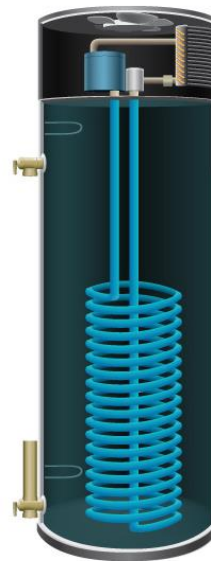


ENERGY STAR® SALES ASSOCIATE TRAINING Water Heaters

2017





Objectives

By the end of this training, you will be able to:

- Describe the significance of the ENERGY STAR label.
- Help customers understand the opportunity to reduce energy and save money by purchasing an ENERGY STAR certified water heater.
- Explain ENERGY STAR certified water heater features and benefits to diverse customers.
- Address customer questions or concerns regarding ENERGY STAR certified water heaters.
- Understand that ENERGY STAR certified water heater have a price premium, but that can be offset by generous utility rebates.

What is ENERGY STAR?



ENERGY STAR® is the simple choice for energy efficiency. For more than 20 years, EPA's ENERGY STAR program has been America's resource for saving energy and protecting the environment.

ENERGY STAR certified products:

- Save energy
- Save money
- Save the environment



Why ENERGY STAR Matters to Your Customers

Energy & Cost Savings Without Compromising Performance

- ENERGY STAR certified products save money!
- Reduced energy use = lower energy bills, saving you money

Product Differentiation

- ENERGY STAR certified products:
 - Incorporate advanced technologies and high-efficiency features.
 - Are independently certified to use less energy and reduce greenhouse gas emissions.

Social Value

- ENERGY STAR helps your customers be environmentally responsible
- Saving energy helps prevent climate change by reducing greenhouse gas emissions

Help your customers make smart purchases to build customer loyalty and increase sales!

ENERGY STAR Sales Value

- Approximately **half (45%) of U.S. households knowingly** purchased an ENERGY STAR certified product in the past year.
- Of households that purchased ENERGY STAR products in the past year:
 - About **74%** reported the label as **influential** in their purchasing decision;
 - About **80%** reported that they are **likely to recommend** products that have earned the ENERGY STAR to friends

Consumer awareness and desire for efficiency savings are high.





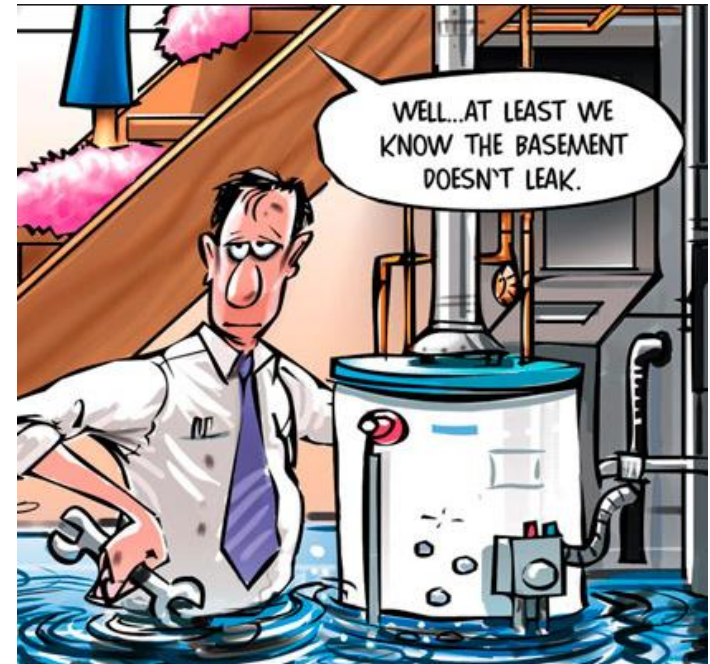
The Water Heater Market

- Heating water is second highest residential energy use next to heating and cooling your home!
- Roughly 8 million are shipped annually.
- Half are sold at retailers and the other half at distributors (to plumbers and contractors).
- 96% are storage tank types; only 4% are tankless types.
- Fuel used to heat water nationwide:
 - 39% electric
 - 53% natural gas
 - 4% propane gas
 - 4% other (fuel oil, wood, solar)

83% of water heaters are purchased in emergency situations due to water heater failure!

