



December 5, 2014

Dear Valued State Water Heaters Distributor:

- NAECA Mandated Product Changes
- 2015 Price Increase
- Ordering and Allocation Guidelines

The new federal energy efficiency requirements of the National Appliance Energy Conservation Act (**NAECA**) become effective on April 16, 2015 for both residential gas and residential electric water heaters. Federal law mandates increases in minimum Energy Efficiency for nearly all residential water heater models. There are some models excluded from the higher energy efficiency requirements, including tabletop and point-of-use models under 20 gallons in capacity, and gas models over 75,000 BTU/hr.

In order to meet these federal minimums, changes affecting all models will be required, including external dimensional changes on some models. Further information on NAECA is available at <http://www.statewaterheaters.com/naeca>.

NOTE: All products manufactured before April 16, 2015 can be sold and installed until inventories are depleted.

PRICE INCREASE EFFECTIVE APRIL 1, 2015

- **All residential models impacted by NAECA will increase an average of 25% per unit over the models governed by the previous efficiency requirements**
- **All other residential models not impacted by NAECA, as well as heat pumps and accessories will increase approximately 8-10%**
- **All commercial tank type gas and electric commercial models will increase up to 15%**
- **All job quotes will expire March 31, 2015**

Please note that some model numbers will change. This information along with new model literature, cross reference guides and 2015 Zone Sheets will be available early January, 2015. Full line Distributor Price books will be distributed late February, 2015.