PLUMBER PROS — GUIDE

Tankless or tank: choose for your hot water use

Compare demand, installation work and energy use before changing your water heater.

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Start with when your home uses hot water. Write down which showers, taps and appliances run together. A change in heater type should fit that pattern and the installation site.

What changes

DOE's Energy Saver Guide, July 2022, says gas tankless heaters heat water directly without a storage tank. Storage heaters keep a supply ready in a tank. The guide notes that simultaneous hot water demand can be a limit for tankless systems. This is why the installer needs more than a count of people in the home.

What DOE's efficiency figures mean

For homes using 41 US gallons or less of hot water each day, DOE gives a tankless efficiency advantage of 24% to 34% over conventional storage heaters. For use around 86 US gallons a day, it gives 8% to 14%. These figures are from the guide's water heating section, fetched 2026-11-10. They compare energy use in stated conditions. They are not a promise that your bill will fall by the same share.

Fuel prices, incoming water temperature, equipment choice and use affect the result. Ask for a comparison using the proposed models and your local energy rates. Do not treat daily volume as a tankless flow rating.

Questions for a tank replacement

Ask how the proposed tank meets your busiest period of use. Ask about recovery, access for service and the work needed at the existing site. Give the installer your peak-use notes rather than selecting a tank from household size alone.

Questions for a tankless conversion

Ask the contractor to explain the flow it can deliver at the temperature rise your site needs. Ask about the gas or electrical supply, vent route, drainage and maintenance access. Ask for these items in the written scope. Do not assume the existing connections can serve the new unit.

Include a heat pump option

The same DOE guide discusses heat pump water heaters. Ask whether one fits the installation space and your use. Compare the installed scope and EnergyGuide labels. You do not need to

choose a fuel or heater type before asking for a site assessment.

Make the decision

Choose after the contractor explains the model rating, simultaneous demand and site work. Keep the estimate separate from any rebate or tax claim. Check such claims with the programme source before counting on them.

Sources

Checked 2026-11-10. These pages can change.

- US Department of Energy: Energy Saver Guide, July 2022, pages 19 to 20, accessed 2026-11-10.

Frequently asked questions

Does tankless mean unlimited flow?

No. DOE notes that use in multiple locations at once can exceed what a tankless system can supply. Ask the installer to size for simultaneous demand.