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February 25, 2025

Dear Representative,

On behalf of NFIB, the nation's leading small business advocacy organization, I write in strong support of H.J. Res. 20, to repeal the Department of Energy's (DOE) rule increasing energy efficiency standards for consumer gas-fired instantaneous water heaters. This resolution would repeal DOE's rule that would effectively ban certain natural gas-fired water heaters, increasing costs and limiting choices for consumers and small businesses. ***A vote in support of H.J. Res 20 will be considered an NFIB Key Vote for the 119th Congress.***

In a recent NFIB member ballot, 96% of NFIB members believe that the federal government should not ban or restrict the purchase of consumer products like natural gas-fired water heaters.¹ Small businesses believe that consumers and business owners should have the freedom to decide which product works best for their specific needs, no matter what fuel source the product uses. Unfortunately, DOE finalized a rule that would set new arbitrary energy efficiency standards for natural gas-fired water heaters that would effectively ban more affordable appliance options for consumers and small businesses, such as tankless water heaters.²

According to one estimate, this regulation could eliminate 40% of the natural gas-fired water heaters on the market.³ Consumers and small businesses who currently have a tankless water heater could be forced to purchase a more expensive and less efficient condensing water heater to comply with the regulation.

¹ *Mandate*, vol. 853, NFIB Member Ballot, September 2023, *Should the federal government ban or restrict the purchase of consumer products like new gas-powered vehicles and equipment or natural gas cooktops?* (Yes: 2%, No: 96%, Undecided: 2%).

² U.S. Department of Energy, *Energy Conservation Program: Energy Conservation Standards for Consumer Gas-fired Instantaneous Water Heaters*, Federal Register, December 26, 2024, <https://www.federalregister.gov/documents/2024/12/26/2024-30369/energy-conservation-program-energy-conservation-standards-for-consumer-gas-fired-instantaneous-water>.

³ Appliance Standards Awareness Project, *New Standards for Tankless Water Heaters Set to Cut Utility Bills and Climate Pollution*, December 2024, <https://appliance-standards.org/document/new-standards-tankless-water-heaters-set-cut-utility-bills-and-climate-pollution>.

One study found tankless water heaters to be 24-34% more energy efficient compared to traditional condensing water heaters.⁴ The DOE's water heater regulation is not only misguided but it is anti-consumer choice and would increase upfront and monthly costs for small businesses.

As small businesses continue to list inflation as a significant problem, regulations restricting or banning common household appliances will only increase costs for small businesses.⁵

NFIB strongly supports H.J. Res. 20, and it will be considered an NFIB Key Vote for the 119th Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Temple". The signature is written in a cursive style with a large initial "A" and "T".

Adam Temple
Senior Vice President for Advocacy
NFIB

⁴ Grand View Research, *Tankless Water Heater Market Size, Share & Trends Analysis Report By Product (Electric Tankless Water Heater, Gas Tankless Water Heater), By Application (Residential, Commercial), By Region, And Segment Forecasts, 2023 – 2030*, <https://www.grandviewresearch.com/industry-analysis/tankless-water-heater-market>.

⁵ *Small Business Optimism Index*, Page 19, NFIB Research Center, January 2025, <https://www.nfib.com/wp-content/uploads/2024/08/SBET-January-2025.pdf>.