



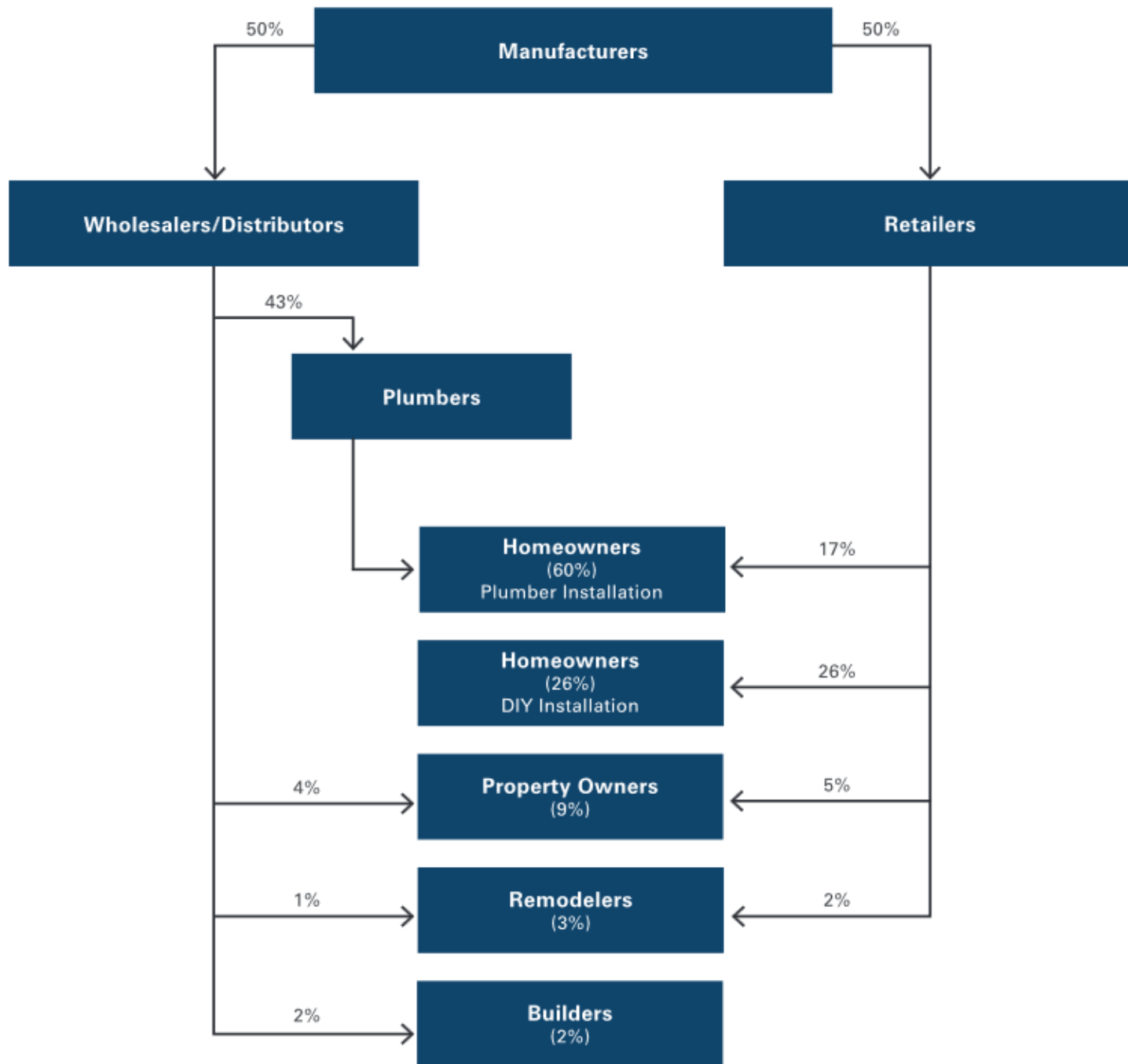
# ENERGY STAR<sup>®</sup> Water Heater Update

ACEEE Hot Water Forum  
February 26, 2017



## Facts about Water Heaters

- Water heaters (WHs) = 17% of residential energy consumption!
- Cost households \$200 to \$600 annually in energy costs
- 96% market is storage WHs; 4% tankless
- Fuel used to heat water nationwide:
  - 39% electric
  - 53% natural gas
  - 4 % bottled propane gas
  - 4% other (fuel oil, wood, solar)

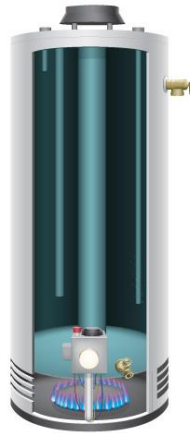




## Types of ENERGY STAR Certified Water Heaters



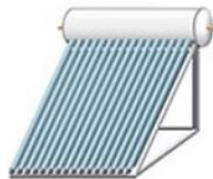
Electric Storage



Gas Storage



Gas Tankless



Solar

Type	ENERGY STAR specification
Electric Heat Pump	≤ 55 gallons: EF ≥ 2.00 > 55 gallons: EF ≥ 2.20
Gas Storage	≤ 55 gallons: EF ≥ 0.67 > 55 gallons: EF ≥ 0.77
Gas Tankless	EF ≥ 0.90
Solar	SEF ≥ 1.8 for electric backup SEF ≥ 1.2 for gas backup

