

PO Box 1358 Walled Lake MI 48390

Tel: 844 726 3263 Tel: 213 400 7758

January 29, 2021

To Our Valued Customers,

Re: When will the GS4-45HPC Heat Pumps be in inventory?

ECO2 Systems has been working closely with our manufacturing partner in Japan and also with a Nationally Recognized testing laboratory in the US to certify the GS4-45HPC units along with the SAN model tanks to the UL1995 standard required. The UL standard is only required for product sold in North America, no other countries.

The status of the GS4-45HPC certification is as follows.

Testing and part information submission was completed, the certification report was issued 1/13/2021. However during the review process a mistake from the Testing Laboratory was found, where a fuse size approved in October 2020 was deemed to be incorrect and a change in fuse size was requested.

Since this issue came to light ECO2 has been working on the resizing of the fuse, sourcing UL approved fuses and resubmitting data.

As of 2-1-2021, the certification report is completed and reviewed. A couple of minor issues were found but at this time will not affect certification of the unit. ECO2 is currently making the required changes to the unit labelling.

The factory inspection is scheduled and once completed we will be in a position to begin production in February.

This has caused approximately a 1 month delay in production and shipping of equipment.

Therefore, even with the commitment by ECO2 to airfreight, at our expense the Heat Pumps from Japan we do not expect to have inventory until March 2021.





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The scope of the testing required is exhaustive; it looks at <u>every</u> component in the unit to determine if it has been previously tested and certified to the UL standard required for that component or if it is in fact an unrecognized component i.e. one without UL certification.

The SANCO₂ Heat Pump has multiple layers of cutting-edge technology; from our unique use of CO₂ refrigerant, the variable speed DC Compressor, Pump and Fan Motor plus the integral safety controls within these components and the main PCB of the unit.

Each of these components are specifically developed for and sold in the robust Eco Cute market in Japan (2020 Sales of all CO2 HPWH's in Japan was over 500,000 units across all brands) therefore have no existing UL certification.

This requires ECO2 to test each component to the standard concerning that component before it can be considered for testing inside the actual Heat Pump.

Depending on the component some of this testing can require 100,000 cycles on a motor or PCB and in the case of the compressor an extended endurance test to determine if the refrigerant is compatible with the compressor oil.

No certification except a UL listing will be accepted, it is irrelevant if the component or product is certified and has been used safely for many years in Japan, Australia, Europe or elsewhere.

Once certification evaluation and testing is completed, the last hurdles are two level of review on the data required and an inspection of manufacturing plant and it's quality processes.

The factory where the Heat Pumps are manufactured is certified to ISO 9001 (Quality) and ISO 14001 (Environmental) this task is not a problem, but in our current COVID world this is difficult to schedule adding a further delay to the production start date.





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We are deeply sorry and apologize for this inconvenience and interruption to your supply chain.

We thank you for your understanding in this matter and will continue to provide timely updates on the new product availability. Please reach out to us directly if you have further questions or concerns.

Yours Sincerely

John Miles

Managing Director

Maho Ito

Managing Director

Julia Duo

