

May 1, 2014

David Nightengale
WUTC
1300 S. Lakeridge Drive
P.O. Box 47250
Olympia, WA 98504-7250

2014 MAY -7 AM 8:30
STATE OF WASHINGTON
UTILITY AND ENERGY
COMMISSION

Subject: Comments concerning Docket UE-131723

Commentors name: Parker V. Holden

Sub category: Conservation using split system heat pump water heaters (SSHPWH)

Memo from Steven W. Smith of the AG's office to WUTC's Deborah Reynolds supports and clarifies the language of RCW 19.285.040 and supports WAC 480-109. Considering this finding, why are the utilities allowed to cooperate (conspire) with the heat pump industry to keep SSHPWH off the market?

Why does NEEA reuse to test foreign made SSHPWH? This is a fact.

Why does NEEA refuse to release test data on the dozen or so Unitary HPWH that are available on the market and eligible for rebate? This is a fact.

It is in the business interest of the both the HPWH manufacturers and the electric utilities to minimize the use of HPWH but for different reasons:

For the utility: The need to maximize sales volume and avoid capital expenditures. Improving water heater efficiency also reduces the potential for easy load shedding if residential load shedding becomes necessary. (ie increases the capital cost per watt shed)

For the heat pump industry: Avoids development cost of a product for a small market that has a narrow margin. (because total installed cost has a significant installer component.)

This blocking action has effectively stopped development of this conservation technology.

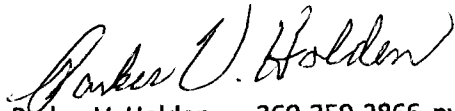
Unfortunately, this is being done at the expense of the electric consumer.

Please see attached letter that has been sent to 18 law firms. Several have expressed an

interest but no contracts have been executed to date.

WUTC is suppose to represent the public interest and the law. I am having trouble finding evidence of that and that is why I am proceeding using the class action alternative.

Yours truly,

A handwritten signature in cursive script that reads "Parker V. Holden".

Parker V. Holden 360-259-2866 pvholden@fastmail.us

April 2, 2014

~~Copy~~

~~Class~~

Subject: Potential for Class action Litigation

I am interested in your possible interest in a contingency fee class action involving three regulated Public Utilities in Washington State as the defendant. The plaintiff would be the customer of these utilities that have resistance type electric hot water heaters of the storage tank type. The utilities are PSE, Avista, and Pacific Corp.

The basis of the claim against these utilities is that they have, and are, manipulating the marketing of heat pump water heaters by refusing to approve and pay rebates on split system heat pump water heaters.

These utilities have approved and pay rebates on unitary style heat pump water heaters. Rebates on energy efficient conservation devices is provided for in WAC RCW19.280.030 and RCW 19.285.040

The unitary style has very limited applicability to the Washington climate. The split system style is applicable in all parts of the state.

The present situation appears to be the result of collusion (or at least cooperation) between heat pump water heater manufacturers and electric utilities. The present situation meets the needs of both by keeping electric sales volume for the utility up and blocking the need for the manufacturers to develop and market the split system for a relatively small market like the Northwest. Unitary systems have higher profit margins than split systems and are a good application in the South where the HVAC load is predominately cooling. Thousands of space heating air to air heat pumps are in service in Western Washington and Oregon, and are mainly the split system type. Depriving the public of split system hot water heaters is costing the average household about \$1.00 per day.

At the present time all split system manufacturing and marketing for water heaters heat pumps is foreign.

Attempts to have foreign made split systems approved have been rejected by NEEA. NEEA is a front organization owned and operated by the electric utilities to control rebates paid on energy conservation devices. They do this by approving devices for rebate. NEEA is NW ENERGY EFFICIENCY ALLIANCE, based in Portland.

Privately owned public utilities are regulated by the WUTC. The WUTC is not interested in the problem or is incapable of understanding it or is party to the collusion. Failure to approve and pay a rebate on split systems effectively keeps them off the market as the rebate is significant in the buyer achieving an acceptable ROI. Public owned electric utilities are exempt from WUTC but often follow the lead and pattern set by WUTC. The bottom line here is that conservation cuts into electric utility revenue and conservation rebates are capital expenditures for the utility. For profit utilities need sales volume and minimized capital expenditures. They do not need or want capital intensive conservation. They are happy to have the homeowner to pay the penalty and make ROI decisions for the homeowner, something they have no right to do. The utility position is we don't want too many heat pump water heaters on the system therefore we will block their installation in any way we can.

The situation would not be so onerous if split system water heaters were available even without a rebate. The problem is that without the rebate the manufacturers see the market even smaller and even less

attractive. This even effects foreign manufacturers who are reluctant to incur the expense of entering a small foreign market. The only option now for a split system is an on line purchase and a LCL import.

The efficiency of the unitary style and split style is about the same. The basic technical reason for the split system type is that the cold evaporator air is discharged outside. In the unitary style the cold evaporator air is discharged inside. There are other versions, like water to water, but this case is confined to air to water split styles which are most practical and less capital intensive.

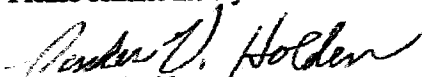
An acceptable remedy would be a cash payment to all the deprived owners of electric water heaters plus approval of submitted units with reasonable efficiency, equitable rebates for these units, and 1000 split systems made available to installers on consignment by the utility.

I have no personal interest in this case except I find the behavior of both the manufacturers and the utilities disgusting and WUTC behavior disappointing. This is a brief summary. I have lots of information as I have been working on this for more than a year. The utilities, NEEA, and the WUTC have been contacted and have been unresponsive.

I would expect some compensation for the time I have put in on the case if there was a favorable settlement. I am a retired electrical engineer and expert on heat pumps.

Please keep in mind that this is a huge class and a deep pocket defendant and the daily damage to each plaintiff is easily calculated.

Please contact me if you are interested. I am looking forward to working with you.


Parker V. Holden
8121 Zangle Road NE
Olympia, WA. 98506

360-259-2866 pvholden@fastmail.us