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COMMITTEES:

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COMMITTEE ON FINANCE

The Honorable David Danielson
Assistant Secretary for Energy Efficiency and Renewable Energy
U.S. Department of Energy
1000 Independence Ave. SW
Washington, DC 20585

Dear Dr. Danielson:

Thank you for your recent visit and the opportunity to discuss the role and programs of the Office of Energy Efficiency and Renewable Energy, including the importance of energy storage technologies. In light of that conversation, I am writing today to express my concern about a proposal I understand is being made by your office concerning standards for electric resistance water heaters as part of the establishment of new International Energy Conservation Code (IECC) model building codes. While I strongly support efforts to improve the energy efficiency of water heaters and other energy appliances, the proposed standard appears to eliminate the use of electric-resistance water heaters even when used as energy storage devices or as part of utility demand-response programs.

The use of electric-resistance water heaters as part of utility demand response programs provides an important, low-cost tool for the integration of intermittent renewable resources, like wind and solar, reductions in peak demand, and enhanced grid reliability all while helping decrease the cost of electricity to electric consumers as a whole. A December 2010 Electric Power Research Institute white paper on electricity storage options noted that some 10% of electric utility generation assets and 25% of distribution assets are used less 400 hours a year and represent hundreds of billions of dollars in additional costs to the electric utility industry and its customers in order to ensure peak demand is met. Used in this manner, electric resistance water heaters can help achieve multiple energy objectives, something that would be undermined with the proposed elimination of resistance water heaters in model building codes. I hope you would agree that new building codes should not preclude the use of cost-effective storage technologies that facilitate the integration of renewable power and help reduce system costs.

I ask that you take steps to modify your office's proposal to ensure that electric resistance water heaters, when part of energy storage and demand response installations, continue to be allowed.

Sincerely,

Ron Wyden

United States Senator