

Minutes
RESNET Board of Directors Meeting
Radisson Hotel – Indianapolis Airport
September 14, 2007

Members Attending

Eric Borsting
Philip Fairey
Richard Faesy
Ken Fonorow
Tom Hamilton
Bruce Harley
Mark Jansen
C.T. Loyd
Greg Nahn
Lee O'Neal
Kelly Parker
Daran Wastchak
Barb Yankie

Members Absent

Ben Adams
Steve Byers
David Goldstein
Michael Holtz
Galo LeBron
Joseph Lstiburek
Douglas Walter
David Wilson

Staff Attending

Steve Baden
Claudia Brovick
Kathy Spigarelli

Others Attending

Chris Maher

The meeting was called to order by Kelly Parker a 9:07 a.m. Eastern Daylight Time.

Approval of Agenda

Greg Nahn moved that the proposed agenda be approved. Mark Jansen seconded the motion. The motion passed.

Approval of the July 26, 2007 Board Meeting Minutes

C.T. Loyd made a motion to approve the minutes with a modification to change the wording regarding the location of the 2008 RESNET Conference from “Las Vegas” to “Las Vegas area”. Lee O’Neal seconded the motion. The motion passed.

President's Report

RESNET Board President Kelly Parker reported that in an effort to align LEED for homes with RESNET he had reached an agreement with Jay Hall, acting director of the LEED for Homes Program, that RESNET would create a green rater certification. This agreement stated that a green rater certification could be achieved by completing a one-day course taught by a RESNET Training Provider. This certification would be consistent with the specialty certifications currently in the RESNET Standards.

C.T. Loyd moved that the Southface Energy Institute, Florida Solar Energy Center and the U.S. Green Building Council draft a training curriculum for a specialty green rater certification that could be offered by RESNET Training Providers. Philip Fairey seconded the motion. Eric Borsting offered a friendly amendment authorizing Kelly Parker and Bruce Harley to form an ad hoc task force to review the draft curriculum and send it on to the RESNET Training and Education Committee for consideration before coming back to the full Board for consideration. The friendly amendment was accepted. The motion passed

Kelly presented an idea of creating a new category of Board membership, whose members would provide input to the Board but not be voting members - similar to ASHRAE’s Corresponding Membership. This category could include past RESNET Board members.

Mark Jansen made a motion to create a Corresponding Board Members Category. Philip Fairey seconded the motion with a friendly amendment that the Board must approve all Corresponding Members. Mark Jansen accepted the friendly amendment. The motion passed.

Executive Director Report

Steve Baden stated his report would focus on the international dialogue on harmonizing standards, the status of creating a standard for an existing home audit process, and the rating provider quality assurance monitoring.

The Executive Director reported that in July, a MOU was signed with Canada to form CRESNET, RESNET's first international affiliate. He reported that he has been working actively with representatives of the European Union. Mr. Baden also reported that he had signed a joint Memorandum of Cooperation with the Shanghai Real Estate Science Research Institute and the Natural Resources Defense Council. The memorandum included the Shanghai organization as an international affiliate of RESNET, and Shanghai adopted the framework of the HERS Index and RESNET standards.

Mr. Baden explained that these efforts are leading to an international protocol of recognizing the RESNET HERS Index as the method for rating a building's energy performance.

Steve Baden reported that he and Lee O'Neal had completed the first draft of the existing homes standard. This draft will be forwarded to the drafting subcommittee and then sent on to the RESNET National Standards for the Energy Audit of Existing Homes Task Force. Once approved by this task force, the draft standard would go to the RESNET Board for consideration before being published for public comment. Upon completion of the public comment process the draft standard could be incorporated into the RESNET Standard.

Steve Baden reported that RESNET will meet its projected budget this year. RESNET funds are now completely insured. RESNET currently has money in both a money market fund and six month term CDs.

