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October 27, 2021

Wendy Simons, Rulemaking Coordinator
Blake Shelide, Facilities Engineer
Oregon Department of Energy
550 Capitol St. NE, 1st Floor
Salem, OR 97301

Re: AHRI Comments on the Oregon Department of Energy “Energy Efficiency Standards Rulemaking” and Proposed Implementation of House Bill 2062 (2021)

Dear Ms. Simons:

The Air-Conditioning, Heating, and Refrigeration Institute (AHRI) respectfully offers the following comments for consideration of the Oregon Department of Energy’s (ODOE) draft rules implementing House Bill 2062 (HB 2062) and its associated energy efficiency standards for electric storage water heaters.

AHRI represents more than 300 manufacturers of air conditioning, heating, commercial refrigeration, and water heating equipment. It is an internationally recognized advocate for the heating, ventilation, air conditioning, and refrigeration (HVACR) and water heating industries and certifies the performance of many of the products manufactured by its members. In North America, the annual economic activity resulting from the HVACR industry is approximately \$256 billion. In the United States alone, AHRI’s members, along with distributors, contractors, and technicians, employ more than 1.3 million people.

AHRI respectfully requests ODOE delay the CTA-2045 requirements for both electric resistance water heaters and Heat Pump Water Heaters (HPWHs) in Oregon until January 1, 2023.

The effective date originally included in the proposed regulations and corresponding legislation were intended to align with similar requirements being implemented in the State of Washington. However, due to unprecedented disruptions to the supply chain caused by the pandemic, there is a shortage of specialty electronic components that make the production of sufficient CTA-2045 compliant units extremely challenging. The Washington Department of Commerce is currently considering a request for a similar delay due to the COVID-19.

If the CTA-2045 requirements become effective on the dates proposed during this supply chain disruption, specifically the shortage of specialty electronic components, it will make the production of a sufficient number of CTA-2045 compliant units for Oregon extremely challenging. Ultimately, due to forces outside of industry's control, there is a risk of creating product shortages. This could lead to an increase in the price of compliant equipment and may result in gaps in access to hot water for families and businesses.

Given the long lead times cited in the original request, the implementation of these requirements for both electric resistance water heaters and heat pump water heaters should be extended until January 1, 2023. This delay will allow sufficient time for the supply chain to recover and for manufacturers to transition. We also strongly encourage ODOE to coordinate directly with the Washington Department of Commerce to ensure effective dates for these standards are harmonized.

Finally, we appreciate the opportunity to provide these comments. We would greatly appreciate a meeting to discuss this important issue. Please contact me directly at kbergeron@ahrinet.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Kyle Bergeron", with a long horizontal flourish extending to the right.

Kyle Bergeron
Regulatory Engineer

cc: Helen Walter-Terrinoni, Vice President of Regulatory Affairs, AHRI

October 27, 2021

Wendy Simons
Blake Shelide

Oregon Department of Energy
550 Capitol St. NE, 1st Floor
Salem, OR 97301

RE: Proposed update to Oregon computer and computer monitor efficiency standard

Dear Ms. Simons and Mr. Shelide,

Please accept these comments on behalf of the Appliance Standards Awareness Project (ASAP). ASAP is a project of the American Council for an Energy Efficient Economy with a steering committee that includes representatives from energy efficiency, consumer and environmental advocacy groups, state government, and utilities. ASAP works to advance cost-effective appliance efficiency standards at the federal and state level.

Oregon has long been a leader in adopting money-saving appliance efficiency standards. Since 2007, the state has adopted efficiency standards for 21 products.¹ HB 2062 continued this tradition by adopting standards for an additional 10 products, including computers and computer monitors. ASAP estimates by 2035 these new standards in total will annually save Oregonians \$100 million on utility bills, 3.5 billion gallons of water, and 111,000 metric tons of carbon dioxide.² These savings will be seen across all of Oregon, keeping dollars in consumer's pockets and pollution out of the air.

We appreciate and encourage the proposed alignment of Oregon's computer and computer monitor standards with those adopted by California in December 2020. Washington state is also currently considering aligning its computer and computer monitor standards with the December 2020 California standards, which if adopted would create uniformity across the three west coast states.³

Adopting efficiency standards are a low-cost way for Oregon to cut energy waste, save money on utility bills, and reduce greenhouse gases – helping achieve the state's climate emissions reduction and clean energy goals. Thank you for proposing this update to the computer and computer monitor standard and we encourage its adoption.

