



Setting the Standards for
Home Energy Efficiency

Approved
Minutes of RESNET Board Meeting
October 2, 2018

Members Present

Jacob Atalla
Jim Amarin
David Beam
Dave Bell
Emelie Cuppernell
Bob Eipert
Philip Fairey
Matt Gingrich
Andrew Harris
John Hensley
Nancy St. Hilaire
Roy Honican
Cy Kilbourn
Abe Kruger
Paulette McGhie
Chris McTaggart
Curt Rich

Members Absent

David Goldstein
Mark Johnson
Clayton Traylor

Staff Present

Steve Baden
Emma Bennett
Valerie Briggs
Laurel Elam
Cardice Howard

Call to Order

The meeting was called to order by RESNET Board President Nancy St. Hilaire at 2:01 p.m. Eastern Daylight Time.

Roll Call

Philip Fairey called the roll and a quorum was present.

RESNET Anti-Trust Policy

Curt Rich reviewed the conflict of interest policy for the board, which was included in the call of meeting.

Approve Agenda

Philip Fairey made a motion to approve the draft agenda. Jim Amorin seconded the motion. Motion passed by voice vote.

Approval of Draft September 6, 2018 Board Meeting Minutes

Philip Fairey made a motion to approve the September 6, 2018 minutes. Cy Kilbourn seconded the motion. Motion passed by voice vote.

Reconsideration Vote on Guidance for the 2021 IECC

Nancy St. Hilaire reviewed the electronic vote on the Guidance for the 2021 IECC.

Steve Baden first gave credit to Chris McTaggart's work on the paper.

The following were the results of the electronic ballot of the board:

Shall the RESNET Board of Directors adopt the September 12, 2018 consensus draft of the "RESNET Proposed Amendments to the 2021 IECC ERI Path"?

Yes (16)	No (2)	Abstain (1)	Not Voting (1)
Jim Amorin	Jacob Atalla*	Mark Johnson	Bob Eipert
David Bean	Clayton Traylor**		
Dave Bell			
Emelie Cuppernell			
Philip Fairey			
Matt Gingrich			
David Goldstein			
Andrew Harris			
John Hensley			
Roy Honican			
Cy Kilbourn			
Abe Kruger			
Paulette McGhie			
Chris McTaggart			
Curt Rich			
Nancy St. Hilaire			

* Jacob Atalla's reason for voting no:

I don't think that now is the best time to address the 2021 code

**Clayton Traylor's reason for voting no:

Too early to settle in language for ICC submission. Not clear if we have collaborated with sponsor of amendment from 2018.

Nancy St. Hilaire stated that the purpose of this agenda item was to see if a compromise, and full consensus, could be reached on the issue. Steve Baden wanted to give the two BOD members who voted no (Clayton Traylor and Jacob Atalla) a chance to explain their stance before the ballot was re-issued since it is such a critical issue.

Jacob Atalla stated that his reason for voting no on the ballot does not concern how it is outlined, but he believes that there is ample time to collaborate with Joe, the sponsor of the 2018 amendment, and not take a position so early. Steve Baden questioned if the last part of the paper, where RESNET takes a position on the issue, is his principle objection. Jacob Atalla confirmed that portion of the paper is where he disagreed.

Nancy St. Hilaire suggested that this section of the paper could be amended or removed.

Steve Baden asked Chris McTaggart to share his opinion as one of the main authors of the paper.

Chris McTaggart gave the reasoning and purpose for the paper. Chris McTaggart explained that states and municipalities who are considering a code change can use this paper as a resource. Chris McTaggart stated that he believes that RESNET's inaction and silence on the issue could make the organization look bad, and that the position of the document is benign and should cause no harm to RESNET.

Steve Baden stated that since one of the main authors disagrees on removing this section, an electronic reconsideration ballot will be issued.

RESNET Executive Committee Proposed Policy on Ownership of On Site Power Production and HERS Ratings

Nancy St. Hilaire reviewed the recommendation of the executive committee for the proposed Policy on Ownership of On-Site Power Production and HERS Ratings (Attachment A).

In addition, Jim Edelson of the New Buildings Institute provided a background paper for the RESNET Board (Attachment B). Mr. Edelson's correspondence was provided to Board members prior to the meeting.