2007 Provider Quality Assurance Monitoring Update

Steve Baden and Claudia Brovick summarized the briefing memo included in the board packet on RESNET's 2007 Quality Assurance Monitoring of Rating Providers. The highlights of the report included:

- 30% of the Rating Providers monitored to date have been placed on probation.
- There is strong evidence that many quality assurance designees are not familiar with the RESNET Standards on quality assurance and RESNET's Policy on Quality Assurance of Ratings.
- Documentation of findings show both building file and field inspections need to be significantly improved throughout the industry, as well as feedback to the raters regarding QA findings.

- There is a need for documentation of the relationship between providers and their quality assurance designees, due to findings that in a few cases a provider had named a quality assurance designee without the designee's knowledge.

Report on BPI/RESNET Discussions

The two boards' representatives have agreed that until the new classification standard is adopted and implemented that discussion of an organizational merger is premature. Instead it was agreed to present to the two boards' representatives an outline of a Joint Strategic Implementation Strategy. The outline of the strategy would include:

- Coordinated policy positions
- Coordinated education efforts
- Coordinate Washington advocacy activities
- Single certification process
- Coordinated amendment of standards
- Joint implementation plan for monetizing building energy savings
- Joint advocacy for attractive financing products for home energy upgrades
- Coordination on the RESNET Building Performance Conference

Daran Wastchak moved adoption of the outline as written with the understanding that the Board will continue to receive ongoing progress reports. Tom Hamilton seconded the motion. The motion passed. Greg Nahn, C.T. Loyd and Philip Fairey voted no.

Review and Update of RESNET Strategic Planning Framework

Steve Baden reported on the 2008 updates to the RESNET strategic planning framework included in the Board packet and the staff recommended changes to the strategic opportunities and process objectives. Steve asked the Board to adopt staff's recommendations.

Lee O'Neal moved to adopt staff's proposed "2008 Updates to the RESNET Strategic Planning Framework" (Attachment A). Ken Fonorow seconded the motion. The motion passed.

Building Carbon Foot Print Rating

Steve Baden summarized the information contained in the briefing memo regarding RESNET establishing building a carbon footprint rating (Attachment B), The RESNET Executive Director will convene a subcommittee of interested parties headed by Tom Hamilton to work on this and report back to the Board.

Approve 2008 Priorities

Steve Baden presented staff's proposed RESNET's priorities for 2008 included in the Board packet. Eric Borsting made a motion to adopt the following as RESNET's 2008 priorities:

RESNET's Priorities for 2008

- 1. Ensuring the Quality of Rating a Building's Performance** - This will be addressed through maintaining RESNET Standards, Quality Assurance oversight, accreditation of providers and administering of national rater test.
- 2. Tapping the Existing Homes Market** – This will be addressed through implementing the RESNET Comprehensive Energy Assessment of Existing Homes Standard and strategic partnerships with Home Performance with ENERGY STAR, BPI, and with such associations as the National Association of Realtors and the National Association of Home Builders.
- 3. Overcoming the “First-Cost” Barriers in Improving the Energy Performance of Buildings** – This will be addressed through advocating to the financial market such innovative financial products as an effective energy efficient mortgage, loan guarantees, monetizing of energy and environmental emissions savings and tax credits.
- 4. Harmonizing the Standards for Rating the Energy Performance of Buildings** – This will be addressed through negotiating multi-lateral international agreements and an agreement between RESNET and BPI on their standards.

Bruce Harley seconded the motion. The motion passed.

Approve 2008 RESNET Budget

Steve Baden presented the proposed 2008 RESNET budget. C.T. Loyd made a motion to adopt the following budget for RESNET for 2008:

2008 RESNET Budget

Professional Services **\$402,000**

- Western Residential Energy Services
(Steve Baden, Claudia Brovick & Kathy Spigarelli)
- Architectural Energy Corporation – Review EPA Standard Changes

- Florida Solar Energy Center– Review EPA Standard Changes
- R.L Martin Associates – Web support
- Contract to develop new test questions
- Contract for EPA infrared testing of rated homes project

Accounting	\$25,000
Travel	\$75,000
Supplies	\$12,000
Other/RESNET Conference	\$228,000
Credit Card Receipt Service Charge (\$7,000)	
Rater Member Subscriptions to Home Energy (\$9,800)	
Internet Service (\$1,500)	
Postage & Delivery (\$2,500)	
Telephone (\$6,000)	
Insurance (\$3,000)	
Copying & Printing (\$3,200)	
Conference Food & Beverages (\$195,000)	
Total Proposed Budget	\$742,000

Lee O’Neal seconded the motion. The motion passed.

