

Enforcement Policy Statement – Commercial Water Heaters

Issued: May 5, 2026

In an exercise of its enforcement discretion, the U.S. Department of Energy (DOE) will not seek civil penalties concerning violations of the energy conservation standards in 10 C.F.R. § 431.110 and/or the certification requirements in 10 C.F.R. § 429.12 with respect to the amended standards for gas-fired storage water heaters and storage-type instantaneous water heaters, gas-fired instantaneous water heaters and hot water supply boilers, and residential-duty commercial gas-fired storage water heaters manufactured on or after October 6, 2026, but before October 6, 2027.

Background:

In a final rule published on October 6, 2023, DOE adopted amended energy conservation standards for commercial water heating equipment. 88 FR 69686. Compliance with the amended standards is required for models manufactured on and after October 6, 2026. Recently, interested parties petitioned the U.S. Supreme Court to review a D.C. Circuit decision upholding DOE’s October 6, 2023 commercial water heater rule. Am. Gas Ass’n v. U.S. Dept. of Energy, No. 25-879, Petition for Writ of Certiorari, U.S. (2026).

Application:

Considering the pending petition for writ of certiorari before the U.S. Supreme Court regarding the lawfulness of the October 6, 2023 commercial water heater rule and the related near-term uncertainty for manufacturers and the market, DOE will delay enforcement activities and will not seek civil penalties concerning violations of the amended energy conservation standards for gas-fired storage water heaters and storage-type instantaneous water heaters, gas-fired instantaneous water heaters and hot water supply boilers, and residential-duty commercial gas-fired storage water heaters in 10 C.F.R. § 431.110 and/or the certification requirements in 10 C.F.R. § 429.12 until October 6, 2027.

Disclaimer:

This policy does not create or remove any rights or duties and does not affect any other aspect of EPCA or DOE regulations, including the EPCA preemption provisions at 42 U.S.C. § 6297. This policy statement is not a final agency action, has no legally binding effect on persons or entities outside the federal government, and may be rescinded or modified in the Department's complete discretion. Accordingly, it is not intended to, does not, and may not be relied upon to, create any rights, substantive or procedural, enforceable at law by any party in any matter.