

Auxiliary End Use Subcommittee Call to discuss Cost Effectiveness Amendment
September 27th 4 PM EDT

Members Present: Iain Walker, Dave Roberts, Rob Salcido, Philip Fairey, Dean Gamble

Group began by reviewing the responses to the NAHB drafted by Philip. All were in agreement. Furnace was added to the appendix C informative chart.

The group next reviewed comments from Iain.

Comments from Iain-

I agree with some of the comments that were rejected:

1. Chris Jensen stated that the DR should be based on T-Bill rate, not inflation = 2%. His justification was that T-bill rate is used by financial industry. I find that a compelling argument compared to an arbitrary +2% above inflation.

30-year T-bill rate and the long-term inflation rate +2% are very close numerically. However, short term T-bill rate can vary substantially from this relationship and since financing is occurring over the long term, the committee felt it was more appropriate to leave standard as long-term inflation rate +2%.

2. Ethan MacCormick makes the point about don't add calculations then set variable to zero. That's just really bad standards writing practice. We can add these variables and calculations later if we need them.

Dave Roberts made motion to remove the zero variables in calculation. Rob Salcido seconded the motion. Motion passes unanimously with the chair not voting.

3. Jennifer McWilliams suggested using the incremental cost of efficiency improvements for replacement as well as for new construction. This makes sense to me and keeps the calculations and internal logic consistent.

Subcommittee decided against using incremental cost of efficiency for existing homes because the full cost of the replacement would be incurred by any mortgage.

Dave made a motion to adjourn. Rob Salcido seconded the motion. Meeting adjourned at 4:57 PM