Why Emergency Replacements Lead to Bad Decisions

- Water heater failures can lead to:
 - Flooded basements
 - Cold showers
- These conditions lead to a customer:
 - Interested in the quickest and cheapest water heater installation possible;
 - Uninterested in time-consuming consideration of energy efficient water heater and all of its details (e.g., different technology, savings, higher first costs, paybacks).



“Planned replacement” of water heaters is the single most important message a retailer can have in the promotion of efficient water heaters!

How to Promote Planned Replacement

- Did you know? An astounding 37% of water heaters in the U.S. are 10 years old and on the verge of failure!
- Don't be caught off guard and be forced to deal with:
 - Not having hot water for days;
 - The emotional (e.g., ruined old photo albums) and financial burdens of a flooded basement.
- Replace your water heater early with energy efficient ENERGY STAR water heaters that save energy and money and qualifies for generous utility rebates.



Tie “planned replacement” to the energy savings and long term financial benefits of ENERGY STAR water heaters.

Three Types of Residential ENERGY STAR Water Heaters

- Electric heat pump water heater
- High efficiency gas storage tank water heater
- High efficiency gas tankless water heater



Gas tankless
heater



Gas storage
water heater



Heat pump
water heater

All have special features that save energy and money and qualify for generous utility rebates!

ENERGY STAR Certified Electric Heat Pump Water Heaters

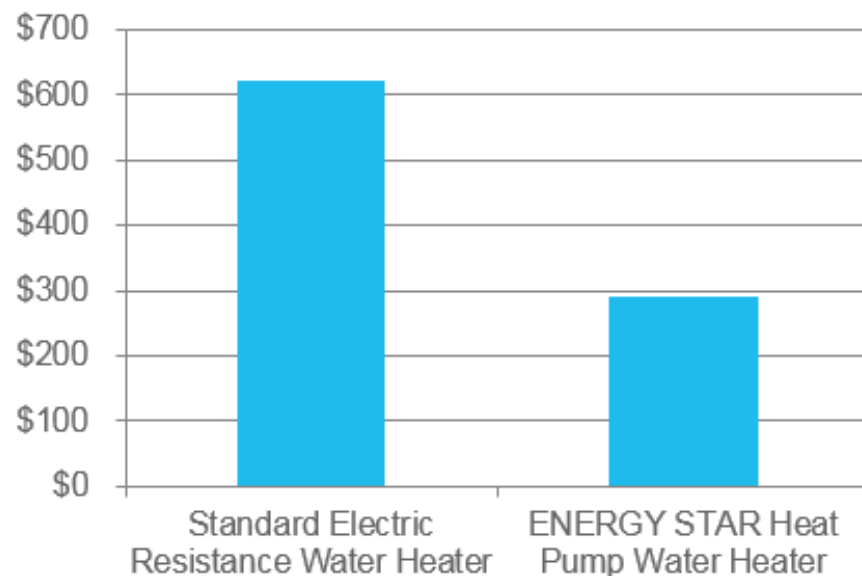
- Use less than half the energy of a standard electric storage water heater.
- Can save a four-person household \$330 per year in energy bills and \$3500 over its lifetime.
- Use a highly efficient heat pump – essentially a refrigerator run in reverse – to transfer heat from the surrounding air to the water.
- Switches to conventional electric resistance element heating if surrounding air too cold or demand high.
- Made by all the major manufacturers.



The ENERGY STAR heat pump water heater is one of the largest residential savings opportunity available.

ENERGY STAR Certified Heat Pump Water Heater Savings/Payback

Annual Energy Costs for an Electric Storage Water Heater (4-person Family)










ENERGY STAR HPWH Savings Based on Household Size

Household Size	Annual Savings	Payback (Years)	Lifetime Savings
2	\$160	4.9	\$1,340
3	\$250	3.2	\$2,400
4	\$330	2.4	\$3,470

Assumes: Electricity Rate of 12 cents/kWh;
Incremental cost = \$800; 13-year lifespan

The larger household size – the larger the savings!

