

Better Buildings Residential Network Peer Exchange Call Series:

Heat Pump Water Heaters – What You Need to Know Right Now February 27, 2020



Agenda and Ground Rules

- Agenda Review and Ground Rules
- Opening Poll
- Residential Network Overview and Upcoming Call Schedule
- Featured Speakers:
 - Tony Bouza, U.S. Department of Energy
 - Tristan de Frondeville, SkyCentrics
 - Francois Lebrasseur, A.O. Smith
- Open Discussion
- Closing Poll and Announcements

Ground Rules:

- **1. Sales of services and commercial messages are not appropriate** during Peer Exchange Calls.
- 2. Calls are a safe place for discussion; **please do not attribute information to individuals** on the call.

The views expressed by speakers are their own, and do not reflect those of the Dept. of Energy.





Better Buildings Residential Network

Join the Network

Member Benefits:

- Recognition in media and publications
- Speaking opportunities
- Updates on latest trends
- Voluntary member initiatives
- One-on-One brainstorming conversations

Commitment:

 Members only need to provide one number: their organization's number of residential energy upgrades per year, or equivalent.

Upcoming Calls (2nd & 4th Thursdays):

- Mar 12: The State of Gas Energy Efficiency Programs
- Mar 26: How Bad Installation Can Negate Good Equipment
- Apr 09: How Hot Is It? Preparing for Summer Cooling Season

Peer Exchange Call summaries are posted on the Better Buildings <u>website</u> a few weeks after the call For more information or to join, for no cost, email <u>bbresidentialnetwork@ee.doe.gov</u>, or go to <u>energy.gov/eere/bbrn</u> & click Join





Tony Bouza U.S. Department of Energy





Office of ENERGY EFFICIENCY & RENEWABLE ENERGY

Intro to Heat Pump Water Heaters

Antonio M Bouza, BTO TM



Heat Pumps Move Heat

- Moves heat rather than converting it from a fuel like combustion
- Coefficient of performance (COP) of 2.0, means that 2 units of heat are moved for each unit of energy consumed



Heat Pumps Move Heat



Most often, vapor compression cycle that puts a refrigerant through phase change

- Air
- Ground
- Water
- Waste

Air-Source Heat Pumps

•

Water Heaters



Two major types

- Integrated design
- 2-piece system





Focus will be on integrated design type units

- Different location
 requirement, installation
- 2-piece system have hot water storage tank inside and heat pump unit outdoors (up to 50 feet away)



How They Work:

- Can be two to three times more energy efficient than conventional electric resistance water heaters
- To move the heat, heat pumps work like a refrigerator in reverse
 - While a refrigerator moves heat from inside a box to ambient air of the surrounding room, a heat pump water heater moves heat from ambient air to water in a storage tank
- Water heating typically accounts for 15 to 20 percent of electric energy use in homes with electric water heat
- New HPWHs offer the potential to reduce electricity for water heating by 50 percent or more

Installation and location

- Require installation in locations that remain in the 40^o–90^oF (4.4^o–32.2^oC) range year-round and provide at least 1,000 cubic feet (28.3 cubic meters) of air space around the water heater
- Cool exhaust air can be exhausted to the room or outdoors. Install them in a space with excess heat, such as a furnace room.
- Heat pump water heaters will not operate efficiently in a cold space. They tend to cool the spaces they are in.
- Air-source heat pump system works more efficiently in a warm climate but R&D is working on these challenges

Installation and location

- Require installation in locations that remain in the 40^o–90^oF (4.4^o–32.2^oC) range year-round and provide at least 1,000 cubic feet (28.3 cubic meters) of air space around the water heater
- Cool exhaust air can be exhausted to the room or outdoors. Install them in a space with excess heat, such as a furnace room. Heat extracted by the HPWH from a conditioned space in the heating season may require more heat from the existing space heating system.
- Heat pump water heaters will not operate efficiently in a cold space. They tend to cool the spaces they are in.
- Air-source heat pump system works more efficiently in a warm climate but R&D is working on these challenges

Installation and location

- Heat pump water heaters are a bit larger than standard electric water heaters. The size varies depending on manufacturer and capacity (such as 50-gallon or 80-gallon tanks).
- In addition to standard water heaters connections, heat pump water heaters also have a drain to remove condensation generated by the unit.





Heat pump water heaters are more interactive

- Most heat pump water heater models feature a control panel that allow homeowners to select water temperature and operation mode
- Reference your manufacturer-provided manual for instructions
- Future, smart-grid-enabled heat pump water heaters
 - HVAC, Water Heating, Appliances and Refrigeration GEB Technical Report: <u>https://www1.eere.energy.gov/buildings/pdfs/75473.pdf</u>
 - Grid-interactive HPWH are also available. Typical functionality is to preheat water (above safe output levels) and then uses a controlled-mixing valve to deliver water of the proper temperature. In addition, there are multiple retrofit controls packages available for existing electric resistance water heaters that enable utility control.