Philip Fairey made the following motion:

The RESNET Board of Directors interprets its October 20, 2015, decision on the ownership of on-site power production systems as meaning that the ownership of on-site power production systems and their attributes shall not impact the asset rating or the HERS Index of the real property on which that on-site power production system is located. In furtherance of this interpretation and as implied by the original motion of the Executive Committee, the net on-site power production shall be considered non-purchased energy for the purposes of the calculation of the HERS Index for the real property in question.

Chris McTaggart seconded the motion.

Nancy St. Hilaire opened the item up for discussion.

After RESNET board discussion, Nancy St Hilaire called for a roll call vote. Philip Fairey conducted a roll call vote:

Jacob Atalla	YES
Jim Amarin	YES
David Beam	NO
Dave Bell	YES
Emelie Cuppernell	YES
Bob Eipert	YES
Philip Fairey	YES
Matt Gingrich	YES
Andrew Harris	YES
John Hensley	YES
Nancy St. Hilaire	YES
Roy Honican	YES
Cy Kilbourn	YES
Abe Kruger	YES
Paulette McGhie	YES
Chris McTaggart	YES
Curt Rich	NO

Motion passed by a vote of 15 to 2.

Having Board Meetings Every Two Months and a Spring and Fall Face-to-Face Board Meeting

Nancy St. Hilaire tabled this issue until the next board meeting due to time restriction.

Briefing on Communications with Leading Raters of America

Steve Baden provided an update on the communication with Leading Raters of America. Steve Baden stated that the purpose and needs of the LRA organization are unclear at this time, but larger rating production organizations are the main stakeholder of the LRA organization. RESNET has submitted a letter of intent and will submit a letter of qualifications to the LRA by the deadline of October 10, 2018.

Steve Baden stated the President of the Leading Raters of America, Matt Cooper, will speak at the RESNET Fall Board meeting.

New Business

There was no new business proposed by the board.

Meeting Adjourns

Roy Honican made a motion to adjourn. Meeting adjourned at 2:58 p.m. Eastern Daylight Time.

Respectfully Submitted,


Philip Faurey, Secretary

Attachment A

Ownership of On-site Power Production (OPP)

On August 11, 2015 the RESNET Executive Committee voted unanimously to adopt the following policy on the ownership of On-site Power Production (OPP):

"It shall be the policy of RESNET that the net power production of on-site power production shall be considered non-purchased energy regardless of the ownership of the on-site power production system."

At the fall RESNET Board of Directors Meeting in New Orleans on October 19-20, 2015, Mr. Frank O'Brien-Bernini opposed the decision of the Executive Committee and proposed that if the PV system on a home is not tied into the mortgage, it should be a separately rated asset. Mr. O'Brien-Bernini made a motion that the board of directors review and modify the policy of the Executive Committee to assure that the contribution of onsite power generation to RESNET HERS index score is communicated properly such that if the PV system is not owned by the home owner it is rated separately from the HERS Index.

Following discussion by the Board, a vote was taken on Mr. O'Brien-Bernini's motion with the following results: 1 in favor, 10 against, 4 abstentions. The motion failed.

To clarify both the motion of the Executive Committee and to provide additional guidance on the ownership of On-site Power Production, I propose the following interpretation of the motion of the Executive Committee and the failed objection of Frank O'Brien-Bernini be recommended to the RESNET Board of Directors as a motion for consideration of the full Board:

Proposed Motion: *The RESNET Board of Directors interprets its October 20, 2015, decision on the ownership of on-site power production systems as meaning that the ownership of on-site power production systems and their attributes shall not impact the asset rating or the HERS Index of the real property on which that on-site power production system is located. In furtherance of this interpretation and as implied by the original motion of the Executive Committee, the net on-site power production shall be considered non-purchased energy for the purposes of the calculation of the HERS Index for the real property in question.*

Enclosure:

1. Extracted minutes from the October 20, 2015, minutes of the RESNET Board of Directors meeting.

RESNET Executive Committee Policy on PV Systems that are leased

RESNET staff has received a number of requests from HERS Raters and Rating Quality Assurance Providers on how PV systems that are leased should be treated in HERS Ratings.