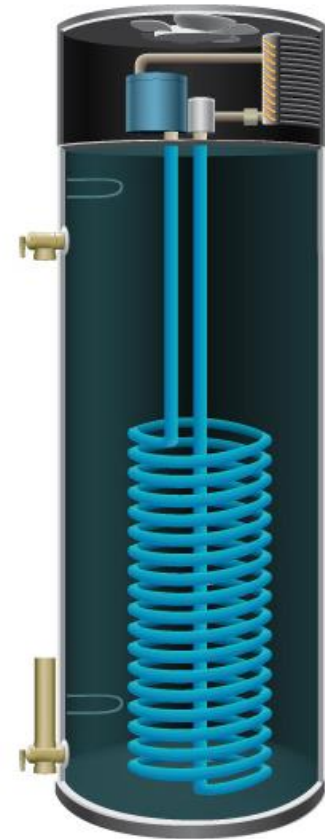
In order to meet the version 3.0 specification (effective April 14, 2015), all electric storage units must use heat pump technology

# ENERGY STAR Certified Electric Heat Pump Water Heaters

- Replacing your old electric water heater with an ENERGY STAR certified model can **save a family of four \$330 a year.**
- ENERGY STAR certified electric storage heat pump water heaters are **50%** more efficient than standard models.

## Points of Differentiation for Certified Electric Heat Pump Water Heaters

- Installed since 2002, they are made by all the major water heater manufacturers and sold by major retailers and distributors
- They qualify for utility and energy-efficiency program rebates, and a federal tax credit.
- They use less than half the electricity of a conventional unit and save thousands of dollars in electricity costs.





## ENERGY STAR Certified Gas Storage Water Heaters



- Replacing your old gas water heater with an ENERGY STAR certified gas storage model can **save you \$105** over the course of the products lifetime.
- ENERGY STAR certified gas storage water heaters are **8%** more efficient than standard models.

### Points of Differentiation for Certified Gas Storage Water Heaters

- They are an easy technology to use: easy to have installed (replace with same gas, water, and exhaust hookups), easy to understand (uses simple energy efficient features, e.g., better insulation, heat traps, and more efficient burners), and easy to rely on (all major manufacturers make them).
- They qualify for utility and energy-efficiency program rebates, and a federal tax credit.
- They will save consumers on annual gas costs while providing no sacrifice in performance – there's no difference when compared to a standard gas water heater.

## ENERGY STAR Certified Gas Tankless Water Heaters

- Replacing your old gas water heater with an ENERGY STAR certified gas tankless model can **save you \$90 a year.**
- ENERGY STAR certified gas tankless water heaters are **8%** more efficient than standard models.

### Points of Differentiation for Certified Gas Tankless Water Heaters

- They use higher output burners to supply “instant” hot water to homeowners. These units save space, never run out of water yet exhibit no possibility of flooding due to a ruptured tank, and will last twice as long as a conventional unit.
- They qualify for utility and energy-efficiency program rebates, and a federal tax credit.
- Tankless water heaters will last up to 20 years, and are best for new construction given extra costs necessary for installation, e.g. new electrical outlets and ventilation system, upgraded gas pipes.





# 2016 National Water Heater Promotion





## Top Five Reasons ENERGY STAR Cares About Water Heaters

1. Low market share of ENERGY STAR certified water heaters that can save customers hundreds over their lifetime
2. 37% of national installed water heater stock have been in operation for 10 years or greater
3. Opportunity to change decision making through education and awareness on benefits of early replacement
4. Widespread availability of significant energy efficiency program sponsor incentives and federal tax credits
5. Existing market momentum from 2015 national ENERGY STAR Water Heater promotion

**Switching to a certified unit is a huge savings opportunity!**



## ENERGY STAR National Water Heater Promotion

- Outreach effort to encourage consumers to think about replacing their old water heater before it fails. Consumers can achieve big savings by switching to ENERGY STAR and there are big rebates available, which might not be around forever.
  - Increase awareness of the value of ENERGY STAR water heaters
  - Encourage planned replacement of old water heaters
  - Increase overall demand and sales of ENERGY STAR certified water heaters
- Call to Action: Replace your old water heater with a certified model





# ENERGY STAR Marketing & Outreach Campaign

- Paid & Earned Media:
  - Regional online banner advertising campaign
  - Regional PR activity in support of campaign
- Owned Media:
  - Dedicated campaign website – [energystar.gov/waterheaters](http://energystar.gov/waterheaters)
  - Ask the expert video
  - Mention in upcoming ENERGY STAR Consumer newsletter
  - Campaign messaging integration into Facebook and Twitter channels
- Shared:
  - Developed digital tool kit to help partners co-market promotion – [energystar.gov/products/marketing\\_materials](http://energystar.gov/products/marketing_materials)

Home > Products > Find ENERGY STAR Products > Water Heaters > ENERGY STAR Water Heaters Mean BIG Savings

## ENERGY STAR Water Heaters Mean BIG Savings

Water heaters are often the second highest energy user in the home. If your water heater is more than 10 years old, consider replacing it with a new ENERGY STAR certified model to save energy, save money, and help protect the climate. Investing in a planned replacement NOW can lock in big energy savings and help avoid a potential costly clean up when your old water heater fails. Don't delay! Look for utility offers or other discounts in your area and see why ENERGY STAR is the right choice, right now!



### DID YOU KNOW?

ENERGY STAR certified water heaters are an easy choice for energy savings, performance, and reliability.

- If electric is your only option, an ENERGY STAR certified electric storage water heater uses half the energy of a standard model and can save a family of four more than \$3,500 over its lifetime by heating water using highly efficient heat pump technology.
- An ENERGY STAR certified gas storage water heater uses less energy through better insulation, heat traps and more efficient burners.