2020 Hot Water Forum: March 23 - 25, 2020

Pre-Conference Opportunities

Participate in one of two R&D discussions presented by The Building Technologies Office (BTO) of the US Department of Energy

Monday, March 23 – 9:00 am-10:30 am or 4:00 pm-5:30 pm

The Building Technologies Office (BTO) of the US Department of Energy is exploring ways to identify and support next-generation water heating R&D. To support this endeavor, they have asked for our collaboration in inviting attendees of the Hot Water Forum to attend a R&D discussion to exchange ideas on today's greatest R&D gaps, needs, and opportunities for water heating.

The US DOE's effort focuses on R&D support for next generation water heating technologies that provide cost effective energy efficiency and grid flexibility value. By engaging key stakeholders at these discussions, BTO hopes to gather input regarding three key issues including: Next-generation technology development priorities, challenges and barriers to bringing next-generation technologies to market, and major gaps in academic, government, and commercial R&D efforts.

If you would like to take part in this discussion, please RSVP by March 13. Additional information will be provided after the deadline. If you have questions, contact <u>Michael.Pan@navigant.com</u>, (781) 270-8355.

https://www.aceee.org/2020-hot-water-forum

Thank You

My contact info:

Antonio M. Bouza Technology Manager | General Engineer U.S. Department of Energy | Building Technologies Office | EE-5B antonio.bouza@ee.doe.gov | 202.586.4563

http://energy.gov/eere/buildings/hvac-water-heating-and-appliances



Tristan de Frondeville SkyCentrics





SkyCentrics

Heat Pump Water Heaters and Open Standards February 27, 2020

About SkyCentrics & Open Standards





Utility Channel Sales

Direct and Partner Sales



Why we need grid connected water heaters

- Standard solution: low-cost peaking plant at \$800/kW.
- 300 MW plant to meet peak demand 1st cost: ~\$240 million
- Tough to justify resource that runs only a few hours per year
 - Choices:
 - 1. Build plant,
 - 2. Short term solution in wholesale market, or
 - 3. Meet peak with demand response

Bonneville Power Pilot – 600 water heaters Results: 301 MW by 2039



Market Transformation

- 5 years to ramp up
- 15 years to full replacement
- Then 15 year of operation

kW reduction Winter AM: .33 to .47 Winter PM: .27 to .44 Summer PM: .26 to .30

3.200 400 Market 2,800 350 Transformation 2,400 Smart WHs in 1000s ramp-up 300 period 2,000 250 1,600 200 Cohort #3 1,200 150 MM Cohort #2 800 100 Cohort #1 400 50 0 25 nstalled Smart WH Enrolled Customers

Aggregated Benefits of Market Transformation

Economics (at 26.5% adoption)

- Regional benefit: \$230 million
- Benefit/cost ratio: 2.6

Benefits not quantified:

- Daily energy shift
- CO₂ reduction
- Ancillary services
- Customer perception

Full report at: www.bpa.gov/goto/smartwaterheaterreport

The value of grid connected water heaters SkyCentrics



\$3.6 billion/year in value from a grid-interactive fleet of water heaters. Source: RMI.

Based on 50M US water heaters = \$72/year/water heater, but up to \$200

The value to the stakeholders





Market Map: Market actors and their specific needs, value propositions, and use cases

Average water heater behavior





Shed, Shift, Shake & Shimmy





Electric Resistance v Heat Pump





Average Power per minute of 38 Electric Resistance 50 gal. water heaters over 64 weekdays

Time Period = September 1 - November 29, 2017



CTA-2045 - the USB port for appliances



CTA-2045 Standard

Consumer Technology CPCI ELECTRIC POWER RESEARCH INSTITUTE Association



AC powered First to UL 916 June 2016





DC powered

SkyCentrics CTA module on AO Smith







AC Wi-Fi Module

Do You Remember?





The incredible value – low cost SkyCentrics

A standard socket on an electronic appliance means the customer can setup the communication

10-20 year appliance life





We need flexible, modular communications to future proof the connectivity to the appliance.





or NOT!





OpenADR & CTA-2045 – a team



OpenADR & CTA-2045 work well together

The more expensive OpenADR can be placed in the cloud, a gateway or in the CTA-2045 module. Not recommended in the appliance.