Proposed Change in Standing Committee Member Appointments

Steve Baden presented a list of options for appointing members to RESNET Board Standing Committees in response to a Board request. These options included:

- Continue the existing policy
- Give RESNET Board members the authority to formally nominate potential candidates to the chair of a RESNET standing committee
- Give RESNET Board members the authority to formally nominate potential committee members to the chair of a committee – if the chair does not proceed with a formal nomination, the Boar has the ability to override the chair’s decision and vote to approve the individual
- Have the board nominate and select committee members
- At a regular interval have the RESNET Board call for nominations of new members to the committees and then have the RESNET members vote on appointing the committee members

Mr. Baden stated that RESNET staff recommended that the board select the third option.

Philip Fairey moved to maintain the existing policy, but instituting a call for nominations to committees annually on the RESNET web site. Lee O'Neal seconded the motion. The motion passed.

Eric Borsting then moved that a committee chair need not be a RESNET Board member, but must be appointed by the Board. Mark Jansen seconded the motion. The motion failed with a 6 to 6 vote.

Update on 2008 RESNET Building Performance Conference

Steve Baden presented an update on the 2008 RESNET conference. He challenged Board members to assist in fundraising to make up for a decline in sponsorships this year. Steve will prepare a fundraising letter that Board members can use to approach potential contributors in their markets.

RESNET Standing Training and Education Committee Report

In Chair David Wilson's absence, Steve Baden presented a recent concern staff has raised about the security of the RESNET test. Steve reported that staff will be seeking consulting services to assist in pursuing security issues related to the technology. He reported however there is immediate concern over the vulnerabilities created by the disk-based test.

Philip Fairey moved to suspend the disk based test due to security concerns until or unless security issues are resolved. Mark Jansen seconded the motion. C.T. Loyd offered a friendly amendment to do away with the test all together. The friendly amendment was accepted. The motion passed.

RESNET Standing Quality Assurance and Ethics Committee Report

In Chair Ben Adams' absence, Steve Baden reported on two recently adopted committee policies regarding the certification of quality assurance designees. The discipline procedures for rating providers in the RESNET Standards now apply to Quality Assurance Designees and Quality Assurance Designees and Rating Providers are now required to sign an agreement to be submitted during the providers' annual re-accreditation application process.

RESNET Standing Technical Committee Report

Bruce Harley presented three amendments passed by the Technical Committee for Board consideration. The amendments included:

- Revision of F-factor equation
- Uniform Reporting Requirements for Energy Savings Value
- Revision of Insulation Inspection Requirements

C.T. Loyd made a motion to adopt all three of the proposed amendments. Barb Yankie seconded the motion. The motion passed. Eric Borsting abstained from the vote

RESNET HERS Label

Kelly Parker discussed the draft HERS label options circulated to the Board members prior to the meeting. The Board agreed to convene a subcommittee to finalize the label with the requirement that the design template be able to be fed into a printer for customizing purposes.

Kelly Parker, Philip Fairey, Daran Wastchak, Greg Nahn, Tom Hamilton, Ken Fonorow, and Mark Jansen volunteered for the committee. C.T. Loyd said another person would serve on the committee as his representative. Bruce Harley said he would find a representative from CSG's marketing department.

Additional Discussion

Ken Fonorow made a short presentation about how a Florida builder is using the HERS index to show his homes are built to a higher standard than ENERGY STAR.

The meeting adjourned at 3 PM Eastern Daylight Time.