Example of Rebates for ENERGY STAR Certified Heat Pump Water Heaters

ENERGY STAR Certified HPWH Rebates		
State	Utility	Incentive
CA		\$300
GA		\$250
HI		\$300
MA		\$750
ME		\$750
NH		\$500-600
WA		\$500-\$800

Check for your rebate at your local utility at
www.energystar.gov/rebatefinder



Heat Pump Water Heater Checklist

Run through the checklist to see if an ENERGY STAR certified heat pump water heater is right for you.

Is location in an unoccupied space where cooling and noise will not be an issue?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does location offer more than 1,000 cubic feet of surrounding air (i.e., approximately the space of a 12 foot by 12 foot room)? (Efficiency will suffer in a closet – even one with vented doors - and you need adequate clearance around air entry and discharge.)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does location offer sufficient height to install? (heat pump water heaters are usually taller than traditional storage tank water heaters to accommodate the heat pump.)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Can location accommodate or does it already have a condensate drain or pump? (heat pump water heaters produce condensate.)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is ambient air temperature not consistently in freezing range (32 degrees F) or below? (heat pump water heaters do not operate in freezing temperature like outdoors or in garages during northern climate winters.)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does ambient air temperature stay between 40° - 90° F year-round? (An ideal spot would be near a furnace in a basement that is very warm all winter or a garage in very warm climates.)	<input type="checkbox"/> Yes <input type="checkbox"/> No

You should answer “Yes” to all these questions before considering a heat pump water heater.









ENERGY STAR Certified Gas Storage Tank Water Heaters



- Use about 10% less energy than a standard gas storage water heater.
- Upgraded with better insulation, heat traps, and more efficient combustion systems.
- Uncomplicated installation as have same form factor as conventional gas water heaters (e.g., same gas, water, and exhaust hookups).
- Made by all the major manufacturers.

Smaller savings than an ENERGY STAR certified heat pump water heaters but still subject to generous utility incentives.

Example of Rebates for ENERGY STAR Certified Gas Storage Tank Water Heaters

ENERGY STAR Certified Gas Storage Water Heater Rebates		
State	Utility	Incentive
IA	 ALLIANT ENERGY	\$75
MI	 Consumers Energy Count on Us	\$75
OR	 EnergyTrust of Oregon	\$100
MA	 mass save Energy. Smart. Savings. Guaranteed.	\$100
CA	 SDGE	\$100
VA	 Virginia Natural Gas	\$70

Check for your rebate at your local utility at
www.energystar.gov/rebatefinder







ENERGY STAR Certified Gas Tankless Water Heaters



- Provide endless supply of on-demand hot water via higher output burners with no storage tank.
- Eliminate energy wasted maintaining tank water temperature.
- Employ a more efficient secondary heat exchanger.
- Saves a family of four \$250 over its lifetime compared to a standard tankless water heater
- Saves a family of four \$1,500 over its lifetime compared to a standard gas storage tank water heater.
- Last twice as long as a conventional unit and take up much less space.
- High replacement installation costs due to high gas flow requirements, different venting/water connections.

Great choice for new construction/ major remodeling/vacation homes and becoming popular as a replacement for gas storage water heaters!

Example of Rebates for ENERGY STAR Certified Gas Tankless Water Heaters

ENERGY STAR Certified Gas <u>Tankless</u> Water Heater Rebates		
State	Utility	Incentive
IA	 ALLIANT ENERGY	\$300
NJ	 Your Power to Save At Home, for Business, and for the Future	\$500
NM	 New Mexico GAS COMPANY	\$225-\$300
NC, SC, TN	 Piedmont Natural Gas	\$250
MA	 mass save Energy Efficiency Programs	\$500-800
CA	 Southern California Gas Company	\$150-\$200

Check for your rebate at your local utility at
www.energystar.gov/rebatefinder



Is Your Customer Looking at Electric Water Heaters and Focused on Saving Money?

Listen

- Are any of these water heaters on sale?
- What's the most inexpensive option to replace my old water heater?
- These water heaters sure are expensive.