<u>Customers</u>

Want to monitor and schedule their devices through easy to use apps Choice of Manufacturers



*OpenADR is expensive to code, certify, and has a yearly SSL certificate cost! Put it in the module if necessary, NOT IN THE APPLIANCE

Status of CTA-2045 regulations



State	Regulation	Date of Implementation	Details
WA	SB 5115 HB 1444	January 1, 2021	All water heaters sold in WA state must have a CTA-2045-A port or equivalent.
Energy Star National	Connected Appliances	Pool Pumps (done) Water Heaters (soon)	All Energy Star connected appliances must have OADR or CTA-2045-A or an equivalent open standard at the appliance or in the cloud.
National	AHRI 1380	2019	DR-ready Variable Capacity HVAC systems rated to 65,000 Btu/hr or less shall have CTA- 2045-A or OpenADR 2.0 or both.
CA	Title 24	January 1, 2020	Requires OADR to water heaters either in the cloud or at the device on new construction or large retrofit - The California Energy Commission is reviewing adding CTA-2045-A in next code cycle.
CA	Title 24 JA13	January 1, 2020	Requires water heater 'system' to have local scheduling capabilities, and a 24/7 schedule for Time of Use, and remote capability built in or with a simple upgrade. At least two of the three main water heater OEM are doing this through solutions that include CTA-2045-A.

Everyday savings schedule





12 - 5:30 AM - Shed Save energy at night when you don't need hot water.

5:30 - 6:00 AM - Load Up Fully heats your tank for morning showers.

6:00 AM - 4:30 PM - Shed Save energy during the day while you are not home.

4:30 - 5:00 PM - Load Up Fully heats your tank to get ready for the evening.

5:00 PM - 12 - Shed Save energy at night when you don't need hot water.






Comfort on demand or on schedule.

	⊞	AO Smith - Electric Resistance What time would you like ye	our wa	ater hea	SkyCentrics ter fully heated?	s X (? HELP	
0	¢	Mon Aug 8 Today	4 5	50 55			On	0
	E	Wed Aug 10	6	00	AM			
		Thu Aug 11	7	05	PM		Heat	
	\odot	Fri Aug 12	8	10	and the and success		Vacation	
	X	As soon as possible or	At	ine date	and time shown		8	
		Last Update: 2016-08-06					REFRESH	



ER v HP data



- Average (1 minute) Water Heater Demand (when running):
 - January: Resistive 4.45 kW vs. HPWH 0.97 kW
 - March: Resistive 4.25 kW vs. HPWH 0.93 kW
 - August: Resistive 4.15 kW vs. HPWH 0.69 kW
- Run Time (Average % of time unit is heating water):
 - January: Resistive 4% vs. HPWH 25%
 - March: Resistive 3% vs. HPWH 19%
 - August: Resistive 2.5% vs. HPWH 7.0%

Conclusions – Grid Value



- Both Resistive and HPWH provide valuable DR opportunities
- HPWH have lower kW, but are more likely to be running
- With CTA-2045 control, can load up (to an extent)
 - HPWH can efficiently preheat water before an event or peak
 - Resistive WH can also preheat water using electric element
- HPWH have more electric heating element use in Winter
- HPWH have more heating element use at high demand (mornings)
- Can advocate larger tanks for HPWH to take advantage of High HP COP



Reports both Power usage AND storage capacity



Responds to "Load Up"

Running Heightened



Customer Engagement

We deliver value to the building owner with engaging apps, or valued communicat that motivate him to keep his devices online.

When that does not work, we can also deliver email and text alerts.





UTILITIES can group customer devices by substation



Calendar Interface for DR events skyCentrics



Sinai oign ceo	22	23	24	25	26	27	28
🖶 🗔 📷 substation 6		8a Group 1	7a Event	10a Event	10a Event	10a Group 2	1p Event
PS-0D65		9a Event	12p Event	5p Event	1p Event	11:32a Group A	
- 5 ¹ 8 pool						12p Group 3	
LICHAR SDOA						1p Event	
CONAP 3024	29	30	31	1	2	3	4
- (I Office WH - old switch				10:30a Event			
- 🜡 Thermostat							
- N PS-0D69							
- N PS-EFC5							
+ 🔻 🗘 Save Tree	5	6	7	8	9	10	11
Saved Graphs 🕘							
Saved Trees							

