



Setting the Standards for
Home Energy Efficiency

Residential Energy Services Network's Strategic Plan

Adopted by the RESNET Board of Directors - October 22, 2012

Introduction

RESNET has witnessed a dynamic growth in terms of accomplishments, financial stability, staffing, and credibility.

Strategic planning does not guarantee correct decision making. It only ensures that decisions will be made with foresight. The framework is designed to be a process rather than a static document. The framework should serve as the foundation for the organization's:

- Priorities
- Budget
- Evaluation

This framework should be seen as a road map. This road map is necessary because as the adage goes, *"If you don't know where you are going, any road will get you there."* It must be stressed that this strategic planning framework is designed to be a guide for the board and staff to make decisions and is not a static document. The important element of strategic planning is not the development of a plan but planning. It is strategic thinking and acting that are important and not the plan itself.

It must be remembered that the building performance industry is a dynamic field with many unforeseen opportunities and threats. RESNET will always need the flexibility to meet changing circumstances. This planning creates an anticipatory organization whose members work toward common goals while being able to seize unexpected opportunities and cope with unexpected challenges. RESNET approached this strategic planning effort as a process of examining the organization's mission, services, goals and opportunities. The goal of the framework is not only to create a consensus around a vision for the future to allow the organization to build a sense of where it is heading; but also, to allow everyone, not just the leaders, to understand the direction being taken by the organization.

RESNET Strategic Positioning Task Force

The first critical step in the planning process was to develop a "large picture from 30,000 feet" of the status of the rating industry. To achieve this, the RESNET Board of Directors created a RESNET Strategic Positioning Task Force. The task force's responsibilities included:

- Define the long term strengths, weaknesses, opportunities, and threats to the organization and industry
- Recommend a new vision and mission statement for the organization
- Recommend the restructuring of organization's membership and board

The task force was composed of representative experts from the rating industry and its stakeholders

The task force is chaired by Daran Wastchak of D.R. Wastchak. Its members are:

- Dave Bell, Masco Home Services
- Steve Byers, Energy Logic
- Dennis Creech, Southface Energy Institute
- Wes Davis, Air Conditioning Contractors of America
- Brett Dillon, IBS Advisors
- Charles Eley, Charles Eley Associates
- Philip Fairey, Florida Solar Energy Center
- David Goldstein, Natural Resources Defense Council
- Jeff Harris, Northwest Energy Efficiency Alliance
- C.R. Herro, Meritage Homes
- Mark Jansen, Energy Efficient Homes Midwest
- Dallas Jones, Home Energy Team Institute
- David Kaiserman, Lennar
- Michael Kwart, Insulation Contractors Association of America
- Jim Larson, Cardinal Glass
- Lee O'Neal, MABTEC
- Bill Prindle, ICF International
- Barb Yankie, Homes +

The first task of the task force was to define the long term strengths, weaknesses, opportunities and threats to RESNET. The following is the analysis:

Strengths	Weakness
<ol style="list-style-type: none"> 1 million ratings strong Over 4,000 raters driving tens of thousands of jobs in all fifty states Active participant in national energy policy debate Comprehensive market offerings (existing homes, commercial/high-rise buildings, new homes) Only national Home Energy Rating System available in the marketplace Recognized by federal agencies (DOE, IRS, EPA, HUD, Fannie Mae, Freddie Mac) RESNET Standards are a required energy component of most notable third party 	<ol style="list-style-type: none"> Limited brand awareness (consumers, government, business, raters, etc) Insufficient industry strategic partnerships (i.e. Energy Improvement Contractors, Retailers, Mortgage partners, Realtors, etc.) Insufficient staffing to meet market demand Not maximizing revenue potential Internally focused Technical focus to the exclusion of public perception/relations Lack of manufacturers/industry participation

<p>certification programs (ENERGY STAR, LEED, Builders Challenge)</p> <ol style="list-style-type: none"> 8. Consensus driven standards and procedures 9. Creative business partnerships (Home Depot); Excellent relationships with allied industry partners (ACCA, ICAA) 10. National and international recognition 	<ol style="list-style-type: none"> 8. Multiple opportunities distracting focus 9. Not yet an ANSI standards organization
Opportunities	Threats
<ol style="list-style-type: none"> 1. Expand RESNET rating to multiple real estate asset classes (i.e. COMNET) 2. Consumer brand awareness 3. Existing buildings market 4. Sale premium for energy efficient homes 5. Enhance accuracy of energy assessments 6. Greater promotion of energy assessments by product manufacturers 7. Engage mortgage and real estate industry to embrace improved building energy performance 8. Building energy performance database 9. Collective voice for those supporting more energy efficient buildings (i.e. Creating advisory councils: consumer, marketing, government, manufacturers, mortgage, contractors, energy assessors) 10. Development of RESNET comprehensive retrofit software standard 	<ol style="list-style-type: none"> 1. Competing standards and infrastructure 2. Misinformation about RESNET 3. Lack of proper financing mechanism to drive the energy efficiency marketplace 4. Lack of public understanding about energy efficiency 5. Reliance on public energy efficiency programs and incentives

As a result of this analysis RESNET has revised its by-laws to better position the organization to take advantage of the new opportunities.



