

VAUGHN THERMAL CORPORATION SETTLES DISPUTE OVER U.S. DEPARTMENT OF ENERGY RULING

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For immediate release:

Vaughn Thermal Corporation (Vaughn) recently settled a dispute with the U.S. Department of Energy (DOE) over the production of large-capacity ETS (electric thermal storage) water heaters, a category of electric water heater commonly used in electric utility load management and demand response programs. In 2010, DOE effectively banned the manufacture of such water heaters, officially implementing the ban in April 2015. In November 2014, Vaughn filed an Application with DOE's Office of Hearings and Appeals in which it sought an Exception that would allow Vaughn to continue the manufacturing of this water heater type.

In April of this year, DOE denied Vaughn's request and, pursuant to federal law, Vaughn appealed this decision to the Federal Energy Regulatory Commission (FERC). The appeal to FERC was supported by NRECA, PJM and the entire electric utility industry.

"We are pleased to have resolved our differences with the Department of Energy on this important matter," said Kenny Ladd, Vice President of Sales at Vaughn. "As a result of our efforts, Vaughn can confidently continue to supply grid-enabled ETS water heating products to our utility partners."

Grid-enabled ETS water heaters are a legislatively mandated category of electric water heater, which has been newly established by Congress to enable electric utilities to maintain and grow their load management and demand response capabilities. In new and existing electric thermal storage (ETS) programs, such water heaters are controlled by the local electric utility to help them manage their peak system loads and reduce operating costs. Electricity supplied during off-peak periods is generally less expensive than during peak periods.

About Vaughn Thermal Corporation - Vaughn Thermal Corporation, Salisbury, MA, is a leading manufacturer of long-life, high-efficiency electric water heaters, HPWHs and thermal storage tanks. The company produces large-capacity, grid-enabled electric thermal storage (ETS) water heaters for utility load-management, renewable storage and demand response (DR) programs across the country.

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