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November 14, 2016

Mr. Hampton Newsome, Attorney
Federal Trade Commission
Office of the Secretary
600 Pennsylvania Avenue NW.
Suite CC-5610 (Annex E)
Washington, DC 20580

Re: Energy Labeling Amendments (16 CFR part 305) (Project No. R611004)

Dear Mr. Newsome:

These comments are submitted by the Air-Conditioning, Heating, and Refrigeration Institute (AHRI) in response to the Federal Trade Commission (FTC) notice of proposed rulemaking (NOPR) regarding amendments to the Energy Labeling rule appearing in the *Federal Register* on September 12, 2016. These comments address the proposal for electric instantaneous water heaters.

AHRI is the trade association representing manufacturers of heating, cooling, water heating, and commercial refrigeration equipment. More than 300 members strong, AHRI is an internationally recognized advocate for the industry and develops standards for and certifies the performance of many of the products manufactured by our members. The AHRI member companies that manufacture water heating equipment account for the large majority, at least 90%, of all gas, oil and electric water heating equipment that is sold and installed in the U.S.

AHRI requested that FTC develop a label for instantaneous electric water heaters in our January 11, 2016 comments and appreciates the commission's prompt response.

A notable difference between instantaneous and storage water heaters is the size, particularly for electric instantaneous. This concern also is relevant for gas instantaneous water heaters. A storage water heater has an external jacket that provides a large surface area on which to place markings and labels. There has not been an issue with finding space to place the EnergyGuide label on storage water heaters. Instantaneous water heaters are more compact and have significantly smaller external jackets. The dimensions for water heater EnergyGuide labels are nominally 7 ½ x 5 3/8. With these dimensions, an EnergyGuide label may cover a significant portion of an instantaneous water heater or may not fit at all. As an example, one member has instantaneous electric water heaters with dimensions as small as 9"x 5" x 3". Therefore, it would be preferred only to require

that the EnergyGuide label be included on the shipping carton for instantaneous water heaters. If it is necessary to have the label on the unit itself, hang tags could be used with modifications to the labeling rules. The current regulations states that a hang tag “shall be affixed to the interior of the product” (16 CFR 305.11(e)(2)) referring to the inside of a refrigerator or other appliance. It is not feasible to place a hang tag on the inside of an electric (or gas) instantaneous water heater. AHRI requests that FTC revise the labeling rules to allow either the EnergyGuide label to be placed on the shipping carton or as a hang tag attached to the outside of the product for instantaneous water heaters.

Although the sample label was not included with the final rule, it is located on FTC’s website here:

<https://www.ftc.gov/tips-advice/business-center/guidance/energyguide-labels-templates-manufacturers>. AHRI has corrections and clarifications for the instantaneous water heater EnergyGuide label as shown in that template.

FTC has included “Capacity (Max GPM)” on the sample instantaneous water heater EnergyGuide label in the top left portion of the EnergyGuide label. We do not believe it is necessary to repeat Max GPM in the top left corner as shown in the sample label because Max GPM is already included on the usage bin bar chart. Including Max GPM in top left corner will be confusing for consumers comparing storage and instantaneous water heaters because Max GPM and tank size are not comparable metrics. AHRI requests that the information required in the top left corner only include the term “Instantaneous Water Heater” and the fuel type.

The following are errors on the sample instantaneous label:

- 1) The bottom of the label includes a space for the Uniform Efficiency Factor (UEF). According to the NOPR and the sample storage water heater template, UEF was to have been omitted from the label for all water heaters.
- 2) In several places, the capacity or Max GPM is referred to in “gallons” which confuses this metric with a FHR and is incorrect. “Gallons” should be changed to “GPM” in all cases on the instantaneous water heater label.

Also we noted that “Instantaneous” is spelled incorrectly in the top left of this sample.. AHRI appreciates the opportunity to provide these comments. If you have any questions regarding this submission, please do not hesitate to contact me.

Sincerely,



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