FIND WATER HEATER REBATES

I PLEDGE TO CHANGE MY WATER HEATER

MY ENERGY STAR

WAYS TO SAVE WITH WATER HEATERS



Choose an ENERGY STAR certified Gas Storage Water Heater



an ENERGY STAR Electric Heat Water Heater

ENERGY STAR Sponsored

Your water heater could be the second largest energy user in your home! Is it time for an upgrade? Find out everything you need to know before your next purchase. [www.energystar.gov/waterheaters](http://www.energystar.gov/waterheaters)

95k Views  
83 Likes 2 Comments 48 Shares

Like Comment Share



## In-Store/Online Partner Materials

- Graphic and tagline for promotion
- Shareable graphics with key messaging
- Template signage for utilities
- Checklist or quiz
- [www.energystar.gov/products/marketing\\_materials](http://www.energystar.gov/products/marketing_materials)

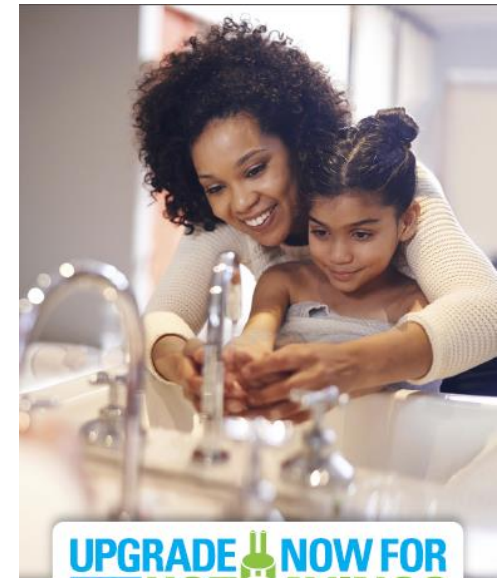


ENERGY STAR The simple choice for energy efficiency

### WATER HEATER FACTS FROM ENERGY STAR

- 1 More than **41 MILLION** water heaters in the U.S. are over 10 years old and risking failure.
- 2 A water heater is typically the **SECOND BIGGEST** household energy user.
- 3 A new ENERGY STAR certified water heater could save up to **\$330 PER YEAR** in energy costs.

Learn more at [energystar.gov](http://energystar.gov) »



UPGRADE **NOW FOR**  
**HOT SAVINGS**  
ON A NEW WATER HEATER

Save up to **\$3,500** on an **ENERGY STAR®** certified water heater.

Good for You.  
Good for the Planet.

[energystar.gov/waterheaters](http://energystar.gov/waterheaters)

## Utility and Energy-Efficiency Program Participation in National Promotion



REQUEST TO BUY THIS PHOTO

### Your water heater can save you money

By Carolyn Dix Remeer

Dispatch Media Group • Friday, October 30, 2015 9:37 AM

When the temperature dips, it can be magical — the leaves turn vibrant shades of orange, red and yellow. Football is in full swing, and sparkling white snow blankets the ground.

Of course, there are also less-magical moments, like the high energy bills that result from cranking up the heat in the frigid Ohio winter.

Luckily, your water heater can help you save on your electric bill.

"If you just look at the water heater, after home heating and cooling, it's the highest consumer of energy in your home," said David Tabata, manager of consumer programs and marketing for AEP Ohio. In fact, your water heater accounts for 14 to 18 percent of your utility bills, with the average U.S. household spending \$400 to \$600 a year on water heating.

Tabata noted that standard electric water heaters use more energy than the refrigerator, dishwasher, clothes washer and dryer combined.

Heat pump water heaters provide the same amount of hot water as traditional electric water heaters, but can save you up to 62 percent on your water heating costs.

Energy-efficient ENERGY STAR heat pump water heaters can save homeowners as much as \$300 a year, which means these water heaters can pay for themselves within two years. AEP Ohio offers these additional suggestions to help save money on water heating costs:

- Wash your clothes in cold water.



- Executing promotional marketing campaigns
  - In-store advertising and special point-of-purchase material placement
  - Media outreach
  - Digital and social education campaigns
- Incentives
- Increased contractor outreach and engagement efforts
  - Targeted contractor/plumber trainings
  - Inclusion of contractors/plumbers into program implementation





## Utility and Energy-Efficiency Program Participation in National Promotion

**ComEd**   
@ComEd 

Get a \$500 ComEd rebate on an **@ENERGYSTAR** certified heat pump water heater. Learn more: [bit.ly/2cufBnH](http://bit.ly/2cufBnH)

**DON'T GET CAUGHT OFF GUARD!**  
If your water heater is more than 10 years old, you could be risking leaks and flooding.

RETWEETS 2 LIKES 2

10:02 AM - 19 Sep 2016

## Utility and Energy-Efficiency Program Participation in National Promotion

 **Washington Gas**  
@washingtongas

Replacing an old water heater? Don't miss out on savings—upgrade to an @ENERGYSTAR model! [bit.ly/2cEOozu](http://bit.ly/2cEOozu)



RETWEET 1 LIKES 5

12:16 PM - 20 Sep 2016

 **Washington Gas**  
@washingtongas

We've partnered w/ @ENERGYSTAR to give you savings for replacing your aging water heater: [bit.ly/2c8jeQL](http://bit.ly/2c8jeQL)



RETWEETS 4 LIKES 3

3:03 PM - 6 Sep 2016




## Utility and Energy-Efficiency Program Participation in National Promotion

 **Energy Upgrade CA**  
@EnergyUpgradeCA


Water heaters are the 2nd highest energy user in the home. Upgrade now to an @ENERGY STAR to save. [energystar.gov/sites/default/](http://energystar.gov/sites/default/) ...

