

June 29, 2022

Ms. Abigail Daken
1200 Pennsylvania Ave. NW, MC 6202A
Washington, DC 20460

Dear Ms. Daken:

The Consortium for Energy Efficiency (CEE) respectfully submits the following comments in response to the ENERGY STAR® Version 5.0 Residential Water Heater Final Draft Specification, released by the Environmental Protection Agency (EPA) on June 1, 2022.

CEE is the binational organization of energy efficiency program administrators. Historically, the CEE Board of Directors determined to build a single brand for efficiency and elected to create standing for the ENERGY STAR Program rather than advance the name recognition of CEE or other endeavors that existed at that time. The ENERGY STAR Program adopted specifications supported by CEE and program administrators, providing the confidence that utility ratepayer programs needed to invest in incentives in association with ENERGY STAR. This was a conscious investment and contribution of equity and the sanctioned obligations of utility members, which include responsibility for delivering safe, reliable, and affordable service. The staff and membership of the Consortium continue to perform diligence relative to the ENERGY STAR brand promise and associated performance specifications, given the very serious obligations entrusted to US and Canadian utilities as well as others sanctioned with advancement of voluntary market transformation efforts.

CEE members are responsible for ratepayer-funded efficiency programs in 38 US states, the District of Columbia, and four Canadian provinces. In 2020, CEE members directed approximately 63% of the \$8.5 billion in energy efficiency and demand response program expenditures in the two countries. These comments are offered in support of the local activities CEE members carry out to actively leverage the ENERGY STAR brand. CEE consensus comments are offered in the spirit of strengthening ENERGY STAR, so it may continue to serve as the national marketing platform for energy efficiency.

CEE highly values the role ENERGY STAR plays in differentiating energy efficient products and services that the CEE membership supports locally throughout the US and Canada. We appreciate the opportunity to provide these comments.

Gas Storage Water Heaters Remain a Central Offering within CEE Members’ Residential Energy Efficiency Portfolios

Many CEE members continue to manage programs for gas storage water heaters, with 43 organizations promoting this measure in 2020, as shown in Table 1. This product type remains a fundamental offering within many natural gas and dual fuel utility members’ residential portfolios. Accordingly, CEE specifications continue to offer multiple gas storage tier options to serve these program administrators.

Table 1. CEE Member Gas Storage Water Heating Programs, 2020

Avista—Idaho	National Grid—New York Upstate
Avista—Oregon	National Grid—Rhode Island
Avista—Washington	New Jersey Natural Gas
Berkshire Gas	New Mexico Gas Company
Columbia Gas of Massachusetts	New York State Energy Research and Development Authority
Columbia Gas of Ohio	Nicor Gas
Connecticut Natural Gas	NW Natural—Washington
Consumers Energy	PSEG Long Island
DC Sustainable Energy Utility (DCSEU)	Puget Sound Energy
Dominion Energy Utah	Sacramento Municipal Utility District
DTE Energy	San Diego Gas & Electric Company
Efficiency Maine	SoCalGas
Énergir	South Jersey Gas
Energy Trust of Oregon—Oregon	Southern Minnesota Municipal Power Agency
Energy Trust of Oregon—Washington	TECO Peoples Gas
Eversource—Connecticut	Union Gas
Eversource—Eastern Massachusetts	Unitil—Massachusetts
FortisBC	Vermont Gas
Great Plains Natural Gas	Xcel Energy—Colorado
National Grid—Downstate Long Island	Xcel Energy—Minnesota
National Grid—Massachusetts	Xcel Energy—North Dakota
National Grid—New York City Downstate	

