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**Table 8. Installed Cost and Efficiency Ratings of Selected Equipment**

Equipment Type	Relative Performance <sup>1</sup>	2007 Installed Cost (\$2007) <sup>2</sup>	Efficiency <sup>3</sup>	2020 Installed Cost (\$2004) <sup>2</sup>	Efficiency <sup>3</sup>	Approximate Hurdle Rate
Electric Heat Pump	Minimum	\$3,800	13.0	\$3,800	13.0	15%
	Best	\$7,500	17.0	\$6,700	20.0	
Natural Gas Furnace	Minimum	\$1,500	0.80	\$1,500	0.80	15%
	Best	\$3,050	0.96	\$2,700	0.96	
Room Air Conditioner	Minimum	\$310	9.8	\$310	9.8	140%
	Best	\$925	11.7	\$875	12.0	
Central Air Conditioner	Minimum	\$3,000	13.0	\$3,000	13.0	15%
	Best	\$5,700	21.0	\$5,750	23.0	
Refrigerator (23.9 cubic ft in adjusted volume)	Minimum	\$550	510	\$550	510	19%
	Best	\$950	417	\$1000	417	
Electric Water Heater	Minimum	\$400	0.90	\$400	0.90	30%
	Best	\$1,530	2.4	\$1,700	2.4	
Solar Water Heater	N/A	\$3,500	2.0	\$4,500	2.0	30%

<sup>1</sup>Minimum performance refers to the lowest efficiency equipment available. Best refers to the highest efficiency equipment available.

<sup>2</sup>Installed costs are given in 2007 dollars in the original source document.

<sup>3</sup>Efficiency measurements vary by equipment type. Electric heat pumps and central air conditioners are rated for cooling performance using the Seasonal Energy Efficiency Ratio (SEER); natural gas furnaces are based on Annual Fuel Utilization Efficiency; room air conditioners are based on Energy Efficiency Ratio (EER); refrigerators are based on kilowatt-hours per year; and water heaters are based on Energy Factor (delivered Btu divided by input Btu).

Source: Navigant Consulting, *EIA Technology Forecast Updates*, Reference Number 20070831.1September 2007.