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September 21, 2012

Ms. Abigail Daken
ENERGY STAR® Water Heater Program Manager
U.S. Environmental Protection Agency (EPA)
1200 Pennsylvania Avenue NW
MC 6202J
Washington, DC 20460

Subject: Commercial Water Heater ENERGY STAR® Version 1.0 Draft Commentary

Dear Ms. Daken,

These comments submitted by Rheem Manufacturing Company (Rheem) are in response to your August 28, 2012 industry stakeholder invitation to comment issued by the EPA regarding it's Draft 1, Version 1.0 ENERGY STAR® Commercial Water Heater specification proposal.

Rheem Manufacturing Company is headquartered in Atlanta, Georgia and operates multiple facilities in the United States for the manufacture or support of residential and commercial air conditioners, furnaces, water heaters, boilers, and heat pump pool heaters, consequently we're very interested in the Department's proposal. Rheem supports the U.S. EPA efforts in the development of an ENERGY STAR® Water Heater Product Specification for Commercial Water Heaters and offer commentary to the following topics from your Draft 1 specification.

Definitions

We support AHRI's anticipated commentary to the EPA with respect to definition clarification of Commercial gas storage water heaters noting that these units are designed to heat water to a controlled temperature of 180F or higher as well as defining input rate parameters for Commercial heat pump water heaters as greater than 6kW or current rating greater than 24 amperes.

Scope

It is technically possible to manufacture a gas storage water heater that meets the ENERGY STAR® specifications for both Residential and Commercial gas storage water heaters. The scope should be revised to not preclude this option if a manufacturer chooses to develop a model that satisfies the criteria of both ENERGY STAR® programs.

However, for such a model its specified product safety requirement should be commensurate with its intended application and match the product safety standard that the balance of products in its category must adhere to. Therefore, from a product safety requirement perspective and to be consistent with what has been established and adopted by the industry, if such a dual application model is manufactured, targeted and sold into a traditional Commercial application it should comply with ANSI Z21.10.3/CSA 4.3 as the EPA has correctly defined in the V1.0, Draft 1 Commercial specification. Conversely, if such a dual application model is manufactured, targeted and sold into a traditional Residential application it should comply with ANSI Z21.10.1/CSA 4.1.

Qualification Criteria

A Commercial gas storage water heater with an Et of 90% will save a significant amount of energy compared to a model with an Et of 80%. 80% Et models are the predominate choice of the marketplace currently. Although a model at 94% may save more, the bulk of energy savings happens as soon as the leap to condensing is made; i.e. achieving an Et of 90%.

Again, supporting AHRI's anticipated commentary on this topic the gas storage water heater criteria for the launch version of the ENERGY STAR® Commercial water heater specification should be one that recognizes the benefits of condensing technology rather than one that attempts to optimize the potential savings as currently proposed in your V1.0, Draft 1 specification of an Et of 94%. Rheem recommends that this criteria be lowered to Et of 90% to match your proposed EPACT covered Residential proposal for gas storage water heaters.

Rheem supports the EPA proposal regarding electric water heaters and specifically a Commercial heat pump water heater in that you will provide a placeholder for the potential inclusion of such a product in this program once the test method is sufficiently defined by the US DOE. The EPA will subsequently initiate a stakeholder process to set required levels for electric water heaters based on the metric the test method measures. Further, Rheem remains committed in supporting AHRI in its efforts in developing an efficiency rating method for Commercial heat pump water heaters based on the test methods of ASHRAE Standard 118.1.

Effective Date

Rheem supports AHRI anticipated commentary on this topic in recommending that the effective date for this program be established as 9 (nine) months AFTER the finalization of the specification. This will allow manufacturers to fully assess the actions that they will need to complete to qualify models and to prepare and provide market and communications support to the industry launch of the program providing ALL manufacturers with same opportunity to participate in this program.

Further, Rheem encourages the EPA to research legislation on this matter in that ENERGY STAR® is required to provide for a 270 day minimum lead time before a new specification takes affect (42 USC 6294a). It's our understanding that the 2007 amendments to EPACT established this in law taking into account the timing requirements of the manufacturing, product marketing, and distribution processes for the specific products impacted.

Thank you for the opportunity to comment. Rheem Manufacturing Company holds a significant presence in the U.S. water heating industry and maintains a progressive path towards the advancement of water heating technology and we remain committed to serving as an active participant in the ENERGY STAR® program.

Sincerely,

RHEEM MANUFACTURING COMPANY

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cc: Karen B. Meyers – Rheem Manufacturing Company