



Setting the Standards for  
Home Energy Efficiency

## Minutes of RESNET Board of Directors Meeting May 22, 2020

Members Present	Members Absent	Staff Present
Jim Amarin Jacob Atalla David Beam Dave Bell Thiel Butner Philip Fairey Matt Gingrich Emelie Cuppernell Glitch David Goldstein John Hensley Mark Johnson Cy Kilbourn Abe Kruger Chris McTaggart Clayton Morris Curt Rich Brian Shanks Clayton Traylor	Roy Honican Paulette McGhie	Steve Baden Emma Bennett Scott Doyle Laurel Elam Billy Giblin Cardice Howard Ryan Meres

### Meeting Called to Order

Matt Gingrich, RESNET Board President, called the meeting to order at 1:02 p.m. Eastern Time.

### Roll Call

Philip Fairey, RESNET Board Secretary, called the roll. A quorum was present.

### Approve Agenda

Jim Amarin made a motion to approve the agenda that was sent prior to the meeting. Cy Kilbourn seconded the motion. Motion approved by a voice vote.

## **RESNET Anti-Trust Policy**

Curt Rich reminded the RESNET Board of the RESNET Anti-Trust Policy that was sent prior to the meeting.

## **Approval of Draft April 9, 2020 Board Meeting Minutes**

Philip Fairey made a motion to approve the draft minutes of the April 9, 2020 board meeting that were sent prior to the meeting. Dave Bell seconded the motion. Motion approved by a voice vote.

## **Discussion of the 2021 Building Performance Conference**

Steve Baden reviewed the briefing paper for the 2021 Building Performance Conference that was sent to the Board prior to the meeting (Appendix A). He discussed the various options on how to move forward with COVID-19 virus being projected as a prevalent issue over the long term.

Steve asked if the Board would like to make the decision on the future of the 2021 RESNET Conference or would prefer to delegate this to the RESNET Board Executive Committee and RESNET staff.

Jim Amorin stated that his organization cancelled their annual meeting and all staff travel until November. Jim Amorin suggested deferring it to staff but would recommend looking at alternative options for 2021.

Clayton Traylor stated he would want to know the financial obligations to RESNET when looking at alternative options.

Emelie Glitch suggested staff would come up with a proposal to propose to the board. Clayton Morris agreed, because the conference is the organization's biggest event.

Clayton Traylor suggested coming to the board with a recommendation of how to move forward and a risk analysis to present to the board. Clayton Morris agreed. David Goldstein suggested a hybrid version of it where it is delegated to Executive Committee and allow board members to attend the call if they are interested.

Chris McTaggart made a motion to have the RESNET Executive Committee have an open meeting to allow Board Members to weigh in on how to proceed with the 2021 RESNET Conference. Clayton Traylor seconded the motion.

Chris McTaggart withdrew his motion.

Philip Fairey made a motion for the RESNET Staff to create a proposal for alternative RESNET Conference options for 2021. Chris McTaggart seconded the motion. Motion passed by a voice vote.

## **Consider RESNET Board Executive Committee Recommendation on Financial Relief of HERS Rating Industry as a Result of the COVID-19 Pandemic**

Matt Gingrich reviewed the LRA proposal and RESNET Executive Committee recommendation that was sent prior to the meeting (Appendix B). Executive Committee recommended the following to the RESNET Board of Directors:

*To recommend to the RESNET Board of Directors that the Leading Raters of America request be denied at this time, based on RESNET's active engagement with membership to handle financial implications due to the global pandemic, the effects of which cannot be determined at this time.*

Board discussed recommendation.

Cy Kilbourn made a motion to approve the Executive Committee's recommendation. Jim Amorin seconded the motion. Motion passes by voice vote. Dave Bell, Clayton Morris and Brian Shanks abstained.

## **Proposed RESNET Policy on Performance-Based Quality Assurance Measures**

Scott Doyle presented the proposed policy that was sent prior to the meeting (Appendix C).

Chris McTaggart said he would prefer to see it as a whole before voting on a policy. Steve Baden stated that the policy would need to create a budget based on the board decision, and outlined a three step process:

1. Interim approval of the performance-based measures policy
2. Staff will draft pricing and implementation plan based on policy
3. Board will give final approval of policy and pricing

Steve asked for approval of the policy for staff to develop a pricing and implementation plan.