RETWEETS 2 LIKES 2

3:02 PM - 17 Sep 2016

 **Energy Upgrade CA**  
@EnergyUpgradeCA

Is your water heater 10 yrs old?  
@ENERGYSTAR experts have the facts on why it's time to upgrade:

 **ENERGY STAR Water Heaters Mean BIG Savings - Ask the ...**  
Water heaters are often the second highest energy user in the home. If your water heater is more than 10 years old, consider replacing it with a new ENERGY S...  
[youtube.com](http://youtube.com)

RETWEETS 3 LIKE 1

3:02 PM - 10 Sep 2016





## Manufacturer and Retail Partner Participation

- Manufacturers
  - Independent campaigns in partnership with utilities/energy-efficiency programs and retailers
  - Using widgets on web site
- Retailers
  - Web education
  - Stocking product
  - Outreach to consumers

AC Smith. Innovation has a name.

Choose Your Country [v] Search [v]

Home ▶ Water Heaters ▶ Parts ▶ Service ▶ Resources ▶ About Us ▶ Where to Buy

**Resources**  
Product Registration  
Product Literature  
Product Selector Tool  
NAECA Guidelines  
Product Cross Reference  
ICOMM™ Elite Remote  
Monitoring  
Contractor  
Contractor Rewards  
Warranty  
Mobile Apps  
ProSize™ Sizing Program  
Product Registration  
Logo Merchandise  
Technical Training  
Advertising Tools  
ENERGY STAR® Products  
Energy Guide  
dsireusa.org

**ENERGY STAR® Program**

Sponsored by the U. S. Environmental Protection Agency and the Department of Energy, the ENERGY STAR® program promotes environmentally conscious products, which often can translate into savings for homeowners. We are pleased to announce that the following A. O. Smith high efficiency water heaters have been recognized as ENERGY STAR® water heaters. These are ideal hot water solutions for the homeowner looking to go green and save green.

\*Effective as of September 1, 2010.

2016 Manufacturer's Certification Statement  
**HIGH EFFICIENCY WATER HEATERS**

[Residential Water Heaters](#)

**WATER HEATER FACTS FROM ENERGY STAR**

1. More than **41 MILLION** water heaters in the U.S. are over 10 years old and risking failure.
2. A water heater is typically the **SECOND BIGGEST** household energy user.
3. A new ENERGY STAR certified water heater could save up to **\$330 PER YEAR** in energy costs.





## Contractors & Plumbers Matter: ENERGY STAR Engagement Efforts

- Strengthening relationship and outreach effort with PHCC
  - Delivered PHCC member webinar regarding how to participate in the national promotion and collaborate with members partners
- Continuing to work utility and energy-efficiency programs to ensure they have the resources to engage their local plumber networks effectively
  - Organized and delivered Contractor Engagement webinar in partnership with *New Jersey Natural Gas* and *CenterPoint Energy*
- Worked with our retail and manufacturer partners to provide information to enhance training for their contractor and plumber networks





# Additional Water Heater Sales & Marketing Resources



## Even more ways to save!


Visit [www.energystar.gov/rebatefinder](http://www.energystar.gov/rebatefinder)

- Available rebates in your area,
- Incentive amounts, start and end dates,
- Name, location, and contact information of rebate sponsors.

The screenshot shows the ENERGY STAR website's Rebate Finder page. At the top, there is a navigation bar with the ENERGY STAR logo and the tagline "The simple choice for energy efficiency." Below this, there are four main categories: "ENERGY EFFICIENT products", "ENERGY SAVINGS at home", "ENERGY EFFICIENT new homes", and "ENERGY STRATEGIES FOR buildings & plants". The page is titled "Certified Products" and "Your source for energy efficient product information". A breadcrumb trail shows the path: Home > Certified Products > Rebate Finder > Special Offers and Rebates from ENERGY STAR Partners. The main heading is "Find Product Rebates & Other Special Offers". A central graphic features a green icon of a dollar sign with a circular arrow, accompanied by the text: "Enter your zip code in the box below to find rebates and other special offers available in your area." To the right, a three-step process is outlined: 1. Enter your zip code to see a list of rebates and offers in your area. 2. Narrow the results to the product categories of interest to you. 3. Connect to utility websites for details on how to cash in. Below this is a green input field with the text "Enter your zip code to begin." and a "FIND REBATES" button. The section "Additional Resources from ENERGY STAR" contains three cards: "LEARN MORE ABOUT PRODUCTS" with a dropdown menu for "Select a Product Category"; "PRODUCT FINDER" with a "START HERE" button; and "My ENERGY STAR" with a "GET STARTED" button and a small image gallery. The footer contains a grid of links for various categories: Energy Efficient Products, Energy Savings At Home, Energy Efficient New Homes, Energy Strategies for Buildings & Plants, ENERGY STAR Home About ENERGY STAR, Recursos en Español, and Publicaciones.

# Water Heater marketing tools


- All Fuels
  - Retail Sales Training
  - Contractor Training
  - Marketing Messaging copy
  - Social Media content
  
- Electric Storage
  - HPWH Fact Sheet
  
- Gas Storage and Tankless
  - Fact Sheet



## SOAK IN THE SAVINGS

### CHOOSE AN ENERGY STAR® CERTIFIED ELECTRIC STORAGE WATER HEATER AND SAVE THOUSANDS OF DOLLARS

Electric storage water heaters that have earned the ENERGY STAR are independently certified to save energy, save you money, and help prevent climate change.