RESNET Board President Jim Petersen and Philip Fairey discuss the issue and agreed to the following proposed policy:

It shall be the policy of RESNET that the net power production of on-site power production shall be considered non-purchased energy regardless of the ownership of the on-site power production system.

On August 11, 2015 the RESNET Executive Committee unanimously voted to adopt the policy.

Section 4.02 of Article IV of the RESNET By-Laws gives the RESNET Executive Committee the authority to adopt policies for the organization. The section states: *Section 4.02. Authority of Executive Committee. The Executive Committee shall possess and may exercise all the powers granted to the Board of Directors, except the power to amend the Articles of Incorporation or Bylaws, approve amendments to the RESNET Standards, approve the annual operating budget, and to in-debt the Corporation in an amount above \$5,000.00. Any decision made by the Executive Committee can be overturned by a majority vote of the full Board of Directors at a regularly scheduled or special Board meeting.*

Frank O'Brien-Bernini opposed the decision made the by executive committee. He proposed that if PV system on the house is not tied into the mortgage it should be a separately rated asset. The home would have an envelope rating and an asset rating on the PV system and be added together.

Discussion ensued.

Frank O'Brien-Bernini made a motion that the board of directors review and modify the policy of the executive committee to assure that the contribution of onsite power generation to RESNET HERS index score is communicated properly. For discussions purposes Brett Dillon seconded the motion.

Discussion ensued.

A vote of the board took place which resulted in: 1 in favor, 10 against, 4 abstentions. The motion failed.

A subcommittee of board of directions will work on communication and guidance to raters on executive committee policy onsite power generation. Steve Baden will send out call for volunteers for subcommittee.

Attachment B



To: RESNET Board of Directors
From: Jim Edelson New Buildings Institute (NBI)
Date: 21 Sept 2018
Re: RESNET and RECs

Background:

RESNET's current language does not ensure that the environmental attributes of the power have not been unbundled from the onsite power production (OPP). This unbundling is commonly done in third-party solar provider contracts. It leads to the situation where the project can claim that the onsite renewable energy system is an environmentally beneficial source of energy – and thereby be included in the calculation of an ERI or a HERS score, while the same MW of clean energy can be claimed by a third party for its use (eg. satisfying a utility RPS). This situation would unfairly double-count renewable energy's environmental benefits.

US EPA states: "Electricity use from a renewable resource in the absence of owning the associated RECs is not considered renewable electricity and has the same environment profile as the residual grid electricity mix (referred to as "null power") Only the ultimate owner of a REC can claim the environmental attributes of a particular megawatt-hour of renewable energy". US FTC regulation Part 260 termed this double-counting practice deceptive: "If a marketer generates renewable energy but sells renewable energy certificates for all of that electricity, it would be deceptive for the marketer to represent, directly or by implication, that it uses renewable energy."

NBI's Objective:

NBI proposed its CMP to rectify this double-counting issue. It has encountered the same issue in most applications of onsite-renewable energy to energy codes, and has led the national effort to clarify the fate of RECs in those documents also. The CMP to ANSI/RESNET 301 can achieve this objective by requiring the RECs associated with onsite renewable systems to be retired by the owner so the environmental attributes cannot be claimed twice.

We understand that some RESNET directors and SDC members may be uncomfortable with this approach, so in the case that this discomfort were to persist, we also want to introduce a compromise proposal for your consideration.

A middle ground in RESNET Standard 301 would be to require a full and accurate disclosure of the fate of the RECs associated with onsite renewable power. This

could be acceptable to meeting NBI's objective if it is properly worded and implemented.

Potential Disclosure Alternative:

1. The RECs disclosure would need to be prominently displayed on the primary HERS report.

2. Data on RECs treatment would need to be recorded by RESNET for each home that is claiming OPP 'credit' from renewables.

3. Sample Disclosure Language for cases in which a representation of the rated property's ownership of the RECs is not available to the rater: "This home rating includes a credit for an onsite renewable power generation system. There is no warranty that the Renewable Energy Credits associated with this power system have been titled to the property owner. In the event that the Renewable Energy Credits are not in the possession of the property owner, the environmental attributes of the power are owned by an outside party, and may be used to meet legal requirements for that party and thus the power from the onsite system can no longer be considered renewable energy *for this home*, nor can it be credited as renewable onsite power for a HERS rating. In this case, the HERS score for this home is xxx."