Philip Fairey stated there are still some questions outstanding, and also stated that because it is written into MINHERS the requisite RESNET Standard Development Committee would need to consider the necessary standards changes.

Emelie Glitch asked if a policy could be made without an amendment, Steve Baden said if this policy is approved than amendments could be considered.

Clayton Morris said he would support this policy.

Dave Bell suggested the board giving clear direction to staff on how to proceed.

Chris McTaggart agreed that the policy is heading in the right direction and discussed how this would affect 3<sup>rd</sup> party providers, outcomes specific to individual raters matter

more for 3<sup>rd</sup> party providers. Allowing another round of feedback from the industry might be necessary due to given circumstances.

Thiel Butner said she shares some of the same concerns and agrees with the principal of the policy but would like more time to review due to time constraints of the provider renewal process being January – March.

It was the Board's consensus that RESNET staff will resend the draft policy for public review and comments for an extra 60 days.

Steve Baden stated that RESNET Staff will send the draft policy to all RESNET providers with a 60 day review period to provide input on the policy. RESNET staff will take feedback and revise policy and re-present it to the board.

### **Switching the Fall 2020 RESNET Board Meeting to a Virtual Meeting**

Steve Baden reviewed the proposal for the Fall 2020 RESNET Board Meeting being moved to a Virtual Meeting.

Chris McTaggart made a motion to accept the Executive Committee's proposal to switch the Fall 2020 RESNET Board Meeting to a Virtual Meeting. Clayton Morris seconded the motion. Motion passed by voice vote.

### **Status of RESNET SBA Paycheck Protection Program Loan Application**

Steve Baden stated that RESNET staff applied and was approved for Paycheck Protection Program Loan Application.

### **New Business**

Cy Kilbourn discussed the current status of the 45L tax credit and RESNET Publication 001, questioning what updates will be included and what the impact would be. Cy asked what the current status of 2020 version of Pub 001 and who has jurisdiction for approving that, and how RESNET collaborates with DOE and IRS. Cy also questioned how ACCA 310 can impact the credit and what the timeline is.

After the bill that extended the 45L was passed, Steve Baden started conversation with DOE to make it an even playing field and recognizing RESNET/ACCA Standard 310 is part of that process. The webpage has been updating and it was addressed with the IRS but it is slow-moving. Currently, Steve is working with DOE to revise Publication-001.

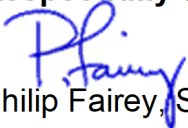
DOE has agreed that adding standard 310 into Publication -001 would be appropriate. At the 2020 Conference, the SMB recognized that Pub-001 would be vetted by RESNET Board of Directors. Concurrently, 310 needs to first be approved by

RESNET's SMB, then ACCA, then ANSI before adoption. Philip Fairey said FDS of ANSI 310 is currently being balloted by SDC 300.

### **Adjournment**

Cy Kilbourn made a motion to adjourn. Meeting was adjourned at 2:31 p.m. Eastern Time.

**Respectfully Submitted,**

  
Philip Fairey, Secretary

# Appendix A

## Discussion of the 2021 RESNET Building Performance Conference

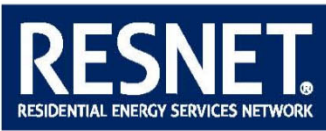
The outlooks for the February conference are currently not bright. The COVID-19 virus continues to spread. The latest reports indicate that COVID-19 cases are increasing in 20 states. Public health officials are warning that another wave of the virus is expected in the winter of 2021. In addition, the travel industry is predicting it will be two years for air travel to resume what it was in January 2020.

All this means is that RESNET needs to consider its options in terms of the 2021 RESNET Conference. The options include:

- Postpone the conference until Fall 2021
- Offer a hybrid conference with a reduced room reservation guarantee in February 2021 that features both a live and virtual sessions
- Canceling the 2021 conference and conduct instead a virtual conference like the National Home Performance Conference did.

It is not too early to begin discussing this issue.