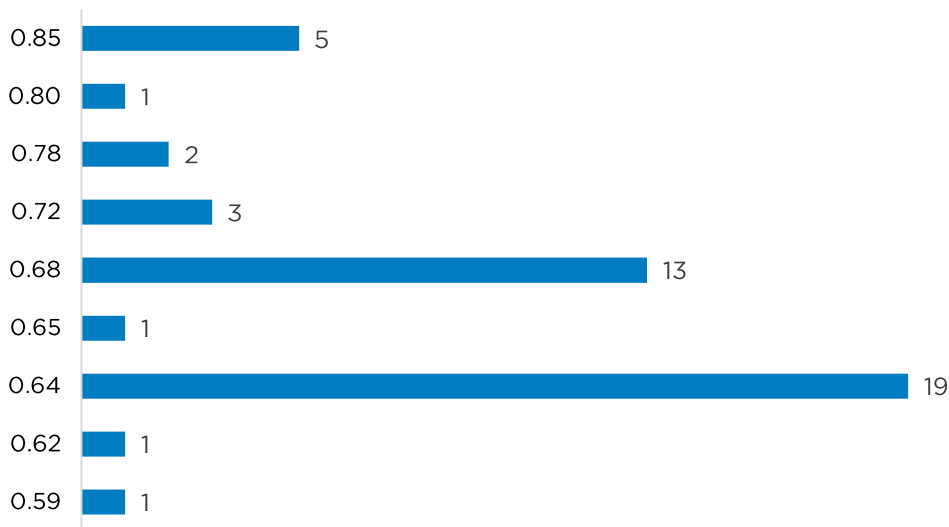
CEE Supports EPA’s Proposed Gas Storage Specification Level to Differentiate Highest Performing Models Currently Available

CEE supports ENERGY STAR’s proposed levels of UEF ≥ 0.81 for medium draw pattern units and UEF ≥ 0.86 for high draw pattern and > 55 -gallon units. These levels represent a

substantive increase from Version 4.0 that recognizes high-efficiency condensing units currently available on the market, which supports many programs administrators' goals.

Water heating programs are the most common measure in residential efficiency portfolios following HVAC. More than half of CEE member programs currently incentivize CEE Tier 1 / ENERGY STAR labeled gas storage water heaters (UEF \geq 0.64 for medium draw products and UEF \geq 0.68 for high draw products). The present landscape reflects members' desire to leverage the ENERGY STAR brand for promotion of gas storage water heaters. \geq 0.78 UEF is the present CEE Tier 2 level, and the Committee is currently developing an Advanced Tier at \geq 1.00 UEF to promote high performance storage units, including gas HPWHs. As shown in Figure 1, some members are promoting gas storage water heaters with UEF levels of \geq 0.78, \geq 0.80, and \geq 0.85. While this data below reflects 2020 program levels, members confirm that many of their offerings remain consistent today and have not changed substantively in the past two years.

Figure 1. CEE Member Gas Storage Water Heater Program UEF Levels, 2020



Gas Heat Pump Water Heaters Present an Exciting Future Energy Savings Opportunity

CEE members are enthusiastic about natural gas advancements and the prospective of widely available gas heat pump water heaters. Many CEE program administrators are already looking ahead to potential program inclusion and promotional opportunities for high performing gas heat pump water heaters. As an emerging technology, gas heat pump water heaters represent a category outside widely available program offerings. In

accordance, CEE is currently revising our Residential Water Heating Initiative to recognize such models through a technology neutral Advanced Tier for natural gas storage water heaters with specification requirements of $UEF \geq 1.00$. One option for EPA to also promote these prospective models that may be coming to market in upcoming years is to utilize the Most Efficient platform for distinguishing gas storage models with a $UEF \geq 1.00$.

Support for Proposed Gas Tankless Water Heater Specification

CEE supports EPA's proposed gas tankless water heater specification set at $UEF \geq 0.95$. As of 2020, 44 members were promoting tankless water heaters, only four of which required this ambitious of a level. We anticipate that, when ENERGY STAR goes into effect, this aspirational level will be the direction member programs go in. While it may be a stretch for some program administrators at this time, we believe $UEF \geq 0.95$ reflects an appropriate level for the next version of this specification and is one that supports the current and future direction of CEE's natural gas membership.

CEE would once again like to thank EPA for the opportunity to comment on the ENERGY STAR Version 5.0 Residential Water Heater Draft 1 Specification. Please contact CEE Program Associate Kim Katz at kkatz@cee1.org or 617-337-9667 with any questions about these comments.

Sincerely,



John Taylor
Acting Executive Director