

# Energy Efficiency Program and Plans for ENERGY STAR® Water Heaters

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Working Together, Advancing Efficiency

# Energy Efficiency Programs Rely on ENERGY STAR

- “Buy ENERGY STAR” is a simple message and easy to convey
- ENERGY STAR has high name recognition and brand loyalty
- ENERGY STAR easily identifies products to consumers in a binary fashion
- Efficiency program industry has a unique role in promoting higher efficiency across all service and product categories

# ENERGY STAR Brand Attributes and Principles

- ENERGY STAR qualified products are more energy efficient than conventional products and help reduce greenhouse gas emissions
- ENERGY STAR identifies cost-effective solutions, providing payback within five years for any higher initial cost
- There are no tradeoffs in performance or quality

*From Building a Powerful and Enduring Brand: The Past, Present, and Future of the ENERGY STAR® Brand.*



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## ENERGY STAR is Widely Recognized and Should Aid Water Heater Programs

- 74% of consumers recognize the ENERGY STAR label
- 37% of households surveyed knowingly purchased an ENERGY STAR product
- 73% of households that knowingly purchased an ENERGY STAR product responded that ENERGY STAR influenced their purchase

Applying this level of recognition to water heaters aids efficiency program efforts to increase rebates issued and therms saved.

# Water Heater Rebates 2008

2008 Programs	State or Province	Storage Tankless	Solar
Alliant Energy	IA, MN	√	0
Avista Utilities	WA, ID	√	√
Bay State Gas Co	MA		√
Berkshire Gas Co	MA		√
Cascade Natural Gas	WA	√	√
CenterPoint Energy	MN	√	
Enbridge Gas Distribution	ON	√	
Energy Trust of Oregon	OR	√	0
Gaz Metro	QC		√
National Grid	MA, NH, RI, NY		√
New England Gas Co	MA		√
New Jersey Clean Energy	NJ	√	√
Northern Utilities	ME, NH		√
Nstar Electric & Gas	MA		√
Pacific Gas & Electric Co	CA	√	
Puget Sound Energy	WA	√	0
Questar Gas Co	UT, ID	√	0
Southern California Gas Co	CA	√	√
Terasen Gas	BC		
Union Gas	ON		
Unitil Service Co	MA		√
Vectren	IN, OH	√	√
Vermont Gas	VT	0	0
We Energies	WI	√	√
Wisconsin Focus on Energy	WI	√	√
Xcel	MN, ND		
Yankee Gas	CT		

“0” indicates that the program offers a rebate with a different efficiency specification. For more info, visit [www.cee1.org/gas/gs-ht/gs-ht-ps-main.php3](http://www.cee1.org/gas/gs-ht/gs-ht-ps-main.php3)



# Water Heater Rebates 2009 – Preliminary

2009 Programs	State or Province	Storage Tankless	Solar
Alliant Energy	IA, MN	√	0
Avista Utilities	WA, ID	√	√
Bay State Gas Co	MA	√	√
Berkshire Gas Co	MA	√	√
Cascade Natural Gas	WA	√	√
CenterPoint Energy	MN	√	
Enbridge Gas Distribution	ON	√	
Energy Trust of Oregon	OR	√	0
Gaz Metro	QC		√
National Grid	MA, NH, RI, NY	√	√
New England Gas Co	MA		√
New Jersey Clean Energy	NJ	√	√
Northern Utilities	ME, NH	√	√
Nstar Electric & Gas	MA		√
Pacific Gas & Electric Co	CA	√	
Puget Sound Energy	WA	√	0
Questar Gas Co	UT, ID	√	√
Southern California Gas Co	CA	√	√
Terasen Gas	BC		
Union Gas	ON		
Unitil Service Co	MA	√	√
Vectren	IN, OH	√	√
Vermont Gas	VT	√	0
We Energies	WI	√	√
Wisconsin Focus on Energy	WI	√	√
Xcel	MN, ND		
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## Trends in Water Heater Programs

- Almost all are for storage and tankless water heaters
- Some programs are piloting rebates for solar water heaters
- No programs are yet offering rebates for heat pump water heaters

## Storage and Tankless Water Heater Programs Deployed

- Storage water heaters at 0.62 EF offer modest amount of savings but are commonly available, familiar to and trusted by consumers and installers.
- Tankless water heaters have higher rated efficiencies, but some efficiency programs are not yet offering programs because
  - Increased consumption of hot water means savings could be less than predicted
  - Bigger burners could stress the gas distribution system



## Solar and Heat Pump Water Heater Programs Piloted or on Hold

- Both technologies offer huge potential for savings
- Solar systems presently have high first costs and very long paybacks
- Heat pump water heaters had reliability and quality problems in the past
  - Efficiency programs are waiting for the results of field tests before offering rebates

# ENERGY STAR and the Efficiency Program Industry Have a Strong Partnership

- The ENERGY STAR label for water heaters and efficiency programs are mutually reinforcing
- Together, they can help promote sales of efficient water heaters
- ENERGY STAR water heaters are one category among many supported by efficiency programs
- Efficiency programs have an interest in seeing ENERGY STAR managed using sound brand management principles
  - Especially consistent application of the core tenants and brand promise across products

**Questions?**