



GAMA-An Association of Appliance & Equipment Manufacturers

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Product Divisions and Groups

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Heater
Direct Heating
Fuel Cell
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Gas Appliance
Connector
Gas Detection
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Gas Equipment
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Venting Products
Hydronics
Institute
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Air Heating
Infrared
Motor & Blower
Power
Generation
Vent Free Gas
Products
Water Heater

November 26, 2007

Mr. Richard H. Karney, P.E.
Energy Star Product Manager
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585

Dear Mr. Karney,

GAMA and its water heater manufacturer members have reviewed the U.S. Department of Energy's (DOE) Second Draft Criteria Analysis for Energy Star Residential Water Heaters and submit the following comments.

General

We are disappointed that DOE has not proposed Energy Star criteria for all types of residential water heaters currently used by U.S. consumers. This shortcoming reduces one of the primary benefits and objectives of the Energy Star program. The vast majority of residential water heaters that are purchased every year are replacements. The consumer's choice in those replacement situations is almost always to purchase the same type of water heater as the unit that is being replaced. For all types of water heaters there are minimum efficiency models and more efficient models. For both the consumer's benefit and the nation's benefit, the Energy Star program should identify the better efficiency models of every type of water heater. The consumers in the more than 41 million households that have electric storage water heaters should be advised of the fact that there are more efficient models available that will save them energy and money, even if it is only 4 or 5%. In the same vein, consumers who use oil water heaters should be provided with similar information.

We reaffirm our comment that all specific warranty requirements should be deleted from the draft criteria. The only justification for this requirement is "to ensure that models earning the label are reliable and perform properly." While a warranty in general may provide some assurance of product quality, warranties do not guarantee product performance. A specific warranty requirement as an Energy Star criterion certainly does not do this. A water heater with a shorter warranty period in a given installation may be as reliable as a longer warranted model. The Energy Star programs for residential furnaces and boilers do not include any specific warranty criteria and the technologies used for those products are as varied and complex as the technologies used on water



heaters. There is no indication that consumers are being shortchanged by these programs because there is no specific warranty requirement.

We are concerned that DOE has chosen to ignore the more significant principle that Energy Star products should be safe products and has not accepted our comment that a criterion should be added to require water heaters to be listed by a recognized third party certification agency as complying with the nationally recognized safety standard applicable to the specific type of water heater. Recognizing the level of consumer awareness of the Energy Star brand, DOE should take steps to preclude the misrepresentation of the Energy Star label. Products that do not comply with nationally recognized safety standards should not be "Energy Star" products.

Electric Storage Water Heaters

In addition to the points made in our general comments, we note that DOE's own analysis estimates that a high-performing electric storage water heater saves 257 kWh in a year and has a payback of about 2 years. We disagree with DOE's opinion that this is not significant. If only 1/4 of the 4.8 million electric water heater sold every year were high performing models the total annual savings would be over 308 million kWh. We see that as a very large benefit for the simple action of including these water heaters in the Energy Star program. While the Energy Star program may be used by some parties to create consumer incentive programs, its main purpose is to give the U.S. consumer information on more efficient products. The concern that including electric storage water heaters in the Energy Star program is somehow an endorsement of electric resistance technology ignores the reality that over 40 million households use that technology and they will buy a replacement water heater that uses that technology. The Energy Star mark should be available to this type of water heater to help consumers select the most efficient residential electric storage water heaters available.

Gas Storage Water Heaters

We support the decision to include conventional models of this product for the Energy Star program. However, the minimum first hour rating criterion is unnecessary and counterproductive. The proposed 67 gallon first hour rating requirement exceeds the total daily hot water use specified in the DOE test procedure. By including this criterion DOE is telling consumers to buy a water heater that can provide in one hour all the hot water they would need over the course of the entire day. Several recent studies have determined that the average daily hot water use in a U.S. household is 50 gallons. This specific requirement would promote oversized water heaters; the concept of any minimum first hour rating criterion is unnecessary and it should be deleted. One of the factors causing this erroneous first hour rating specification is that the analysis for gas storage water heaters should have been based on a 40 gallon model which is the predominant size of residential gas storage water heater installed in the U.S.

We had previously made a general comment about the inappropriateness of a single EF criterion regardless of storage capacity. Upon further consultation with our member companies, GAMA is unable to state a membership consensus position on this point and we therefore withdraw our previous comment.

Whole-Home Tankless Water Heaters

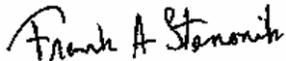
We have no consensus position on the most desirable EF criterion for whole-home tankless water heaters; however, we do support the proposed 3.0 gallons per minute (GPM) criterion for these products. As noted in our May 29, 2007 comments; the minimum 3 GPM requirement translates to an hourly input range of about 140,000 to 200,000 Btu/h. There are a number of gas tankless water heater models that have hourly inputs less than 140,000 Btu/h that are efficient products and which are being installed in residences as point of use applications or to serve only some part of the "whole house." These models should be included in the Energy Star program so that in the case where consumers have decided to buy and install one of these models to meet their need, there is information available to them to identify these efficient models.

Gas Condensing Water Heaters: We agree with the proposed EF criterion. However, the minimum first hour rating is unnecessary and should be deleted. The least efficient, 30 gallon gas water heaters available today have first hour ratings of at least 50 gallons. Applying this criterion to condensing gas storage water heaters is meaningless.

We had previously proposed that these criteria should be expanded to include small commercial condensing gas water heaters. Upon further consultation with our member companies, GAMA is unable to state a membership consensus position and we therefore withdraw our previous comment.

We also repeat our request for a meeting to discuss the second draft criteria.

Respectfully submitted,



Frank A. Stanonik
Chief Technical Advisor