Minutes
Board of Directors
Residential Energy Services Network, Inc.
Teleconference
April 13, 2006

Members Attending
Ben Adams
Steve Byers
Megan Edmunds
Richard Faesy
Philip Fairey
Ken Fonorow
David Goldstein
Bruce Harley
Michael Holtz
Mark Jansen
C.T. Loyd
Greg Nahn
Lee O'Neal
Kelly Parker
Douglas Walter
Daran Wastchak

Members Absent
Eric Borsting
Thomas Hamilton
Joseph Lstiburek
Gayle Sampson
David Wilson

Staff Present
Steve Baden

Others Present
Dave Roberts, Architectural Energy Corporation
Call to Order

Residential Energy Services Network (RESNET) Board President Kelly Parker called the meeting to order at 2:05 p.m. CDT. There was a quorum of members present. The members were notified of the meeting by e-mail on April 7, 2006.

Approval of the Agenda

Mark Jansen moved that the proposed agenda be approved. Lee O’Neal seconded the motion. The motion passed.

Approval of February 27, 2006 Board Minutes

Michael Holtz moved to approve the February 27, 2006, RESNET Board meeting minutes. Philip Fairey seconded the motion. The motion passed.

Consideration of Approving Exception to REM/Rate for Tax Credit and Rating Software Accreditation

Philip Fairey moved that the RESNET Technical Committee’s Tax Credit Software Exception Subcommittee’s recommendation that REM/Rate receive an exception to the Tax Credit Reference Home Auto-Generation Test be accepted and that REM/Rate v. 12.11 be accredited as a tax credit compliance software tool. Lee O’Neal seconded the motion. The motion passed with Michael Holtz abstaining.

Discussion of EPA’s decision on HERS Index/BOPS in Climate Regions 1 & 2

The Board discussed the April 10, 2006 letter from David Lee, Branch Chief of the Environmental Protection Agency’s ENERGY STAR Residential Branch (Attachment I).

Philip Fairey moved that staff draft a letter for the RESNET Board President send to David Lee on behalf of the Board taking up the Environmental Protection Agency’s offer that “…if during that time, there is clear evidence of a consistent problem with more rigorous requirements for performance vs. prescriptive requirements in specific climate zones, ENERGY STAR qualified home threshold adjustments will be developed with the HERS industry.” Mark Jansen seconded the motion.

Megan Edmunds called for a quorum roll call. The following were the results of the roll call:

Members Present
Ben Adams  
Megan Edmunds  
Richard Faesy  
Philip Fairey  
Ken Fonorow  
David Goldstein  
Bruce Harley  
Mark Jansen  
C.T. Loyd  
Greg Nahn  
Lee O'Neal  
Kelly Parker  
Douglas Walter  
Daran Wastchak  

**Members Absent**  
Eric Borsting  
Steve Byers  
Thomas Hamilton  
Michael Holtz  
Joseph Lstiburek  
Gayle Sampson  
David Wilson  

A quorum of Board members being present the question on the motion was called. The motion passed.  

**Adjournment**  

Philip Fairey moved that the meeting adjourn. Bruce Harley seconded the motion. The motion passed and the meeting was adjourned at 3:15 p.m. CDT.  

Respectfully Submitted  
Bruce Harley, Secretary
Open letter to the HERS industry:

Over the past year EPA has engaged the HERS industry regarding development of a new threshold for ENERGY STAR qualified homes. The process began with a formal presentation of EPA’s initial draft proposal for increasing the rigor of ENERGY STAR Qualified Homes on March 1, 2005 at the RESNET Annual Conference. There were two major reasons for proposing the revised specification. First, the revised specification enhanced the market value of the ENERGY STAR brand as more rigorous codes and conventional building practices approached the ENERGY STAR level. With this change, ENERGY STAR continues to be meaningful to new home purchasers as a way to achieve significant energy savings. Second, the new specification ensured improved homeowner satisfaction with the performance of ENERGY STAR qualified homes by addressing common energy efficiency construction defects (e.g., field observations of insulation installation defects and lack of air barriers needed to avoid thermal bypass).

EPA proceeded with a formal public review process for two draft proposals and hosted a detailed coordination meeting with representatives from the RESNET board on April 28, 2005. In addition, EPA technical staff and contractors coordinated extensively with RESNET and RESNET-accredited software developers to align HERS software with analytical tools used by EPA and its consultants. EPA worked to ensure HERS scores for performance path compliance were consistently the same or easier to achieve than the prescriptive Builder Option Package (BOP) compliance path. This approach took several months to complete in consultation with the industry.