Sincerely,

Brian Fadie
State Policy Associate
Appliance Standards Awareness Project

¹ For a full list see ASAP's "Energy and Water Efficiency Standards Adopted by State" found at: https://appliance-standards.org/sites/default/files/State_status_May_2020.pdf

² [ASAP savings report for Oregon 2021 proposed products.](#)

³ [See WSR 21-19-143](#)

October 18, 2021



Blake Shelide, Facilities Engineer
Wendy Simons, Rulemaking Coordinator
Oregon Department of Energy
550 Capitol St. NE, 1st Floor
Salem, OR 97301

Reference: **HB 2062 Energy Efficiency Standards Rules Public Hearing**

NEEA respectfully submits the following comments for consideration to the public proceeding for House Bill 2062

The Northwest Energy Efficiency Alliance (NEEA) is an alliance of more than 140 utilities and energy efficiency organizations working on behalf of more than 13 million energy consumers. NEEA is dedicated to accelerating both electric and natural gas energy efficiency, leveraging its regional partnerships to advance the adoption of energy-efficient products, services, and practices.

NEEA is committed to the adoption of electric grid connectivity technology in water heating to increase energy efficiency and reduce carbon output. We support the requirements of the State of Oregon for including CTA-2045 grid connectivity in water heaters (both electric resistance and electric heat pump water heaters). Unfortunately, an unforeseen and insurmountable industry-wide shortage of the components necessary for the production of CTA-2045-equipped electric water heaters makes it impossible to both comply with the current rule and meet the water heating needs of Oregonians. These supply chain issues are due to COVID-19-related challenges that are affecting all aspects of our economy. Therefore, we support a temporary suspension of enforcement of the CTA-2045 requirement (for both electric resistance and electric heat pump water heaters). We believe that such a suspension will ultimately produce higher energy efficiencies than any available alternative.

In our separate and confidential discussions with six water heater manufacturers representing approximately 98 percent of the water heater market, the CTA-2045 requirement in conjunction with the component shortage would clearly produce outcomes in conflict with its intended goals and would negatively impact the end consumer.

Faced with decisions for allocating lower supplies of electronic components, including an insufficient inventory of CTA 2045 specific components, manufacturers claim they would prioritize electric resistance models, in line with customer demand, and in some instances prioritize supplying non CTA 2045 markets outside the Pacific Northwest. As you may know, by a nine-to-one ratio the Pacific Northwest market chooses electric resistance water heaters over heat pump water heaters for all electric storage water heaters installed.

Northwest Energy Efficiency Alliance
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neea.org | info@neea.org

Whereas heat pump water heaters are installed at a much higher percentage in new construction homes and NEEA and the State would like to see that continue. The efficiency benefit of heat pump technology over resistance heating far outweighs the benefit of grid connectivity at this point. Water heater manufacturers are committed to meeting 100% of the demand for heat pump water heaters but will be unable to do so with a CTA-2045 requirement at this time.

Of all the practical electric water heating technologies available today, heat pump water heaters are the only energy-efficient option and are the clear choice for attaining long-term sustainability goals in the Pacific Northwest. Even without communication with a grid operator, heat pump water heaters have lower on-peak power use, shift load to more favorable times of the day, and use less total energy than electric resistance.

Despite this, heat pump water heaters have a low market penetration and face a number of barriers to widespread adoption. While NEEA would prefer that they be installed with CTA-2045 capabilities, removing barriers to their growth is more important. A non-connected heat pump water heater is still a more energy-efficient solution than any connected electric resistance water heater.

To achieve the greatest energy efficiencies, reduce carbon output, and preserve Oregonians' choice of high-efficiency water heaters, allowing the sale of non-connected electric water heaters is necessary at the present time.

In recognition of the market conditions identified above NEEA is temporarily postponing its requirement of CTA 2045 in the Advanced Water Heating Specification 7.0 and forthcoming 8.0. We currently expect the supply issue to be resolved by July 1, 2022, but will continue to assess the supply chain to adjust the duration of this requirement suspension.

NEEA has discussed our position with a couple other energy efficiency advocates and some of our electric funders they too align with our goal to have as many heat pump water heaters installed in as many places as is viably possible. They share our regret over the infeasibility of broader CTA-2045 adoption over the next several months and agree with the importance of prioritizing heat pump technology over inefficient alternatives. They support the temporary suspension of the CTA-2045 requirement in the Advanced Water Heating Specification and in the states of Oregon and Oregon.

Respectfully,

A handwritten signature in black ink that reads "Geoff Wickes". The signature is written in a cursive, flowing style.

Geoff Wickes
Senior Product Manager, Emerging Technology



Portland General Electric
121 SW Salmon Street • Portland, OR 97204
portlandgeneral.com

October 26, 2021

Dear Wendy Simons:

Portland General Electric (PGE) respectfully submits the following comments on the Oregon Department of Energy's draft rules to implement House Bill 2062, regarding updated appliance energy efficiency standards.

