



Australian Government
Australian Greenhouse Office

Dear stakeholder

I am writing to inform you of regulatory proposals for particular types and sizes of electric storage water heaters, scheduled to commence from 1 October 2005.

Industry members of the relevant Australian and New Zealand Standards Committee have requested that I confirm regulators' intentions for these products in my capacity as acting Chair of the National Appliance and Equipment Energy Efficiency Committee, a body charged with developing nationally consistent energy efficiency laws. I am informed that some industry representatives in Australia seek written confirmation of regulatory proposals to allow for a more orderly transition toward the new regulation date in a little more than 12 months time.

Energy Efficiency regulators will propose to the Ministerial Council on Energy, the Ministers responsible for efficiency laws, that they agree to new regulatory standards from that date for:

- Mains pressure electric storage water heaters below 80 litres
- Other than mains pressure storage water heaters of all sizes, including:
 - Heat exchange water heaters
 - Vented (low pressure) water heaters

Requirements for mains pressure storage water heater of 80 litres and above remain unchanged from October 1999 values for the time being.

In this letter, I report on the separate regulatory and communication processes.

Mains pressure (unvented displacement) water heaters

The regulatory impact statement (RIS) and formal public consultation for this product group was completed in September 2003. This formal process found a consensus of support for the proposed regulatory level. A history of the process to achieve these regulatory proposals is available at <http://energyrating.gov.au/considered.html#waterheaters>.

Regulators delayed putting the RIS outcome to Ministers because the Standards Committee was working to improve the existing test methodology and publish a new standard by October 2004. Regulators and industry representatives on the Standards Committee EL-020 were working towards the goal of submitting the package of standards covering testing methodology and performance standards for Ministerial approval around this time. The test method was sent out to public comment in June as DR04318 and was revised in July as DR04388.

The revised methodology however is not yet at a stage where all parties have endorsed its content. The committee received substantial public comment on these drafts and the committee has responded to all the relevant points in the compilation of comments. Final draft standards which incorporate all of the relevant public comment on DR04388 and DR04389 will be circulated to the committee for comment and re-ballot. It is hoped that the new methodology can be settled and republished as a final standard in the near future, as most of the comments on the test method itself were primarily structural and editorial in nature. Standards Australia advise that the process should be completed early in 2005 if a positive ballot can be obtained. In this case, the new standards will be published as AS/NZS 4692.1 and AS/NZS 4692.2.

I expect that regulators will recommend to Ministers that industry need certainty on the test method and will propose accepting tests using either the existing methodology used for regulation since 1999 or the revised methodology to be published next year. To this end, an amendment to AS1056.1-1991 (Amendment 5) was agreed in principle at the last EL-020 meeting and a committee draft has been agreed and is in preparation for public comment (DR04508). This amendment includes the most important findings from the development testing that has been undertaken within EL-020 over the past 3 years in order to make the heat loss measurements as accurate as possible. This amendment will mean that testing to either the existing or the new test methodologies will be valid.

At the request of suppliers, regulators also have explored a sales weighted regulatory option for 50 litre mains pressure products which would be handled through a separate regulation. Suppliers have agreed to advise their final position on endorsing this option before the end of the year.

Other water heaters

The RIS statement and formal public consultation for this product grouping was completed in September 2004. The results of this process will also be reported to Ministers at the same time as the smaller mains pressure units. The AGO will hold an industry briefing session in November 2004 reporting on the proposed changes to allow a “deemed-to-comply” scheme for some small-run products and improvements in the specification of the mandatory performance standards for these products.

Heat exchange water heaters are also covered by DR04388 and DR04389 and, as for mains pressure types, it is hoped that the standard can be finalised and published shortly as AS/NZS 4692.1 and AS/NZS 4692.2. Similarly for the test method for mains pressure models, the existing test method for heat exchanger water heaters (AS1361) is also being amended (Amendment 1) (DR04507) in a similar fashion to AS1056.1. Similarly, this amendment will mean that testing to either the existing or the new test methodologies will be valid.