EPA posted the final revised ENERGY STAR Qualified Homes specifications on October 3, 2005. The information posted on the ENERGY STAR website included details and notes for both the performance path (e.g., HERS scores and mandatory requirements) and prescriptive path (e.g., BOP), along with an
implementation schedule agreed to by both EPA and RESNET board members. As the implementation date now approaches, some HERS industry members have expressed a number of concerns and requests for changes. These are addressed below including EPA’s response.

Schedule for Implementation:

Issue:

Several HERS providers have expressed a concern about a rush to implement new specifications and that the implementation schedule imposes a hardship for builders in the middle of existing subdivisions or communities. Commenters argued that once subdivisions or communities have been issued permits, builders have already completed architectural plans, locked in purchase contracts, and set construction details. It has been requested that builders be allowed to use the current ENERGY STAR specification that was in place when they committed their subdivision or community to the program until construction is completed.

EPA Response:

EPA has considered these recently submitted comments and has decided not to postpone the schedule for the new prescriptive and performance specifications. However, EPA will modify the timing of the requirement for the Thermal By-Pass Checklist.

EPA believes that there has been sufficient time for the rating industry to comment on the proposed specification and to work with builders to accommodate the transition to the new specification. EPA provided two comment periods for industry to review and comment on the implementation schedule. During these comment periods, EPA received suggested schedule modifications, and amended the schedule to accommodate these suggestions. EPA believes accepting additional comments from industry at this late date and outside of the two comment periods would be unfair to industry participants who abided by the process established by EPA. There are Rating Providers who have worked diligently with their builders to meet the transition schedule announced in October 2005. In addition, prolonging the transition schedule would jeopardize all stakeholders investment in ENERGY STAR as the difference in performance between standard construction and the old specifications continues to disappear in many markets. Finally mid-course technology adjustments to new market and code developments are not new for builders. For example, builders are in the process of accommodating new NAECA requirement for SEER 13 air conditioning equipment.
For the Thermal Bypass Checklist, EPA will require that the checklist be completed according to the dates announced on October 3, 2005. However, raters may work with builders during the first six months of its implementation without penalizing the builder for non-compliance with the Checklist. EPA recognizes that the Thermal Bypass Checklist is a significant challenge to integrate. Furthermore, the final Thermal Bypass Guidelines with detailed guidance for builders will not be issued by EPA until May. This delay makes builder implementation of the Thermal Bypass Checklist difficult. For this reason, EPA will require that the Thermal Bypass Checklist be completed, but that builder compliance with the Checklist requirements is not effective until six months after the dates announced on October 3, 2005. HERS raters are expected to use this six-month period to educate builders about the thermal bypass requirements and needed modifications, but not to fail builders for non-compliance.

**Rigor of prescriptive path less than performance path in warm/mild climates:**

**Issue:**

Recent modifications to HERS guidelines and software have been reported to result in changes in the relationship between prescriptive path and performance path compliance for ENERGY STAR Qualified Homes. Specifically, commenters have expressed concern that BOPs no longer score consistently more rigorous than the HERS Index threshold in hot and warm climates (e.g., IECC 2004 Climate Zones 1 and 2). However, during the new specification development process implemented in cooperation with the HERS industry, EPA committed to making BOP compliance equal or more rigorous than performance path compliance.

**EPA response:**

EPA believes that, under the circumstances, revisions of the specifications for climate zones 1 and 2 are not warranted. There are several reasons for this decision. First, EPA made a good faith effort during the development of the specification to ensure that the prescriptive specification was more stringent than the performance specification. While some commenters believe this relationship is no longer consistently true for these two climate zones, recent EPA analysis indicates that the prescriptive specification continues to be more stringent (~95% confidence interval) than the performance specification in these two climate zones.
Secondly, EPA adhered to an open process that allowed for two comment periods. The final performance and prescriptive specifications were extensively reviewed by EPA, RESNET and the HERS industry through public review procedures and include consensus agreements. EPA believes that this public review process established a basis for the validity of the specification, and that the HERS industry did agree to the final form of the specification announced in October, 2005.

For these reasons, EPA will retain both the current performance and prescriptive path requirements but evaluate the relationship between performance and prescriptive requirements over the next two years. However, if during that time, there is clear evidence of a consistent problem with more rigorous requirements for performance vs. prescriptive requirements in specific climate zones, ENERGY STAR qualified home threshold adjustments will be developed with the HERS industry.

Thank you.

Sincerely,

David Lee
Branch Chief
ENERGY STAR Residential Branch