\* Use less than half the energy of a standard electric storage water heater

\* Can save a four-person household \$490 per year in energy bills

ENERGY STAR certified electric storage water heaters use a highly efficient heat pump – essentially a refrigerator run in reverse – to transfer heat from the surrounding air to the water. They are referred to as **heat pump water heaters (HPWHs)**.

TAKE ADVANTAGE OF UTILITY INCENTIVES

Many utilities offer incentives for purchasing an ENERGY STAR certified HPWH. The table below shows several examples from across the country. Go to [www.energystar.gov/rebate-finder](http://www.energystar.gov/rebate-finder) to determine your incentives.

State	Utility	Incentive
CA		\$500
GA		\$250
HI		\$200
MA		\$750
ME		\$300
NH		\$1,000
TX		\$500

SAVE THOUSANDS OF DOLLARS

An ENERGY STAR certified HPWH can save a four-person family \$4,000 over its lifetime and will pay for its additional cost in less than two years.

ENERGY STAR HPWH Savings Based on Household Size			
Household Size	Annual Savings	Payback (Years)	Lifetime Savings
2	\$250	3.4	\$1,650
3	\$370	2.3	\$2,850
4	\$490	1.7	\$4,050
5	\$620	1.4	\$5,350
6	\$740	1.1	\$6,550

Assumes: Electricity Rate of \$12 cents/KWh; Incremental cost = \$850; 10-year lifespan; no incentives.

Don't Flood Your Basement!

If your water heater is over 10 years old, be proactive and replace it with an ENERGY STAR certified water heater BEFORE it fails.

Visit [www.energystar.gov/products](http://www.energystar.gov/products) for more information.

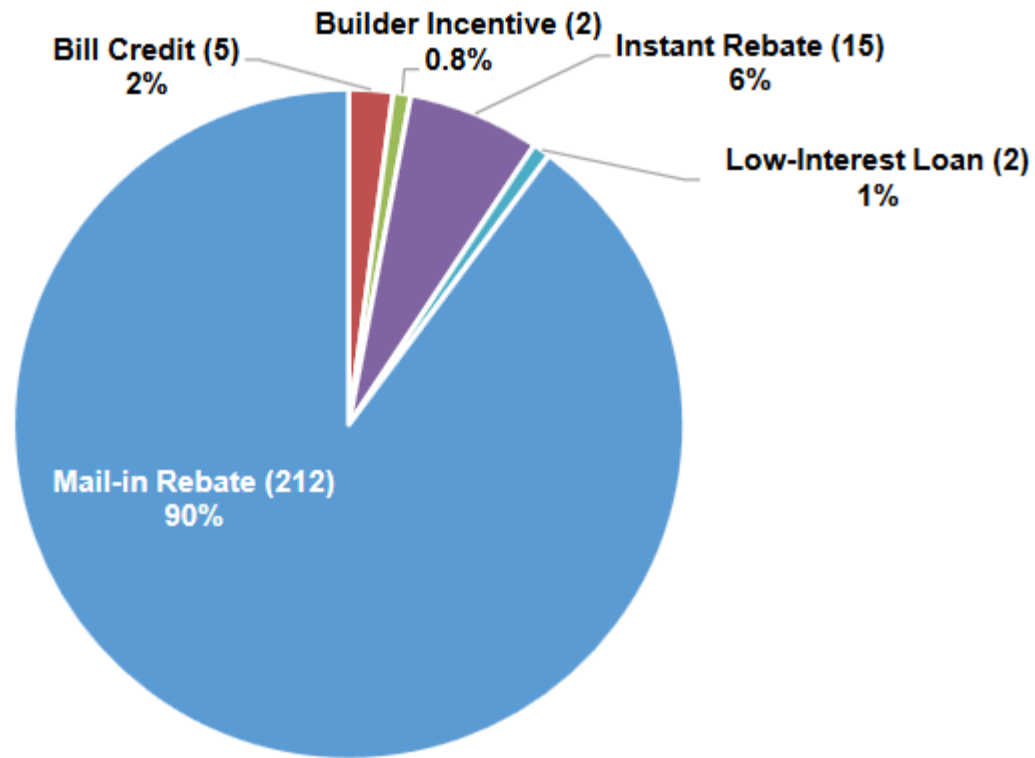


## Water Heater Program Summary

- [www.energystar.gov/dime](http://www.energystar.gov/dime)
- Helpful resource to determine regional synergies and opportunities for collaboration
- Select Findings:
  - 90% of programs use mail-in rebates
  - HPWHs account for 50% of promotional activity
  - 236 incentives available for certified WHs

