

April 17, 2012

Ms. Abigail Daken
U.S. Environmental Protection Agency
1200 Pennsylvania Ave., NW
6202J
Washington, DC 20460

Dear Ms. Daken:

The Consortium for Energy Efficiency (CEE) respectfully submits the following comments in response to the *ENERGY STAR® Residential Water Heater Specification Version 2.0 Draft 3*, released by the Environmental Protection Agency (EPA) on March 19, 2012.

CEE is the binational organization of energy efficiency program administrators and a staunch supporter of the ENERGY STAR® Program. CEE members are responsible for ratepayer-funded efficiency programs in 45 US states and eight Canadian provinces. In 2011, CEE members directed \$7.8 billion of energy efficiency program budgets 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 our 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.

CEE Supports the Proposed Product Performance Requirements for Electric Water Heaters

CEE supports the product performance requirements for electric water heaters in Draft 3 and welcomes future data regarding energy savings and implications that would accompany expansion of this category to include add-on heat pump and point-of-use electric tankless water heaters. For example, data regarding the impact of increased penetration of high kW demand products on the electric system at circuit, substation and system levels would enable program administrators to assess inclusion of these products. Data and analysis that consider reliability and capacity cost implications would be of particular benefit. Consistent with previous CEE

comments, we support continued program emphasis on defensible, cost-effective energy savings for products that pose no sacrifice in performance and amenity.

Obstacles Remain for Wide Spread Support of Gas Hybrid Units

CEE members are very interested in helping new, market ready, energy efficient technologies to advance in the marketplace. Currently, few CEE members include gas hybrid water heaters in their programs. Some are conducting pilot studies to establish whether such products can deliver cost-effective energy savings. Any additional technical requirements, such as the proposed flammable vapor ignition resistance, will require significant additional review before program administrators can endorse these products with rebates and other incentives. CEE encourages further investigation of this category and notes that the information provided in Draft 3 does not satisfy traditional ENERGY STAR program tenets and is not likely sufficient to compel support from energy efficiency program administrators. Specifically, information on product costs and field demonstrations of energy savings would enable program administrators to assess the cost-effectiveness of these products.

Further Definition of Gas Hybrid Water Heaters Is Needed

To our knowledge there are currently very few products of this type being manufactured, and this category falls outside of definitions for storage and tankless water heaters. CEE looks forward to comments from manufacturers and other stakeholders on whether the definition of the category put forth by EPA is both comprehensive enough to allow for product innovation and narrow enough to be bounded for consistency with the ENERGY STAR program's tenets.

CEE would once again like to thank the EPA for the opportunity to comment on the *ENERGY STAR Residential Water Heater Specification Version 2.0 Draft 3*. Please contact CEE Senior Program Manager Kara Rodgers at 617-337-9262 with any questions about these comments.

Sincerely,



Ed Wisniewski
Executive Director