Regulators remain unanimous in their endorsement of the proposed national regulatory levels for both product groupings. These levels were first communicated to industry in relation to:

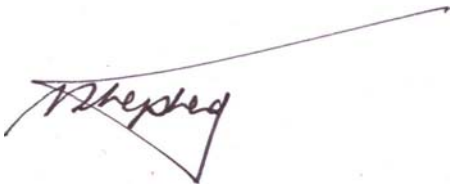
- mains pressure water heaters in June 2001 (original RIS) and in October 2001 (MEPS profile);
- other water heaters in October 2001 (MEPS profile).

The MEPS levels that come into force for these products are specified as follows:

- For heat loss values for displacement water heaters determined using the new test methodology as detailed in draft standard DR04388 (to be published as AS/NZS 4692.1): the MEPS levels for relevant products are as shown in DR04389 which was released in July 2004 for public comment and which should be published as AS/NZS 4692.2. Note that parts of this draft standard will be re-structured in accordance with comments received on the draft, specifically to allow use of the amended existing test methods noted below.
- For heat loss values for heat exchange water heaters determined using the new test methodology as detailed in draft standard DR04388 (to be published as AS/NZS 4692.1): the MEPS levels are as set out in the attached Annex. This equation will be included in AS/NZS 4692.2 once published.
- For heat loss values for displacement water heaters determined using AS1056.1-1991 Amendment 5: the MEPS levels are as set out in the attached Annex. These tables will be included in AS/NZS 4692.2 once published.
- For heat loss values for heat exchange water heaters determined using AS1361-1995 Amendment 1: the MEPS levels are as set out in the attached Annex. This equation will be included in AS/NZS 4692.2 once published.

I will write to you again when the Ministerial Council on Energy decisions are known for both product groups.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'Sylvia Shepherd', is written over a large, thin, diagonal line that extends from the left side towards the top right of the page.

Sylvia Shepherd
Acting Chair
National Appliance and Equipment
Energy Efficiency Committee
30 September 2004

Annex A: MEPS Levels for Specified Water Heaters

This Annex contains MEPS for specified water heater types that will be introduced from 1 October 2005. These equations and tables will be included in AS/NZS 4692.2 once this has been cleared for publication.

Water Heater Type: Heat Exchanger

Test Method: AS1361-1995 Amendment 1

For this product type and test method the MEPS levels is given by:

$$\text{Heat loss} \leq 0.4057 \times V^{0.3322}$$

For a heat storage volume V from 45 litres to 710 litres.

Water Heater Type: Heat Exchanger

Test Method: AS/NZS4692.2 (2005)

For this product type and test method the MEPS levels is given by:

$$\text{Heat loss} \leq 0.4362 \times V^{0.3235}$$

For a heat storage volume V from 45 litres to 710 litres.

Water Heater Type: Unvented Displacement Storage (mains pressure)

Test Method: AS1056.1-1991 Amendment 5

For this product type and test method the MEPS levels is given by the following table:

Rated Hot Water Delivery – litres	MEPS – maximum heat loss kWh/day
<25	0.98
25	0.98
31.5	1.05
40	1.12
50	1.19
63	1.33

Heat loss requirements for unvented displacement units with a rated hot water delivery of 80 litres and above are as specified in AS1056.1-1991 Table 2.1 Amendment 3 dated 5 August 1996, which have been in force since 1 October 1999 and remain in force after 1 October 2005.

Water Heater Type: Unvented Displacement Storage (mains pressure)

Test Method: AS/NZS4692.2 (2005)

For this product type and test method the MEPS levels is given by Table 2.1 of DR04389.

Water Heater Type: Vented Displacement Storage

Test Method: AS/NZS4692.2 (2005)

For this product type and test method the MEPS levels is given by Table 2.2 of DR04389, although a continuous function is under consideration, pending the outcome of the Regulatory Impact Statement (NAEEEC Report 2004/03).