Tell

Your budget-conscious customers:

- “Did you know heating water is the second largest use of energy in your home?”
- “A new ENERGY STAR certified heat pump water heater uses half the energy and saves a family of 4 around **\$330 per year** and **\$3500 over its lifetime!**”
- “ENERGY STAR certified heat pump water heater might cost more, but:
 - That **incremental cost is paid back in less than 3 years** for a family of four through the annual energy savings.
 - Generous utility rebates, worth hundreds of dollars, can offset the incremental cost as well.”



Is Your Customer Looking at Gas Water Heaters and Focused on Saving Money?

Listen

- What's the lowest cost option?
- These water heaters aren't cheap.
- Any bargains on water heaters?

Tell

Your budget-conscious customers:

- "Did you know heating water is the second largest use of energy in your home?"
- "A new ENERGY STAR certified gas storage tank water heater saves a family of 4 around **\$20 per year.**"
- "Compare to a storage tank model, an ENERGY STAR certified tankless water heater saves a family of 4 more than **\$80 per year** and **\$1,500 over its lifetime.**"
- "They cost more but you can get generous utility rebates to offset those costs."



Is Your Customer Looking for a High Tech Water Heater?

Listen

- What's the latest tech in water heaters?
- Anything new in water heaters?

Tell

Your techie customers:

- “ENERGY STAR certified heat pump water heaters use a highly efficient heat pump – essentially a refrigerator run in reverse – to transfer heat from the surrounding air to the water.”
- “ENERGY STAR certified gas water heaters are upgraded with better insulation, heat traps, and more efficient combustion systems.”
- “ENERGY STAR certified tankless water heaters use a more efficient secondary heat exchanger.”

Is Your Customer Concerned About the Environment?

Listen

- I need a new water heater, but it needs to be energy efficient.
- My water heater is old and probably using a lot of energy. I'm concerned about my environmental footprint.

Tell

Your green customers:

- “ENERGY STAR water heaters help prevent climate change. If all residential water heaters sold in the United States were ENERGY STAR certified, the energy cost savings would grow to \$13.4 billion each year, and 155 billion pounds of annual greenhouse gas emissions would be prevented, equivalent to the emissions from more than 15 million vehicles.
- “ENERGY STAR is the simple choice: **save energy, save money,** and **help protect the climate.**”





Close the Sale By Showing Your Customer EVEN More Savings!

Visit www.energystar.gov/rebate-finder:

- Water heater rebates in your area
- Incentive amounts, start and end dates
- Name, location, and contact information of rebate sponsors

The screenshot shows the Energy Star Rebate Finder website. At the top, there's a navigation bar with links for 'ABOUT ENERGY STAR' and 'PARTNER RESOURCES'. Below this is a header section with the Energy Star logo and the tagline 'The simple choice for energy efficiency.' followed by four main categories: 'ENERGY EFFICIENT products', 'ENERGY SAVINGS at home', 'ENERGY EFFICIENT new homes', and 'ENERGY STRATEGIES FOR buildings & plants'. A breadcrumb trail indicates the current path: 'Home > Certified Products > Rebate Finder > Special Offers and Rebates from ENERGY STAR Partners'. The main heading is 'Certified Products' with a subtitle 'Your source for energy efficient product information'. Below this is a section titled 'Find Product Rebates & Other Special Offers' which includes a green icon of a dollar bill and a list of three steps: 1. Enter your zip code to see a list of rebates and offers in your area. 2. Narrow the results to the product categories of interest to you. 3. Connect to utility websites for details on how to cash in. A large green box prompts the user to 'Enter your zip code to begin.' with a text input field containing 'All Zip Codes' and a 'FIND REBATES' button. Below this is a section titled 'Additional Resources from ENERGY STAR' with three cards: 'LEARN MORE ABOUT PRODUCTS' (with a dropdown for 'Select a Product Category'), 'PRODUCT FINDER' (with a 'START HERE' button), and 'My ENERGY STAR' (with a 'GET STARTED' button). The footer contains a grid of links organized by category: Energy Efficient Products, Energy Savings At Home, Energy Efficient New Homes, Energy Strategies for Buildings & Plants, and a final column for ENERGY STAR Home, About ENERGY STAR, Recursos en Español, and Publications.

Questions?

For questions about ENERGY STAR certified water heaters or for additional information, including qualified product lists and savings figures:

- Write to waterheaters@energystar.gov