Setting the Standards for
Home Energy Efficiency

Residential Energy Services Network's Strategic Plan

What is RESNET?

The Residential Energy Services Network (RESNET) is the independent, national nonprofit organization that consumers trust to improve home energy efficiency and realize the substantial savings on their utility bills.

RESNET is recognized as the industry standard for the rating and improving of a home's energy performance. RESNET's standards are recognized by the building industry, the U.S. Department of Energy and the Environmental Protection Agency among others.

Vision Statement

RESNET's vision is that all buildings are designed, constructed/upgraded and commissioned to maximize their long-term energy performance in accordance with RESNET's consensus-based standards.

Mission Statement

RESNET's mission is to build and maintain, in collaboration with industry partners, a credible and reliable marketplace infrastructure that significantly improves the energy performance of all buildings.

Services Provided

RESNET pursues its mission by developing and maintaining consensus-based standards for building energy performance, by educating and supporting the building energy performance community, by educating policymakers and the public on building energy performance, and by accrediting and certifying building energy performance organizations and professionals.

Strategic Opportunities

- I. **Home Builders Having Their Homes Energy Rated and Marketing the Homes' HERS Index Score**

- II. **Recognition of RESNET's Standards in the International Energy Conservation Code**
- III. **Affordable and Sustainable Financing for Improved Home Energy Performance**
- IV. **Home Energy Raters and Contractors Entering Into EnergySmart Home Performance Teams to Undertake Comprehensive Whole House Energy Performance Improvements of Existing Homes**
- V. **Increasing Consumer Awareness of RESNET Brand**
- VI. **RESNET's Energy Audit Standards are Used by HUD Public Housing Authorities and Other Organization to Meet Mandated Energy Audit Requirements**

Goals

1. **By 2018 a majority of new homes sold in the U.S. will have been issued a HERS Index Score**

RESNET has created a base of 120,000 homes being energy rated and issued a HERS Index Score for the past two years. Seven of the ten largest builders in the nation have committed to RESNET to market their homes' HERS Index. Compelled by this example of leadership over one hundred local regional builders have entered into agreements with RESNET to have all of their homes energy rated. The RESNET national home energy rating standards have become the national defacto standard for measuring and marketing a home's energy performance. It is expected that this momentum will create a market pressure for other builders to have their homes rated and that consumers will increasingly ask for the HERS Index Score of the homes they are considering to purchase..

2. **By 2018 the RESNET standards for the performance testing of homes and the HERS Index as a compliance option will be incorporated into the International Energy Conservation Code (IECC)**

The 2012 version of the IECC requires that air tightness and duct leakage testing be undertaken on all new homes. The IECC does not specify, however, the protocols to be used in conducting the tests. RESNET's Standard for Enclosure and Air Distribution Testing is the only national standard on conducting air infiltration and duct leakage tests in the U.S. When this standard is incorporated as an ANSI standard, it will make it ready to be incorporated into the IECC..

In 2012, 40% of all new homes sold in America were energy rated and issued an HERS Index Score. Having the IECC recognize the HERS Index Score as a compliance option would be a cost effective manner for builders to demonstrate

compliance to the code and offers builders greater flexibility to meeting the ever increasing stringency of the code.

3. SAVE Act Enacted and Implemented by 2018

Until sustainable and affordable financing is secured, home energy performance will never realize its potential.. The SAVE Act reforms the American mortgage lending and appraisal process to account for the energy use of a home as a housing cost. RESNET will continue to work with its strategic allies to advocate the enactment and implementation of this critical piece of legislation.

4. Continue to Maintain RESNET's Financial Sustainability Through 2018

There is currently a depression in the nation's housing market. The number of new homes being built continues to decrease each year. This trend is expected to continue for the foreseeable future. In addition, the federal government is facing a critical deficit. This means that there is little hope for appropriations to support home energy performance. These conditions present a challenge for RESNET to maintain its current services and position itself to meet the new opportunities.

5. By 2018 Ten Home Energy Performance Program Sponsors Incorporate RESNET EnergySmart Home Performance Teams Into Their Programs

RESNET's business model for home performance is that contractors and raters will join together to form home performance teams. The rater's role in this team is to do the initial inspection and testing and produce a work scope at the beginning of the process and test out and provide a quality control review at the completion of the project. RESNET's model is already recognized in current legislation to support whole house home performance being considered by Congress. The attraction of the home performance team model will grow as program sponsors seek to reduce overhead costs and expand their program's market share.