## Appendix B



Setting the Standards for  
Home Energy Efficiency

### **RESNET Board Executive Committee Recommendation on Providing Temporary Financial Relief to HERS Industry During Current Pandemic and Economic Slowdown May 12, 2020**

The current COVID-19 pandemic and resulting economic slow-down is causing a financial strain to RESNET, the HERS industry and home builders.

RESNET has received a request from the Leading Raters of America (LRA) for a temporary reduction of the \$7.50 per rating quality assurance fee, (LRA request is separately attached).

While a certain amount of financial relief to the HERS industry could make sense, much thought needs to go into shaping a decision on this issue because of the following complicating factors:

- **Not Knowing the Length of the COVID-19 Pandemic** - While the curve of new COVID cases seem to be leveling and states are beginning to take steps to reopen their economies, the duration of the pandemic is still not known. Public health experts are warning of a new spike that could take place in the winter of 2021.
- **The Uncertainty Over the Extent that the Effects of the Economic Slowdown will have on the Housing Industry** - We know that the housing industry will take a hit, but not know yet the extent of the hit. RESNET staff have been carefully reviewing trade publication and industry coverage and we have not yet, detected a national trend. There are still too many variables.
- **Uncertainty of What the Effects the over \$2.7 Trillion in Recent Congressional Funding will have on the Economy** – Since March Congress has passed three COVID-19 recovery bills that will include the infusion of over \$2 trillion into the economy. These funds are just beginning to be distributed and no one has been able to ascertain the effects these investments have made. The number of Americans applying for unemployment benefits are still rising.
- **Not Knowing what the Effect of the Federal Reserve Unprecedented Lowering of Interest Rates will have on the Demand for Mortgage Loans** –

The Federal Reserve has lowered interest rates to historical lows. This could make the purchase of a home attractive. There have been no trends reported yet on the effects of these low interests.

- **Not Knowing how Many HERS Rating Companies will be Approved for the Federal Paycheck Protection Program or will RESNET's Application be Approved** – As part of the Congressional CARES Act over \$300 billion of dollars were appropriated for a Small Business Administration (SBA) Paycheck Protection Program (PPP). The programs offer low interest loans to keep small businesses and non-profits open and loan forgiveness for keeping employees. The first funding ran out in less than three weeks and a second round of funding was approved by Congress. RESNET has applied for such funding. It is not known how many Rating Providers and HERS Rating companies will be approved for the funding.
- **Not Knowing What the Effects that RESNET's Emergency Waivers are Having on Provider and Rater's Bottom Lines (although RESNET anticipates positive effects)** – RESNET has taken a number of emergency waivers to assist the HERS industry during this crisis. This includes forgiveness of registry late fees and payment plans. It is too early to see the effects of these actions.

Unfortunately, it is too early to answer these questions. There are too many variables with the COVID-19 pandemic and the U.S. economy.

What we can expect, however, is a reduction in RESNET revenues from what was budgeted for 2020. Unfortunately, because of the above, we cannot at this time predict what shortfall we can expect. It is really only in March that the national pandemic emergency was announced and the shutdown of the economy began.

Any decision regarding changing the RESNET rating fee over the long term and the extent of the relief will need to be based on market and industry facts and data. RESNET is closely tracking HERS rating activity and trade press coverage of building activity to get a better grip on what the effects will be to RESNET and the HERS Industry. It all depends on developments with the pandemic and the recovery of the U.S. economy. Again, our industry began this shutdown in March.

Through the RESNET National Registry RESNET is able to track the number of homes that were rated in a month and compare them to the numbers that took place at the same time in 2019.

For example, in January and February 2020 the numbers of homes that were HERS Rated increased compared to during the same period in 2019. March represented the first month of slow down. In March 2020 there were 2,700 less homes rated than in March 2019. This will result in a loss of \$20,250 in RESNET's revenues. But the



slowdown was not shared among all Providers. Some Providers actually saw rating activity increase in March 2020.

The month April promises to be a more accurate gauge of the results of the national disruption. In April 2020, the number of homes that were HERS Rated were 12,296. This was 7,741 less homes that were HERS Rated in April 2019. This will result in a loss of \$58,057 in RESNET revenues. This month saw loses to Providers across the board.

