



November 11, 2021

Ms. Abigail Daken
Office of Air and Radiation
Environmental Protection Agency
Washington, D.C. 20460

Re: ENERGY STAR, Version 5.0 Residential Water Heater Draft 1 Specification.

This letter provides comments from the National Propane Gas Association (NPGA)¹ in response to the Environmental Protection Agency's (EPA) publication of Version 5.0 of its ENERGY STAR Residential Water Heater Draft 1 specification criteria. The specification criteria are used to determine which products qualify for the ENERGY STAR label. It is propane's usage in the residential water heating market that NPGA offers these comments.

The ENERGY STAR Products Program has historically demonstrated success in implementing voluntary appliance efficiency thresholds for residential appliances by employing consistent program criteria as detailed in its "Strategic Vision and Guiding Principles" document and its "Standard Operating Procedure [for] Revising or Establishing an ENERGY STAR Product Specification." However, with the proposal of "Energy Star Program Requirements Product Specification for Residential Water Heaters, Eligibility Criteria Draft 1, Version 5.0," Energy Star seems to be deviating from its program criteria for setting Energy Star efficiency thresholds for gas-fired residential storage water heaters.

For example, page 3 of the Draft 1 Version 5.0 Eligibility Criteria under Section 3.B.a, the document offers the following note:

- "Note: Consistent with the Biden Administration's commitment to decarbonization, EPA is proposing more stringent criteria for gas-fired storage water heaters, while allowing them to remain in scope as familiarity with electric alternatives grows. The proposed gas-fired storage water heater level could be met with developments in technologies like gas heat pump water heaters. **EPA was unable to determine a cost-effective level that provides meaningful differentiation for units on the market.** The proposed criteria will increase the annual energy savings that EPA and utility partners can claim to 80 therms (\$81) per year for gas-fired water heaters 55 gallons or less and to 46 therms (\$46) per year for gas-fired water heaters greater than 55 gallons. We have not estimated payback; **since there are currently no products on the market meeting these criteria, the cost is unclear.** If all gas storage water heaters sold in the US met these requirements, the national savings would grow to over 4,875 million therms, or over 25

¹ NPGA is the national trade association of the propane industry with a membership of about 2,500 companies, and 38 state and regional associations representing members in all 50 states. NPGA's membership includes retail marketers of propane gas who deliver the fuel to the end user, propane producers, transporters and wholesalers, and manufacturers and distributors of equipment, containers, and appliances. Propane gas is used in over 18 million installations nationwide for home and commercial space heating, water heating and cooking, in addition to agricultural and industrial processing applications as well as a clean air alternative engine fuel for both over-the-road vehicles and industrial lift trucks.

MMT CO₂e. Savings are based on a comparison of the ENERGY STAR requirements to the federal minimum standard for typical tank sizes of 40 and 65 gallons. EPA welcomes comments on the proposed criteria, particularly on appropriate safety standards and any such practical barriers to products entering the market.” [Emphasis added.]

Within the note, there is an acknowledgement that gas-fired water products meeting the proposed efficiency thresholds are not currently listed, and as such, are not available to consumers. This acknowledgement appears to be in conflict with the *ENERGY STAR Products Program Strategic Vision and Guiding Principles*. Because qualifying gas-fired storage water heater are not in the market, proposed cost savings discussed in the Draft 1, Version 5.0 and as discussed in the quoted material above are hypothetical and unjustified.

Further to this, in this document’s section titled “Guiding Principles for When to Revise ENERGY STAR Specifications,” there is a subsection that addresses “Product Availability.” This section addresses the circumstance of when a product’s availability is severely limited at a given ENERGY STAR performance level. In this circumstance, a change is considered to the specification to make it less stringent to ensure adequate selection of ENERGY STAR qualified equipment in the market. Clearly, one of the guiding principles of the ENERGY STAR program is to ensure product availability by **allowing** for a change to the performance level **to ensure availability of the product**. Given this principle, why would the Draft Version 5.0 criteria establish a performance level that, from the outset, precludes availability of the product.

Based upon these issues, ENERGY STAR should suspend development of Version 5.0 changes to gas-fired residential storage water heater efficiencies from the Version 4.0 criteria and revisit Version 5.0 coverage using more complete consideration of its “Guiding Principles” and “Standing Operating Procedure.” Alternatively, we question whether ENERGY STAR should continue to serve as the basis for appliance efficiency programs supported by our industry and be used a criterion for offering consumer rebates.

Thank you for the opportunity to provide these comments on Draft 1 Version 5.0 of the ENERGY STAR program requirements specification for residential water heaters.

Sincerely,

A handwritten signature in black ink that reads "Michael A. Caldarella". The signature is written in a cursive, flowing style.

Michael A. Caldarella
Senior Vice President, Regulatory & Technical Affairs
National Propane Gas Association