Commercial and Residential Water Heater Standards Effective October 2026

Beginning October 6, 2026, DOE minimum efficiency standards for commercial water heaters and residential-duty* commercial water heaters will take effect. After this date, only high-efficiency (condensing) gas commercial water heaters may be manufactured or imported into the United States.

Existing inventory may continue to be sold until depleted, though to meet the 2026 requirements, gas-powered water heaters will generally need to incorporate condensing technology modifications to conform compliance guidelines.

Modifications may include:

- Thermal Expansion Tank: Required to handle increased pressure in closed plumbing systems.
- Venting Upgrades: Many new standards require transitioning from 3-inch to 4-inch vent piping to ensure proper combustion air access.
- Sediment Trap: A brass T-fitting (drip leg) is required on the gas line to prevent debris from damaging the gas valve.
- Water Heater Pan: A safety pan with a drain line is required, when if the unit is in an attic or living space.
- Improved Insulation: New regulations require 2–4 inches of top insulation and 2 inches on the sides for better efficiency.

New DOE Commercial Standards	
Commercial Gas-Fired Storage	Must meet or exceed 95% thermal efficiency. Must meet more-stringent standby loss requirement.
Commercial Gas Tankless / Hot Water Supply Boilers	Must meet or exceed 96% thermal efficiency.
Residential-Duty* Commercial Gas-Fired Storage	Increased UEF requirements will necessitate the use of condensing technology.
Note: Under the new DOE Commercial Standards (effective 10/6/26), residential-duty commercial gas-fired storage models (>75,000 Btuh to ≤105,000 Btuh) will be required to meet increased UEF requirements that will necessitate the use of condensing technology.	

Source: Regulations.gov

*A residential-duty commercial gas-fired storage water heater is a, specifically defined Department of Energy (DOE) commercial-grade unit with an input between 75,000 and 105,000 Btu/h, a storage capacity 120 gallons or less, and a max outlet temperature of 180F