RESNET staff initially had proposed to the RESNET Executive Committee a rebate program that would offer rebates to Providers on the number of homes that were rated per month less than in 2019.

To get a better understanding of the effects that the COVID-19 pandemic and ensuing economic downturn is having on the HERS industry, RESNET conducted a survey of HERS Raters and Rating Providers. 113 Raters and Rating Providers responded to the survey.

The survey is showing that to date, the HERS Industry has not been drastically affected by the pandemic and ensuing economic fall. Key findings are:

- 64% of respondents reported that over the last two months their company experienced either no or less than a 10% reduction in the number of homes HERS rated.
- Looking into the next quarter, 63% of respondents projected that they would not see a change or would see an increase in the demand for their HERS Rating services.
- 77% of respondents reported that their builders had not requested a reduction of rating fees.
- 52.2% of respondents reported that they had applied for a SBA Paycheck Protection Program loan.

A summary of the results of the survey is attached.

Clearly the results of the industry survey does not present a case for immediate action by the RESNET Board.

To date RESNET has already taken a number of actions to reduce the burden on Providers and raters including:

- RESNET waiving late fees for the entire year of 2020
- RESNET will negotiate with Providers payment plans when necessary
- Flexibility with suspension deadlines on a case-by-case basis

- Allowing Provider Quality Assurance inspections to be conducted remotely
- Allowing HERS Raters to conduct rating inspections remotely
- Allowing HERS Raters to use defaults instead of on sight testing

Because of this uncertainty, the RESNET Board Executive Committee unanimously adopted the following resolution:

***To recommend to the RESNET Board of Directors that the Leading Raters of America request be denied at this time, based on RESNET's active engagement with membership to handle financial implications due to the global pandemic, the effects of which cannot be determined at this time.***

RESNET staff will now track the developments in terms of the pandemic, the state of the economy and the number of homes being HERS rated. Staff will report these trends and recommend future steps that may be necessary.



Setting the Standards for  
Home Energy Efficiency

## Results of Survey of HERS Raters and Rating Providers on Effects of COVID-19 Pandemic May 8, 2020

To get a better understanding of the effects that the COVID-19 and ensuing economic downturn is having on the HERS industry, RESNET conducted a survey of HERS Raters and Rating Providers.

113 Raters and Rating Providers responded to the survey. The key findings of the survey are:

- 39.9% of respondents reported that over the last two months their company experienced no reduction in the number of homes HERS rated. Of those that experienced a shortfall, 53% experienced a reduction of over 10%.
- Looking into the next quarter, 41.6% respondents projected that they would not see a change in the demand for their HERS Rating services. 21.2% projected in an increase in demand while 37.1% projected a decrease in demand.
- 77% of respondents reported that their builders had not requested a reduction of rating fees. Those who reported their builders had requested a reduction of fees, 53% reported that the amount was less than a 10% reduction.
- Only 24.8% of respondents reported that they had contacted their local building departments about conducting the energy code inspections or testing.
- 52.2% respondents reported that they had applied for a SBA Paycheck Protection Program loan.

Other interesting findings of the survey are:

- 57.5% of respondents reported that they were either “very satisfied” or “satisfied” with RESNET’s response to the COVID pandemic. 6.2% responded that they were not satisfied with RESNET’s response.
- RESNET has done a good job of informing the industry on the options of remote inspections and using default values instead of testing. 98.2% of respondents reported they were aware of the remote inspection option and 97.3% were aware of the option of using defaults.
- 18.6% of respondents indicated that they planned to use the remote inspection option.
- 16.8% of respondents indicated that they planned to use the default option to testing.

To download the survey results click on <https://www.surveymonkey.com/results/SM-JJ3G3SZX7/>

# **Appendix C**

## **DRAFT**

### **RESNET Policy on Performance-Based Measures**

Revised: January 7, 2020

#### **Background**

At its Spring 2019 Meeting, the RESNET Board of Directors voted in favor of proposed revisions aimed at improving the effectiveness and efficiency of RESNET's overall Quality Assurance Program. There were five distinct initiatives in the proposed plan; one of which was to incentivize better quality through a performance-based approach.

