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July 3, 2014

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: Residential Water Heater ENERGY STAR® Version 3.0 Final Draft Commentary

Dear Ms. Daken,

These comments submitted by Rheem Manufacturing Company (Rheem) are in response to the June 19, 2014 EPA Final Draft of its Version 3.0 ENERGY STAR® Residential Water Heater specification proposal.

Rheem is headquartered in Atlanta, Georgia and operates multiple facilities for the manufacture or support of one of the most comprehensive lines in the U.S. of residential and commercial water heaters including storage, instantaneous and solar with nationwide distribution through retail, wholesale and utility channels. Consequently we're very interested in the Department's proposal as a significant segment of our offerings will be impacted by this proposal.

Rheem supports the U.S. EPA efforts in the development of a third generation (Version 3.0) ENERGY STAR® Water Heater Product Specification for Residential Water Heaters and subsequently participated in industry discussion and provided input to our trade association AHRI (Air-Conditioning, Heating & Refrigeration Institute). Below are Rheem comments on the EPA Final Draft Energy Star V3.0 for Residential Water Heaters, namely:

Proposed Energy Factor for large capacity Residential storage water heaters

With respect to the requirement for Gas Storage water heaters (>55 U.S. gallon), we recommend applying a volume adjusted criteria for EF to establish more equitable levels for each volume. We support the .77 EF as applicable for the smaller volumes within this segment; however this level may not be achievable for the larger sizes.

With respect to Standby Loss for "Light Duty" Models, we restate our prior recommendation that no change be made to the standby loss criterion for light duty EPACT covered gas water heaters. Given significant efficiency ratings changes that will occur as result of the recently finalized revised DOE water heater test procedures, we recommend that EPA defer any changes in the standby loss criterion for these models.



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“Connected Product Criteria” for current ENERGY STAR® electric storage water heaters (HPWH’s).

With respect to EPA’s proposal regarding Connected Product Criteria inclusive of: Communications; Remote Management; Operational Status; and Demand Response functionality, Rheem supports EPA’s decision to suspend Connected Product Criteria requirements under V3.0 as being premature at this time.

EPA Energy Star V3.0 proposed Product Warranty Requirements.

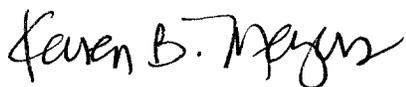
We appreciate EPA’s efforts to standardize on a six year warranty requirement on V3.0 ENERGY STAR® product specifications. To restate our previous comments, Rheem respectfully requests that the EPA remove all warranty requirements from ENERGY STAR® product specifications.

However, we do not support increasing instantaneous parts warranty from five years to six years. This yields a 20% increase in parts warranties, which will significantly impact warranty reserves and is not justified. ENERGY STAR® product is already sufficiently covered by the manufacturer’s warranty. It is unclear why EPA is proposing to increase instantaneous heater parts warranty.

Thank you for the opportunity to comment. Rheem 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



Karen B Meyers
Corporate Director, Government Relations