United States Senate

WASHINGTON, DC 20510

September 28, 2023

The Honorable Jennifer Granholm Secretary, U.S. Department of Energy 1000 Independence Avenue SW Washington, D.C. 20585

Dear Secretary Granholm:

We write to encourage you to expeditiously finalize the Department of Energy's recently proposed rule to improve efficiency standards for water heaters.¹ These standards, which align with recommendations from major water heater manufacturers, consumer advocates and efficiency and environmental advocates, will improve energy security, lower utility bills for consumers, and help fight climate change by reducing greenhouse gas emissions.

Energy efficiency is essential to American energy security. The Energy Information Administration reports that electric resistance water heaters account for approximately onefourth of the average household's total electricity usage. The efficiency upgrades resulting from the proposed standards would cut this consumption in half, lowering electricity demand and reducing stress on the energy grid.

The Department's proposed standards would also save consumers money. The Department estimates that cumulatively, these standards would save Americans nearly \$200 billion over 30 years in lower utility bills.² On average, households buying a typical new electric water heater after the standard takes effect in 2029 would save more than \$200 annually. These savings would pay for the additional upfront cost of a more efficient water heater in just three years.³ Meanwhile, rebates and tax incentives from the Inflation Reduction Act would further help families defray the cost of a new water heater. Renters will also benefit from lower utility bills when new, more efficient water heaters are installed in their homes.

Finally, the proposed standards would bolster our fight against climate change. Water heaters, whether gas or electric, are the second largest source of energy consumption in most American homes, and too many rely on outdated and inefficient technology. Under the proposed standards, manufacturers would largely be required to shift production from traditional electric resistance

¹ Table V.7, page 49138, The Department of Energy, Energy Efficiency and Renewable Energy Office, *Energy Conservation Program: Energy Conservation Standards for Consumer Water Heaters; Notice of proposed rulemaking and announcement of public meeting*, 88 Fed. Reg. 49058 (July 28, 2023) (proposed rule).

² Department of Energy, *DOE Proposes New Energy Efficiency Standards for Water Heaters to Save Americans More Than \$11 Billion Annually on Utility Bills* (July 21, 2023) (online at https://www.energy.gov/articles/doe-proposes-new-energy-efficiency-standards-water-heaters-save-americans-more-11-billion).

³ The Department of Energy, Energy Efficiency and Renewable Energy Office, *Energy Conservation Program: Energy Conservation Standards for Consumer Water Heaters; Notice of proposed rulemaking and announcement of public meeting*, 88 Fed. Reg. 49058 (July 28, 2023) (proposed rule).

Granholm 2

water heaters to heat pump electric heaters. Heat pump technology is significantly more efficient than traditional water heaters, requiring less than half the amount of electricity to heat the same amount of water. Upgrades to gas storage water heaters and gas tankless water heaters made in compliance with these standards would save 9% and 13% of energy used in these models, respectively.⁴ These changes combined would save an estimated 501 million metric tons of carbon dioxide emissions over 30 years—roughly equivalent to the combined annual emissions of 50% of homes in the U.S.⁵

We thank you again for your continued commitment to energy efficiency and support the Departments efforts to incorporate energy efficiency into America's clean energy future. We ask for timely finalization of this proposed rule so consumers and the planet can benefit from these strong efficiency standards.

Sincerely,

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Peter Welch United States Senator

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Margaret Wood Hassan United States Senator

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Richard Blumenthal United States Senator

⁴ Table 7.4.1, page 7-22, Department of Energy, Energy Efficiency and Renewable Energy Office, *Technical Support Document: Energy Efficiency Program for Consumer Products and Commercial and Industrial Equipment: Consumer Water Heaters* (July 21, 2023) (EERE-2017-BT-STD-0019-0058) (online at: https://www.regulations.gov/document/EERE-2017-BT-STD-0019-0058).

⁵ Department of Energy, *DOE Proposes New Energy Efficiency Standards for Water Heaters to Save Americans More Than \$11 Billion Annually on Utility Bills* (July 21, 2023) (online at https://www.energy.gov/articles/doe-proposes-new-energy-efficiency-standards-water-heaters-save-americans-more-11-billion).

Granholm 3

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