The priority of RESNET QA efforts is to improve performance and not just issue citations. A system of decreased fees for higher performance and increased fees for non-compliance will provide effective financial benefits to Providers to increase motivation to consistently comply with RESNET standards.

Important note: RESNET staff will propose a separate policy for the RESNET Board to adopt to establish reduced rating fees as the primary incentive and increased rating fees as the respective disincentive. This document does not address incentives and specifically only covers the measures/criteria to qualify for incentives.

#### **Description**

There are two facets of this policy:

1. Reducing quality assurance fees based upon excellent performance
2. Increasing quality assurance fees based on compliance issues identified in QA reviews and/or disciplinary actions

#### **1. Reduction of Quality Assurance Fees Based Upon Excellent Performance**

The implementation of this policy is envisioned as an "opt-in" path that, once chosen, becomes enforceable by RESNET QA oversight. An "opt-in" approach can be likened to a stretch energy code which has been used successfully in the housing industry to move a market voluntarily toward higher performance over time. The high performers are rewarded, but more importantly, their competitors are further incentivized to leave their comfort zone and strive to go beyond. Over time, as the best practices used to qualify become more and more widely adopted in the marketplace, the criteria can be updated. The proposed approach accomplishes two things. First, it allows Providers to predict their annual costs for budgeting purposes. Second, by making it enforceable, it

ensures that those who opt-in are serious and not just going for a discount without being prepared to follow through.

After the 2019 RESNET Board Meeting, RESNET staff began work on an implementation plan for this performance-based approach. A tiered rate structure is being recommended by RESNET staff, along with associated criteria for each tier, with input from members of the rating industry. Based on knowledge gained from RESNET's Online and Field QA Oversight, we believe many providers are likely to consider one or more of the criteria to be "deal-breakers" that are too difficult or too costly to implement. A menu approach allows for partial incentive to be earned for those providers who choose to meet greater than 50% of the criteria, while the maximum incentive would be reserved only for those providers who choose to meet at least 80% of the criteria.

Reduction in RESNET's internal costs for QA oversight is one obvious way to think about appropriate measures, especially if the incentive is reduction in rating fees. But since the Board directive is aimed at improving quality and not simply reducing operating cost, this is not the primary guiding principle when considering the following measures. Instead, the primary guiding principles are as follows:

- 1) While they can be expected to come with some cost, the measures should be attainable for all providers.
- 2) The measures should incentivize behaviors that, if widely adopted, would clearly strengthen RESNET's case that its QA Program remains the Gold Standard.

Providers will apply for fee reduction at the time of annual renewal. *Upon approval for Tier I or Tier II status, Providers choosing to opt-out before the end of the calendar year must notify RESNET in writing. All selected quality assurance measures are enforceable up to the date of written notification.*

## **2. Increasing Quality Assurance Fees Based on Compliance Issues Identified in QA Reviews and/or Disciplinary Actions**

Non-compliance with RESNET quality assurance procedures by Providers will increase quality assurance rating fees. If a provider has 5 or more action items resulting from their annual or online review or their infield site visit, then the fees will increase to a first tier (Tier A). If a Provider is placed on probation, then the fees would increase to a second tier (Tier B). If a Provider is placed on suspension, then the fees would increase to a third tier (Tier C). Increased fees will remain in place for six months for Tier A, twelve months for Tier B, and twelve months beyond the end of suspension for Tier C.

## **Policy Statement**

RESNET proposes the following criteria as approved measures for a performancebased fee structure\*:

Tier I: greater than 50% of measures

## Tier II: at least 80% of measures

\*In order to qualify, Providers must remain in good standing and must have no administrative probation over the previous 12 months, as well as no disciplinary probation, suspension or substantiated complaints against them for the previous three years. Upon application for Tier I or Tier II status, Providers shall commit to “blind” or “ridealong redo” field QA reviews on a minimum of 25% of the total required annual field QA (specifically, it is not done as part of the rater’s initial final visit to the home). The rater may be present in the home, provided their initial test results have already been submitted. Compliance will be demonstrated via field QA reporting.