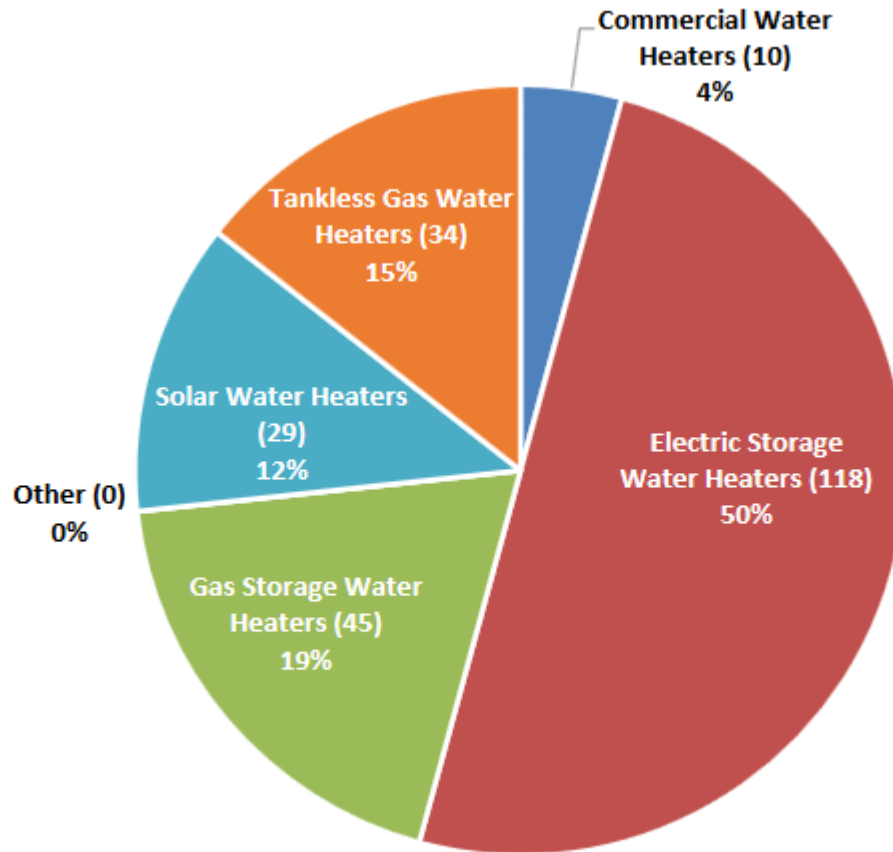


# Program Breakdown by Incentive Type





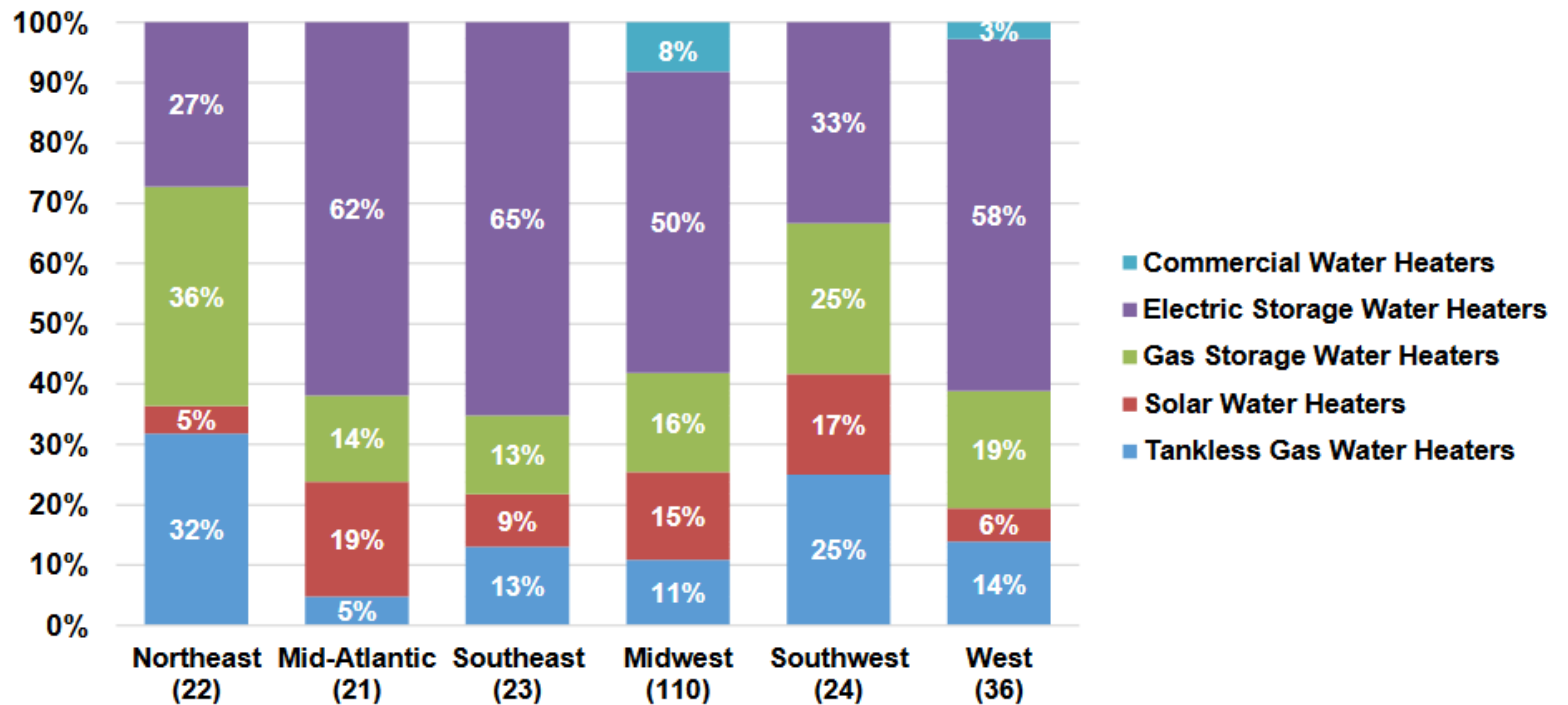
# Program Breakdown by Water Heater Type