Schedule 1,000 devices with one click

Devices -	Proper	ties DR	тсо	Front Lob	by #96 🔇							
Schedules: Summer Normal				Load Sample Sched le Send Schedule				to Many Devices				
Monday				Tuesday				1Martin ay				
Sync Heat and Cool				Sync Heat and Cool				Sync Heat and Cool				
Time	Heat°	Time	Cool°	Time	Heat°	Time	Cool°	Time	Heat°	Time	Cool°	
6:30am	68	6:30am	80	6:30am	68	6:30am	80	6:30am	68	6:30am	80	
8:30am	62	8:30am	88	8:30am	62	8:30am	88	8:30am	62	8:30am	88	
4:00am	62	4:00am	80	4:00am	62	4:00am	80	4:00am	62	4:00am	80	
10:0	60	10:0	88	10:0	60	10:0	88	10:0	60	10:0	88	
Copy to other days				Copy to other days				Copy to other days				

Load and Capacity Real Time Data skyCentrics



Water Heater Energy Consumption





Water Heater Control September 2016





Water Heater Control

December 2016



No Grid Controlled Water Heaters SkyCentrics



All Grid Controlled Water Heaters SkyCentrics



Water Heater Data (Southern US) **SkyCentrics**





Water Heater Data (Southern US) SkyCentrics





More About Open Standards



- CTA-2045 Water Heater Demand Response (SkyCentrics) <u>https://www.youtube.com/watch?v=baPmqPgQhDE</u>
- AO Smith SkyCentrics CTA-2045 hardware install <u>https://www.youtube.com/watch?v=-oLVHxGaZAM</u>
- AO Smith SkyCentrics CTA-2045 connect Wi-Fi <u>https://www.youtube.com/watch?v=B_Yy_zLR17w</u>
- EPRI CEA-2045 Field Demonstration Project (EPRI) <u>https://www.youtube.com/watch?v=BHMssq6_R94</u>
- Alexa voice control of PTAC (SkyCentrics) <u>https://youtu.be/YSQaxz2tzUM</u>
- Water heaters, as sexy as a Tesla? (Rocky Mountain Institute) <u>https://www.rmi.org/news/water-heaters-sexy-tesla/</u>
- Economic Sizing of Batteries for the Smart Home (NREL) <u>https://www.nrel.gov/docs/fy18osti/70684.pdf</u>
- Email me for the white paper on OpenADR and CTA-2045



SkyCentrics

tristan@skycentrics.com

415.962.1505



Francois Lebrasseur A.O. Smith



A. O. Smith

Heat Pump Water Heaters [HPWH] What You Need to Know Right Now

February 27, 2020

Residential HPWH Product Line

Full portfolio of ENERGY STAR[®] qualified residential heat pump water heaters. Electronic thermostat; Grid enabled via CTA 2045 port adapter

-Annual EE savings: > 2,500 kWh saved compared to a standard electric water heater of similar performance

-Annual GHG reduction: ~2 metric tons compared to a standard electric water heater of similar performance.

- □ 50, 66, and 80 gallon 240V models
- 10 and 6 year warranty options
- □ High efficiency operation 3.45 UEF
- NEEA Tier 3 Qualified models
- All models are allow for flexible ducting options for handling the cooler air being produced by the heat pump



New....Commercial HPWH CHP-120



-Annual EE savings: ~20,000 kWh saved compared to a standard electric water heater of similar performance (base 350 G daily water usage).
-Annual GHG reduction: ~15 metric tons compared to a standard electric water heater of similar performance.

- □ Large 119 gallon storage
- □ HP + 12kWh resistive for a total input of approximately 20kWh
- Compact integrated design for ease of installation 31" W X 30" D X 70" H
- □ First hour delivery of 150 gallons
- □ Applications 100 600 gallons per day
- □ 3 modes of operation efficiency (150°F), Hybrid (150°F), Electric (180°F)
- ENERGY STAR® certified with high 4.3 COP performance
- Approximately 1.9 tons of cooling/dehumidification when HP is running



Strategic Tool for EE and GHG Reduction in Buildings

California's greenhouse gas emissions by sector

+ Natural gas use in

buildings represents 10%

Buildings in California represent 20-25% of the state's total GHG emissions



https://www.ethree.com/wp-content/uploads/2019/07/CA_Res_Building_Electrification_Einal_Presentation.pdf

CTA-2045 Grid Connected





Capabilities

Shed Load Shift Load Add Load Regulation Load Balancing Renewable Integration Price Controlled More.....

