truly going to achieve a sustainable energy future as expeditiously as possible.

The better alternative is to use all tools to decarbonize, selecting the most economically effective first. That happens to be a selection of actions that include gas heat, water heat, clothes drying, and cooking. Many studies have also demonstrated that energy efficiency is the single most cost-effective way to reduce emissions. In fact, a study issued December 2019 by the American Gas Foundation regarding greenhouse gas emission reduction and direct use natural gas technologies, showed that with widespread adoption of emerging natural gas technology, residential emissions from natural gas can be reduced 40%, and at 90% less cost compared to electrification.¹

Everyone should have the right to choose appliances that meet the objectives of lower greenhouse gas emissions, lower upfront cost, and lower operating cost—without a strict requirement for the energy source. To protect this choice, this year, sixteen states have so far approved energy choice or all fuels legislation, continuing a trend from 2020 when four states passed similar provisions into law.

We are looking for the opportunity to provide input into the process and further collaborate with EPA.

Sincerely,

/s/ Bill Greer

Bill Greer
Director, Stakeholder Strategy

¹ Opportunities for Reducing Greenhouse Gas Emissions through Emerging Natural Gas Direct-Use Technologies, An American Gas Foundation Study Prepared by: Enovation Partners, December 2019, p. 13-14, <https://www.gasfoundation.org/wp-content/uploads/2019/12/AGF-2019-Direct-Use-Study-Full-Report-Final-12-18-19-V2.pdf>.