1. Provider uses an automated QA system to evaluate rating files for accuracy and/or errors. Automated QA system must be reviewed and approved by RESNET Staff if this measure is used. RESNET Staff review of automated QA system can be accomplished through Provider demonstration showing RESNET Staff the user (input) side of such systems through a GoToMeeting which would not require Staff to receive full access to the application or any back-end programming.
2. Method for validating a Rater’s or RFI’s time on a job site to establish reasonable length of time for task being performed.
3. For each Field QA review, QAD verifies and documents all available minimum rated features via time stamped, geo-tagged photos. Photos are archived and subject to RESNET review for three years.
  - a. MRF specific photos listed on the attached MRF Photos List
4. QAD completes separate independent testing using their own manometer to confirm the rater/RFI’s initial results. On blind QA, the QAD would inherently do all required performance testing with their own manometer. On ride-along finals (initial or redo), this measure requires that the QAD use their own manometer to verify the performance testing results after the rater or RFI has completed their testing. Remote QA reviews would be exempt from this measure.
5. Each Rater/RFI performing pre-drywall inspections must receive at minimum one (1) pre-drywall field QA annually. This may be done remotely, following the RESNET Remote QA Protocol. Compliance will be demonstrated via field QA reporting.
6. QAD creates a unique energy model simulation for each field QA review using the information they collected on the field QA review or Remote field QA review as well as the information the rater or RFI collected at pre-drywall. The energy model that the QAD creates may either start with the file the rater created or be a QAD model. The energy model should include take-offs from the plans and field verification of all minimum rated features.
7. All annual field and file QA review results are tracked in the RESNET Buildings Registry, including the submittal of the completed RESNET QA Review Checklist, (whether in the RESNET Excel version or reported from Provider’s incorporated QA system) for each rating included in the annual field and file QA

reviews. The results of each QA review shall to be updated at least monthly into the RESNET Buildings Registry.

8. Rater receives a full written report from the QAD for each field review. The report goes well beyond pass/fail and includes detailed findings, positive reinforcement where appropriate, and corrective actions and mentoring when necessary. (Sample reports will be provided).
9. Method for tracking and verifying frequency and types of failures in QA reviews for Raters and RFIs. Items tracked will be submitted as part of the annual QA report submission and addressed in the ongoing training/mentoring of Raters and RFIs.
10. RaterPro App or RESNET-approved equivalent (used for electronic field data collection on all ratings). RESNET Staff review of electronic data collection can be accomplished through Provider demonstration showing RESNET Staff the user (input) side of such systems through a GoToMeeting which would not require Staff to receive full access to the application or any back-end programming.
11. All individuals, including certified Raters, who create or edit HERS Rating energy models have been trained on the RESNET accredited software tool(s) they use and have earned the RESNET certified HERS Modeler credential.
12. Provider requires ongoing Training/Mentoring of Raters and RFIs for a minimum four (4) hours annually, in addition to Professional Development specified in the MINHERS for recertification. Training should be relevant to the job of rater or RFI. Training needs may vary by organization or by individual based on the results of QA Field Reviews, File Reviews, automated QA tool results or other means. Training of Raters and RFIs by a RESNET Instructor, QAD, or lead Rater shall be specifically aimed at increasing the consistency and accuracy of ratings and may take different forms including:
  - a. Field Mentoring
  - b. Team Meetings

## MRF Photos List

At minimum, the Quality Assurance Designee shall collect the following supporting documentation for each field QA:

- Photos of the following building features where applicable to the rated Dwelling Unit. Where photos are not possible, the Quality Assurance Designee shall collect additional supporting documentation.
- Collect photos with sufficient detail to confirm the thickness, type and installation grade of the insulation for each unique building assembly used in the software model.<sup>1</sup>
- All heating, cooling, and service hot water equipment including nameplate/model number
- Dwelling Unit Mechanical Ventilation System including nameplate/model number and controls
- Infiltration test result or automated test report
- Duck leakage test result(s) for each system
- Dwelling Unit Mechanical Ventilation System test result(s) for each system
- The building's front, back, right, left elevations
- Appliances (refrigerator, dishwasher, washer, dryer) including nameplate/model number

*1. (Informative Note) For example, insulation in finished walls may be verified using the rater's supporting documentation collected during a pre-drywall inspection.*