OADR Compatible



Market Transformation....What it Takes

Accurate savings.....Update the TRMs with current UEF/COP performance levels

□ Incentives for HPWH platforms, including > 55 gallon

Prescriptive Upstream/Midstream instant rebates for both Residential and Commercial water heaters....Up to 10X more effective than Downstream mail-in rebates

□ Incentives for both Retail and Wholesale channels, including new construction

Simple program design, digitize any end user data collection, combine EE/DR incentives

□ Market demand....Pool Ad funds with Manufacturers like A. O. Smith

□ Joint Distributor and Contractor trainings; Leadership from Program Administrators

Help Builders Upgrade to High Efficiency Equipment

3.42 UEF electric heat pump and 0.93 UEF tankless gas condensing water heaters earn between 3 and 6 HERS [Home Energy Rating System] points across climate zones and home configurations

.....More HERS points than an HVAC system upgrade from 14 to 15 SEER and 8.2 to 9 HSPF



Water heaters....Low upgrade cost/HERS ratio

Existing Homes 2020 Instant Rebate Programs



Create Market Demand For Both Retail and Wholesale Channels



Source: KeyStat water heater purchases YE4Q18 sample size n=5,310

66

Markdown

ith our Signature Series™ exclusively at Lowe's®.

ción continúa hasta hoy con nuestros calentadores de agua Signature Serias™.



Validated Instant

XCEL ENERGY CUSTOMERS: WATER HEATER INSTANT REBATES NOW AVAILABLE

\$70-\$450 instant rebate on select models, plus up to \$330 in annual savings' Claim your instant rebate by following these simple steps below:

STEP 1: Check your eligibility at well-store/WaterHeatersCO. STEP 2: Choose your preferred qualifying water heater type and download your coupon. STEP 3: Find a Castomer Service Representative to help complete your purchase.

> Xcel Energy* ACTFONDINCE BY NATURES.

"Service and the service of the serv





Save more with an A.O. Smith[®] **Electric Heat Pump Water Heater** and your local utility company.

FirstEnergy

Notation protocol processory and an in-teraction granteer customers using the customers of energy effective cooperations are been executed customers that in accordance with them planna Act (2004) 2008. The accordance is the commencies, lines using, understand and the learners many efficiency programs, planna while many size AV, more them and programs, planna while many size AV, more them and approximation for informations of an advice MeNa - Perato - Perato - Perato - Perato Ang





January to September 2019 HPWH Unit Sales at Lowe's

Bring Consumers to Retailers, Promote Instant Rebate + \$300 Federal Tax Credit

nationalgrid

Heat Pump Water Heaters use less than half the energy of standard electric water heaters.

Save More Money

- Save a total of \$900 with a \$600 instant rebate from National Grid and a \$300 Federal Tax Credit*
- Save around \$570 every year on your electric bil**

Get the same reliable hot water you're accustomed to. That means no surprises, only savings.

(a) Proceedings on the Index County on the Index Annual Annual



□ Screaming deal

Utility attribution

□ Proactive replacements

General market awareness

□ Price transparency

Wholesale channel....A. O. Smith and State ENERGY STAR Hubs



https://aosmith.mymarketingbench.com/

Promotional tools for Distributors and Contractors



https://state.mymarketingbench.com/

Product and Sales Training Material

Sales/Training/Advertising Tools

Counter Display





Dimension s 8.5"x14"

Heat Pump Shells



Product Training



Consumer Brochure/Tearpads



Contractor Rewards



Consumer Advertising



Bring Leads to Contractors AOS Spring Campaign

- 6x11" Postcard
- 6x11" Magnet Postcard
- Table Tent
- Poster
- Digital Banner Ads


SLOPE Platform

A DOE-led collaboration between NREL and 8 EERE technology offices to create a dynamic, comprehensive energy planning platform

of integrated, localized data for state and local decision makers

- Phase I: Beta version launched (Jan. 2020)
- **Phase II:** Adding transportation and generation mix data; enabling user-saved settings (under development in 2020)

Access the Platform: https://gds.nrel.gov/slope

> Comments or Questions? slope@nrel.gov



Additional Resources

- HVAC SAVE Case Study
- Air Source Heat Pump Installer and Consumer Resources
- ENERGY STAR Verified HVAC Installation Program
- Earning HERS Points for Quality HVAC Design & Installation





Resources to help improve your program and reach energy efficiency targets:

- <u>Handbooks</u> explain why and how to implement specific stages of a program.
- <u>Quick Answers</u> provide answers and resources for common questions.
- Proven Practices posts include lessons learned, examples, and helpful tips from successful programs.
- <u>Technology Solutions</u> NEW! present resources on advanced technologies, **HVAC & Heat Pump Water Heaters**, including installation guidance, marketing strategies, & potential savings.







Thank You!

Follow us to plug into the latest Better Buildings news and updates!

Better Buildings Twitter with #BBResNet

Better Buildings LinkedIn

Fice of Energy Efficiency and Renewable EnergyFacebook

Please send any follow-up questions or future call topic ideas to: <u>bbresidentialnetwork@ee.doe.gov</u>