PGE is an Oregon electric utility serving a population of approximately 1.9 million people in 51 cities in the Willamette Valley. PGE is committed to Oregon's clean energy future and was excited to be part of a broad coalition supporting the passage of HB 2021 establishing an electric sector decarbonization framework. In line with our own climate goals and now HB 2021, we will reduce the greenhouse gas emissions from power served to customers by at least 80% by 2030 and 100% by 2040.

Foundational to achieving these greenhouse gas reduction targets is a modern, flexible, and smart grid that is capable of efficiently integrating variable renewable resources while keeping the system reliable and affordable. Demand response and flexible loads, enabled by grid-connected appliances, are essential to maximizing renewable resources. They enable PGE, the grid operator, to use wind and solar resources when they are available, and to shift electricity demand when they are not through customer participation in demand response programs. Specifically, grid-connected water heaters present a particularly promising load for balancing and integration purposes.

PGE is committed to the adoption of electric grid connectivity technology in water heating, and we support the requirement of CTA-2045 communication port in both electric resistance and electric heat pump water heaters. PGE has made significant investments in an industry-leading deployment of grid-connected water heaters and we are planning additional investments in support of our strategy to reach our 2030 and 2040 greenhouse gas reduction targets. Unfortunately, an unforeseen and insurmountable industry-wide shortage of the components necessary to produce CTA-2045-equipped electric water heaters makes it impossible for water heater manufacturers to both comply with the current rule and meet the water heating needs of Oregonians. These supply chain issues are due to COVID-19-related challenges that are affecting all aspects of our economy.

We share the regret expressed in NEEA's comments over the infeasibility of broader CTA-2045 adoption over the next several months. Therefore, PGE supports a temporary, limited-term suspension of ODOE's enforcement of the CTA-2045 requirement for both electric resistance and electric heat pump water heaters. We also support the temporary suspension of the CTA-2045 requirement in NEEA's Advanced Water Heating Specification 7.0 and forthcoming 8.0 and consistency between the states of Oregon and Washington. NEEA currently expects the supply issue to be resolved by July 1, 2022, and PGE will continue to assess the supply chain with them.

Thank you for your consideration of our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Sunny Radcliffe".

Sunny Radcliffe
Director, Government Affairs and Environmental Policy



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October 26, 2021

Ms. Wendy Simons, Rulemaking Coordinator
Oregon Department of Energy
550 Capitol St. NE, 1st Floor
Salem, OR 97301

E-mail: wendy.simons@energy.oregon.gov

RE: HB 2062 Energy Efficiency Standards Rules Public Hearing: Electric Storage Water Heaters

Dear Ms. Simons

Rheem Manufacturing Company (“Rheem”) submits the following comments regarding the public proceeding for House Bill 2062 specifically concerning electric storage water heaters.

Rheem is an industry leader in total heating, cooling, refrigeration and water heating solutions and one of the few global brands with product offerings covering residential and commercial heating, cooling, conventional and hybrid storage water heaters, tankless water heaters, solar water heating systems, pool and spa heaters, commercial boilers, residential hydronic and geothermal systems, commercial refrigeration products, indoor air quality accessories, and replacement parts for all categories. Rheem is headquartered in Atlanta, Georgia, and has U.S. based manufacturing facilities in Alabama, Arkansas, California, Connecticut, and North Carolina.

Rheem supports the State of Oregon rule to equip electric resistance and heat pump storage water heaters with modular demand response communications port compliant with CTA-2045-A. While Rheem has made significant investments to meet the January 1, 2022 effective date, we are challenged with supply shortages of electronic components to produce electric water heaters compliant with the CTA-2045-A standard. Given the COVID-19 disruptions in the economy, global supply challenges for such components are likely to continue for the next several months well beyond the above effective date.

Given this situation, Rheem supports a temporarily suspension of the requirements which are needed to help ensure continued industry wide supply of electric storage water heating equipment. Rheem agrees with the comments submitted by Northwest Energy Efficiency Alliance (NEEA) and supports, at a minimum, a temporary suspension of requirements for both electric resistance and heat pump storage water



INTEGRATED HOME COMFORT



heaters until July 1, 2022. However, a delay until January 1, 2023, would be more beneficial and provide additional time for the global supply chains to recover. Accordingly, Rheem recommends a delay of the water heater requirements until January 1, 2023.

We appreciate the opportunity to provide these comments. Please do not hesitate to contact me directly if there are questions.

Sincerely,

A handwritten signature in black ink that reads "Joe Boros".

Joe Boros
Global Regulatory Affairs Director
Rheem Manufacturing Company

cc: Karen Meyers, Vice President, Government Affairs