Respectfully Submitted
Bruce Harley, Secretary

Attachment A



2008 Updates to the RESNET Strategic Planning Framework

In 2006 the RESNET Board of Directors adopted the Strategic Planning Framework. The strategic planning is aimed at laying the foundation to guide the organization in setting its goals and priorities. The strategic planning framework is posted on RESNET's web site at www.resnet.us/about/planning_framework.pdf. Since the framework is a "living document" the RESNET Board annually updates the framework.

Below are staff recommendations for the 2008 modifications of the RESNET Strategic Planning Framework:

Changes in Strategic Opportunities

- A. Delete "RESNET Financial Sustainability".

Justification:

The RESNET Board has succeeded at putting the organization on a financially sustainable basis. The consistent flow of income from a realistic accreditation fee schedule, membership dues, the annual RESNET Building Performance Conference and online rater testing has reduced the organization's reliance on grants.

- B. Rename "Environmental, Capacity Value and Energy Efficiency Certificate" to "Environmental and Energy Efficiency Certificate Trading".

Justification:

The field of environmental and energy efficiency certificates and trading has matured considerably over the past year. The new title more accurately describes the strategic opportunity.

- C. Add immediately above "Multi-Family and Commercial Buildings":

"International Partnerships to Develop an International Protocol for Rating Building Energy Performance"

For the past three years RESNET has undertaken a dialogue with the European Union (EU) on the rating of building energy performance. This dialogue resulted in Eduardo Maldonado, chair of the EU's Energy Performance in Buildings Directorate's (EPBD) Concerted Action, being the key note speaker at the 2007 RESNET Conference. In April 2007, Professor Maldonado announced to the EPBD that as a result of the dialogue with RESNET, "...it became obvious that RESNET's system can easily fit the model required by EPBD..." In 2007 RESNET entered into a formal affiliation with the Canadian Residential Energy Services Network. RESNET has also entered into discussions on affiliation with Shanghai, China.

These international activities are critical if it can be realistically expected that building energy performance will be accepted as a tradable offset in a global carbon emissions market. Clearly an international ISO protocol will increase the likelihood of achieving this opportunity.

Justification:

In 2005 the RESNET Board approved entering into a dialogue with the European Union on the ratings of building energy performance. Since that time, the dialogue has progressed towards a US-EU protocol for energy ratings. In addition, dialogues have been initiated with Canada and China. This international cooperation presents a strategic opportunity for RESNET to position itself in a global emissions trading market.

Changes in Process Objectives

The following changes are being proposed:

- A. Delete 2006 and 2007 objectives

Justification:

The strategic planning framework is a foundation for the future direction of RESNET. As such, past process objectives are not appropriate in the framework. The documentation of these objectives and the success of the organization in meeting are contained in the RESNET annual reports which are posted at www.resnet.us/about/reports

- B. 2008

Add the following:

- In cooperation with the Environmental Protection Agency, begin developing RESNET standards for multi-family buildings

- To have RESNET's verification procedures recognized by the National Association of Home Builders for their green building program.
- Working with the Building Performance Institute, adopt building performance specialty certifications for raters who are trained in comfort, durability, combustion equipment testing, and other building performance fields.
- To expand areas of cooperation and coordination between RESNET and BPI.
- To develop a suite of verification tests for rating software tools for calculating environmental emission savings.
- To develop model legislation and ordinances for the requirement of ratings at time of sale for states and municipalities that are considering enacting such requirements
- Track proposed legislation introduced in Congress to set up a national carbon cap and trade system and advocate that such legislation include building energy savings as an eligible trade off.
- Educate presidential candidates on the role that building energy efficiency can play in addressing the pressing issues of energy security and global climate change.
- To educate environmental organizations on the contributions that building energy performance can make on environmental, capacity value and energy efficiencies certificate trading and the existence of RESNET standards.
- To continue dialogue with the European Union and the International Energy Agency on an international protocol for an energy rating for buildings
- To develop a dialogue with Shanghai, China in developing a formal alliance to develop and implement a private market based home energy rating structure.
- To expand strategic alliance with the Canadian Residential Energy Services Network
- Advocate for extension of new homes and commercial building energy efficiency tax incentives and for performance based existing homes credit.
- Begin setting a RESNET reserve fund

- Explore the option of RESNET serving as an aggregation agent for rating providers to trade energy efficiency certificates
- To work with the Architecture 2030 Challenge for their challenge to adopt the HERS Index for its residential matrix.

