

October 4, 2021

### **Potential Federal Regulatory Impact to Commercial Water Heaters**

The current Department of Energy's (DOE) extension to the enforcement policy impacting electric storage water heaters is set to expire December 31, 2021. This expiration will impact the industry as many of the current commercial electric storage models sold into the market do not meet the new definitions.

The expiration of the policy will mean a change to how commercial electric storage water heaters with inputs below 12 kW are regulated. The key elements of the regulatory change that are impacting the product offering include:

- Commercial electric storage water heaters that are manufactured with input of 12 kW or less must now meet NAECA III efficiency requirements and will be tested under the UEF test procedure.
- Commercial electric storage water heaters with rated storage capacities of 55 gallons or greater that are manufactured with an input of 12 kW or less must also meet NAECA III efficiency requirements and tested to UEF
- Commercial electric storage models below 20 gallons are not impacted by the expiration of the policy

This Product Notification is intended as advance notice of this upcoming change and specific commercial products impacted. The policy's expiration is based on manufacture date. Accordingly, even though we can no longer manufacture certain models, they may continue to be sold after the policy expires on December 31, 2021. Please evaluate how these model changes will impact your product purchasing planning, marketing and other business areas. In the future months we will be sending you detailed cross-reference information with new SAP material number information on the new model offering which is listed below.

It is important to note there is currently pending legislation being considered by Congress that would greatly reduce any required product changes. There is also the possibility that DOE may decide to extend the period of non-enforcement until the legislation has been enacted. We are following these developments closely and will provide an update when available. These two scenarios are unpredictable at this point. Given the timing, we are preparing for the needed changes at the end of the year and want to provide you the detail now to prepare as well.



In the absence of new legislation or a DOE extension, the chart below shows the impact the new regulatory requirements will have on our commercial product families.

Product Model Family	Current Base Model #'s	After December 31, 2021
Light Service	LTE - 66/80/120	Discontinued, new LTE offering sold and shipped at 12.2 kW simultaneous 277V.
Dairy Barn	DCE - 82	Discontinued
Light Duty Compacts	DEL - 6/10/15/20	No change
Light Duty Lowboy	DEL - 30/40/50	New UEF rated platform, new dimensions, new SAP material #'s
Light Duty Tall < 55 Gal	DEN - 30/40/52	New UEF rated platform, new dimensions, new SAP material #'s
Light Duty Tall > 55 Gal	DEN - 66/80/120	Inputs ≤ 12 kW discontinued, no change to inputs > 12 kW.
Medium Duty	DRE/DVE - 52/80/120	Inputs ≤ 12 kW discontinued, no change to inputs > 12 kW.
Heavy Duty < 20 gal	DSE - 5/10/20	No change
Heavy Duty > 20 gal	DSE - 30/40/50/65/100/120	Inputs ≤ 12 kW discontinued, no change to inputs > 12 kW.

### Ordering Policy

We will continue accepting stock orders on the current design LTE models until 11/5/21. After that date we will only accept orders for the new 250 Series design.

We will continue accepting stock orders on the current DEN-30/40/52 and DEL 30/40/50 models until 10/8/21. After that date we will only accept orders for the new series design. An exception is Quick Ship orders that will continue to be accepted on the current design until 12/30/21.

We will no longer accept stock orders for DEN 66/80/120, DRE/DVE and DSE models lines for configurations below 12 kW effective 10/8/21.



## Product Notification

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We will continue to keep you updated on any changes as we near the end of the year deadline. Please contact your Regional Sales manager or product management with any questions.