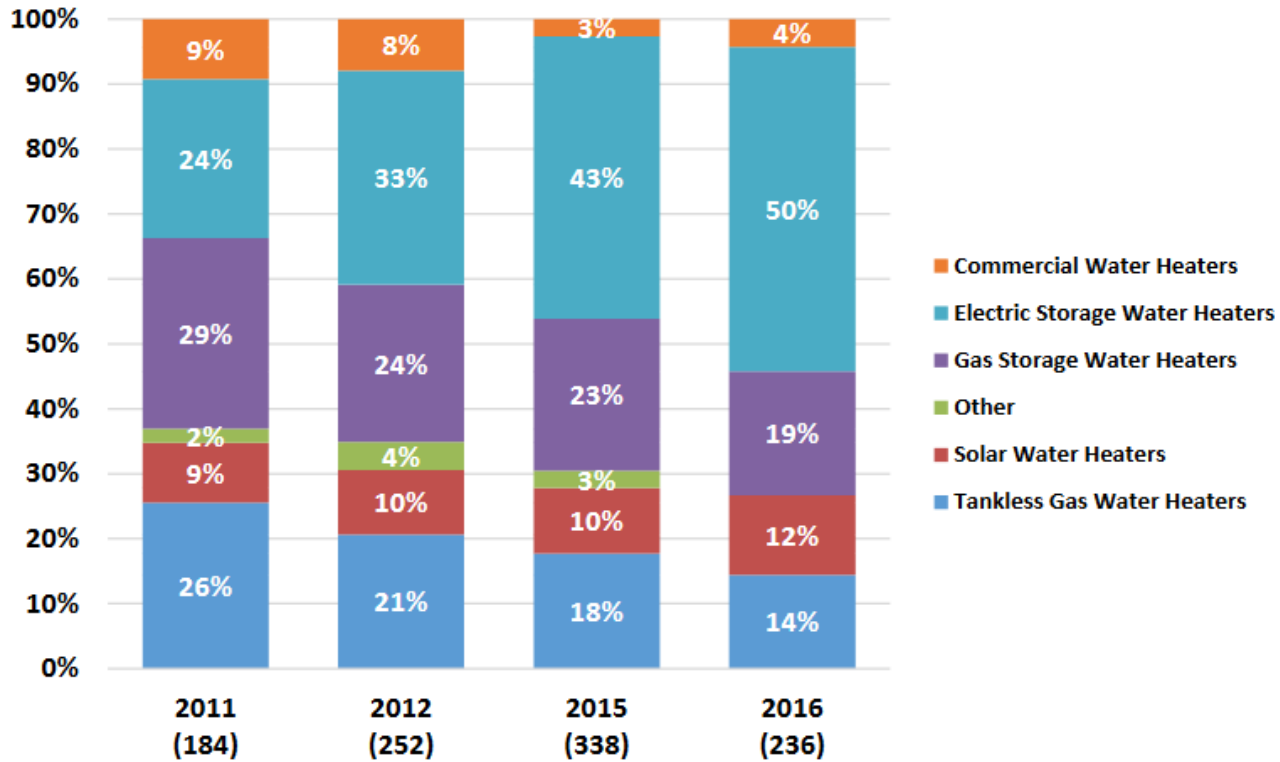


## Program Breakdown by Water Heater Type and Region



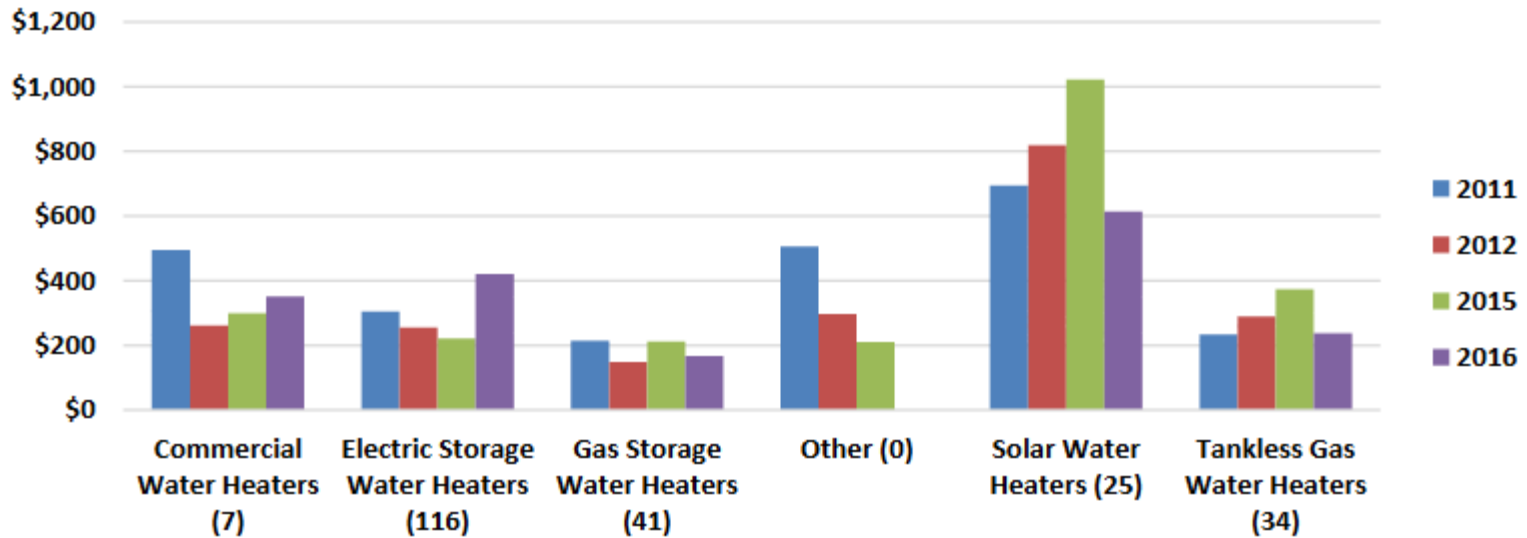


## Program Breakdown by Water Heater Type and Year





## Average Incentive Breakdown by Water Heater Type and Year



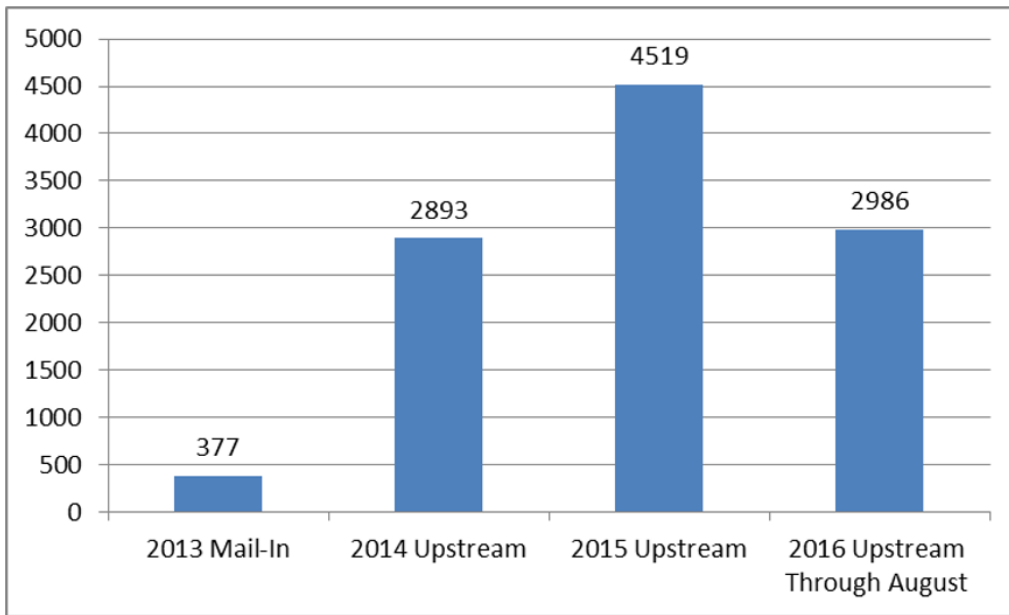


# **New Initiative in 2017 Distributor Incentives for Water Heaters**



## Energize CT Increases Incentives Processed by 10x

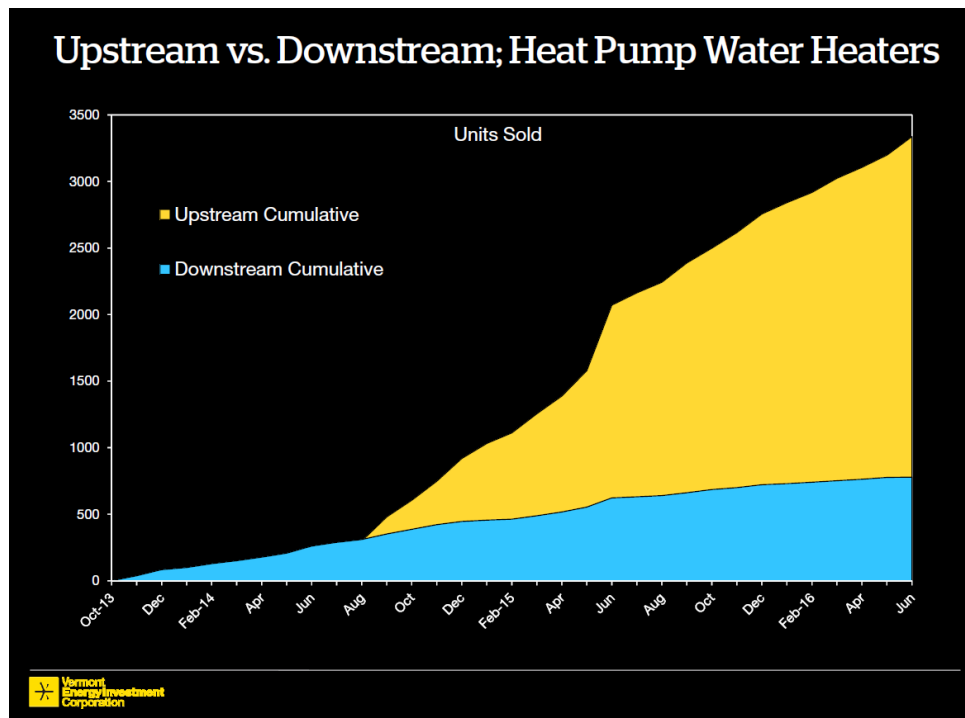
ENERGY STAR Heat Pump and Natural Gas Water Heater Incentives Processed



- Provide incentive to distributor who then passes on savings to contractor
- Data presented by Energize CT at 2016 ESPPM.
- 10x increase in sales compared to 2013
- Includes some commercial gas water heaters as well.



# VEIC Increased HPWH Units Sold by 7.5 times



- Data presented by VEIC at 2016 ACEEE Summer Study.
- 7.5 times increase in sales in 2015 for HPWHs.
- **VEIC, on behalf of ENERGY STAR, has been promoting midstream distributor concept across country**
  - Please see their presentation later in the day to learn more about why distributor incentives are so effective



# Thank you!

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