Justification

To reflect emerging opportunities in 2008

Change the following:

Move “Develop direct financing package for upgrades to existing homes” to 2009.

Justification

The financing products are not expected to be available until 2009

Move “To revise RESNET Standards to meet ANSI standards” to 2009

Justification

Need another year to see how harmonizing of RESNET and BPI standards succeeds.

Change “Develop RESNET commercial building standard” to “Begin developing RESNET standards for commercial buildings” and move to 2009.

Justification

ASHRAE is taking longer than planned in developing its protocol for meeting its goal of improving commercial building energy performance by 30% over the ASHRAE standard.

Remove “Launch special RESNET web page on environmental, capacity value and energy efficiency certificate trading”

Justification

This was accomplished in 2007

C. 2009

Add the following:

- Develop direct financing package for upgrades to existing homes
- To revise RESNET Standards to meet ANSI standards
- Educate presidential transition team on energy of the role that building energy efficiency can play in addressing the pressing issues of energy security and global climate change.
- Have RESNET standards recognized for documenting building energy efficiency for emission reduction certificates for the environmental trading market
- In conjunction with BPI, adopt a building performance joint strategic implementation strategy
- Begin pilot RESNET aggregation of energy efficiency certificates for the U.S. voluntary market

Justification

To reflect projected opportunities emerging in 2009

D. 2010

Add the following:

- In conjunction with Canada, China and the European Union develop a uniform international HERS Index

Justification

To reflect progress being achieved in RESNET's international dialogues

Attachment B



Setting the **STANDARD**
for **QUALITY**

To: RESNET Board of Directors
From: Steve Baden 
Executive Director
Re: RESNET Establishing Building A Carbon Footprint Rating
Date: August 28, 2007

There is a growing movement in the United Kingdom led by PepsiCo for labeling the carbon footprint of consumer products. For example, a package of Walkers potato chips lists the amount of carbon dioxide emitted by the package's production, (from growing the potato to packaging and distributing of the finished products) along with the fat, salt and calories listings.

The market force of this trend is obvious. The *Los Angeles Times* has reported that research by LEK Consulting found that just over half the people in Brittan say they "would value details concerning a product's carbon footprint when making a buying decision". Almost half the respondents indicated that they would use this information to switch to a product or service with a smaller carbon footprint.

This trend is hopping across the Atlantic. A major U.S. insurance company is already using the calculation of a consumer's carbon footprint and the ability to purchase carbon offsets in their television advertising.

There is clearly emerging a new market force for combating global climate change. RESNET needs to begin considering adapting itself to a carbon constrained future. If it possible for a potato chip manufacturer to calculate the carbon footprint, it is surely possible for RESNET to develop a rating of a home's carbon footprint that considers the products used in the construction of the home, the proximity of the home to mass transit and the energy consumption of the home.

Just as a HERS Index allows a consumer to compare the relative energy performance of a particular home with others in the market, a carbon footprint index would allow a consumer to compare the footprint of that home with other

homes in the market. In addition a carbon impact rating would allow homeowners who improve the efficiency of their home to quantify the results in reducing their home's carbon foot print.

The RESNET staff's proposed RESNET priorities for 2008 includes positioning the rating industry for monetizing energy efficiency and environmental savings. A key element to achieve this priority is to develop a metric to calculate the reduction of carbon emission savings for purchasing or building a low carbon impact home.

RESNET staff recommends that the RESNET Board of Directors institute a process for developing a rating index for labeling the carbon footprint of a home.