

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460



OFFICE OF
AIR AND RADIATION

July 18, 2014

Dear ENERGY STAR® Water Heater Stakeholder:

On behalf of the U.S. Environmental Protection Agency (EPA), I am pleased to inform you that the ENERGY STAR Version 3.0 Water Heaters specification has been finalized. Your valuable feedback throughout the development process has been integral to the design of the final specification. This letter summarizes feedback on the Final Draft and outlines the transition process. The new Version 3.0 specification will take effect on April 16, 2015.

The Version 3.0 specification will distinguish highly efficient water heaters that have the potential to save consumers hundreds of dollars a year. A broad range of efficient products meet this specification, with options meeting the needs of most consumers. If all residential water heaters sold in the United States met these requirements, energy cost savings would grow to more than \$9.9 billion each year and 114 billion pounds of annual greenhouse gas emissions would be prevented, equivalent to the emissions from nearly 11 million vehicles.

EPA received feedback on several provisions of the Final Draft specification. While stakeholders generally agreed with the new proposed minimum Energy Factor (EF) of 0.77 for gas storage water heaters greater than 55 gallons, some continued to assert that the requirement should be volume based, as the tank volume affects the energy consumed. Select commenters made the same claim for light duty EPACT covered gas water heaters. EPA acknowledges the merit of this feedback but is not able to accommodate the request at this time. In particular, the Agency is weighing the benefits of aligning the Version 3.0 effective date with the forthcoming minimum efficiency standard versus the potential benefit of taking the time needed to thoughtfully address this matter during this specification process. Further, EPA judges that the analysis will be more informative if carried out with data from the new DOE test method. Finally, EPA notes that there are now units on the market that are more efficient than the "max tech" level in the latest DOE TSD. The Agency expects to revisit the issue of volume based requirements under a near term subsequent revision. A comment response document addresses these and other comments.

A complete Water Heaters Program Requirements document, including the Final Version 3.0 Eligibility Criteria and existing Partner Commitments, is attached for your reference. Previous draft proposals, stakeholder comments, and comment responses are available on the Product Development website at www.energystar.gov/revisedspecs (click on "Water Heaters").

Transition Timeline and Next Steps: EPA shares its partners' desire for a smooth transition from one ENERGY STAR specification version to the next. One objective of the ENERGY STAR

program is to ensure labeled products fully meet the latest requirements in effect upon their date of manufacture. With this in mind, EPA has established the following timeline:

- Effective immediately, manufacturers may elect to have their Certification Body (CB) certify their eligible products to the Version 3.0 requirements.
- As of January 1, 2015, CBs will be asked to stop certifying new product submittals to the existing ENERGY STAR Version 2.0 specification requirements. Note, however, that existing certifications to Version 2.0 will remain valid for the purposes of ENERGY STAR qualification until April 15, 2015.
- As of April 16, 2015 any product manufactured and labeled as ENERGY STAR must be certified to meet Version 3.0 requirements. At this time, CBs will only submit product models certified to Version 3.0 to EPA and only those products will appear on the qualified product list.

Upon satisfactory completion of all certification requirements, a CB will notify the partner that the product is ENERGY STAR certified and will submit certified product data to EPA for listing on the ENERGY STAR website. For more information on the Third-Party Certification program please visit www.energystar.gov/testingandverification.

On behalf of EPA, I appreciate your participation in the development of this specification and I look forward to working with each of you as you qualify and promote your energy-efficient equipment. Please direct any specific questions to Abigail Daken at EPA, daken.abigail@epa.gov and 202-343-9375 or Sarah Medepalli, ICF International, at sarah.medepalli@icfi.com and 202-677-5201. Please direct specific questions regarding the test method to Ashley Armstrong at the U.S. Department of Energy (DOE), Ashley.armstrong@ee.doe.gov and 202-586-6590.

Thank you for your continued support of ENERGY STAR.

Sincerely,



Abigail Daken
Product Manager
ENERGY STAR HVAC Program