



Department of Energy
Washington, DC 20585

April 1, 2008

Dear ENERGY STAR[®] Partners and Stakeholders:

The Department of Energy (DOE) is pleased to issue the enclosed final program requirements for ENERGY STAR Residential Water Heaters. We appreciate the time and effort you have contributed. Your comments were evaluated and accounted for throughout the decision-making process. We look forward to working with you as we implement the new criteria.

DOE is including residential high-efficiency gas storage water heaters in the program at a minimum Energy Factor of 0.62. However, DOE will sunset this minimum level on August 31, 2010, requiring a minimum Energy Factor of 0.67 thereon for gas storage models. It is our intent to accelerate the provision of high-performance gas storage water heaters in the market by establishing a goal for manufacturers to meet.

DOE is including residential whole-home gas tankless water heaters at a minimum Energy Factor of 0.82. DOE reduced the minimum gallons-per-minute (gpm) requirement from 3.0 in the previous draft criteria to 2.5 gpm at a 77°F rise. This will allow qualified units to be compatible with the hot water demand of apartments and condominium occupants while not penalizing whole home applications.

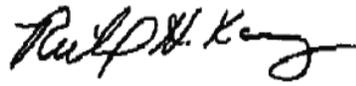
DOE is including residential gas condensing water heaters with a minimum Energy Factor of 0.80, residential drop-in or integrated heat pump water heaters with the minimum Energy Factor set at 2.0, and residential solar water heaters in the program, requiring a minimum Solar Fraction of 0.50.

DOE has taken into account stakeholder feedback indicating it should address safety directly and has included the safety requirements applicable to water heating technologies included in the program. DOE also made revisions to warranty requirements to parallel those existing in industry.

Finally, DOE has evaluated the inclusion of electric resistance technologies into the program and determined, while there may be slight initial savings to be attained, there are few, if any, technology improvements possible with this form of water heating to warrant the long-term qualification of electric resistance water heaters in the program.

Thank you for your interest in the ENERGY STAR program.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard H. Karney". The signature is fluid and cursive, with a prominent initial "R" and a long, sweeping tail.

Richard H. Karney, P.E.
ENERGY STAR Products Manager
U.S. Department of Energy

Enclosure