



Setting the Standards for
Home Energy Efficiency

Minutes
RESNET Board Fall 2014 Meeting
November 3 & 4, 2014
Scottsdale, AZ

Monday, November 3

Members Present

Ben Adams
Jacob Atalla
David Beam
Dave Bell
Steve Byers
Brett Dillon
Philip Fairey
David Goldstein
Roy Honican
Mark Jansen
Lee O'Neal
Frank O'Brien-Bernini
Jim Petersen
Dennis Stroer
Kelly Stephens
Nancy St. Hilaire
Daran Wastchak
Barb Yankie

Members Absent

Dennis Creech
Andy Gordon

Staff Present

Steve Baden
Laurel Elam
Kathy Spigarelli

Call to Order

The meeting was called to order by RESNET Board President Jim Petersen at 8:30 AM.

Roll Call

The roll was called and a quorum was present. Dennis Creech and Andy Gordon received excused absences.

RESNET Anti-Trust Policy

Kathy Spigarelli reviewed the RESNET Anti-Trust Policy (Attachment A). The policy was given to all members in board packet via email and Kathy reviewed the main points of the policy. The anti-trust policy was distributed to all members at the meeting to sign and date.

Approval of Agenda

Mark Jansen made a motion to approve the meeting agenda. Dennis Stroer seconded the motion. Agenda was approved by voice vote.

Approval of July 30, 2014 Minutes

Lee O'Neal made a motion to approve the minutes of the RESNET Board teleconference of July 30, 2014. (Attachment B) Philip Fairey seconded the motion. The motion was approved by voice vote.

Discussion and Adoption of 2015 RESNET Priorities

Steve Baden presented the proposed RESNET priorities for 2015 (Attachment C):

- Ensure the National Consistency of HERS Index Scores
- Work with the Building Industry, Code Advocates, Rating Industry and Local Code Jurisdictions to Incorporate the HERS Index Score has an Option in Building Energy Code
- Compliance
- Increase the Penetration of the RESNET HERS Index in the Housing Market
- Consumer Awareness Campaign on the HERS Index Score
- Advocate for Policy and Legislation to Foster the Financing of the Improved Energy Performance of Homes
- Maintain RESNET's Financial Sustainability

Brett Dillon made a motion to accept the proposed priorities and Lee O'Neal seconded the motion.

Frank O' Brien – Bernini proposed a friendly amendment to add building a robust suppliers advisory board and it was accepted as friendly amendment by Brett and Lee.

The motion passed by voice vote.

Discussion and Adoption of the 2015 RESNET Operating Budget

RESNET Board Treasurer Lee O'Neal presented the proposed RESNET 2015 Operation Budget request.

Roy Honicon made a motion to accept the following as the RESNET 2015 Operation Budget:

Payroll	\$600,000
<ul style="list-style-type: none">- Executive Director – Steve Baden- Deputy Director – Kathy Spigarelli- Accreditation Manager – Stephanie DeZee- Quality Assurance Manager and Conference Coordinator – Laurel Elam- Accountant – Faye Berriman	
Professional Services	\$474,000
<ul style="list-style-type: none">- Quality Assurance Support- Database Support- Government Relations- RESNET Web Site Maintenance- Public Relations- ANSI Standard Manager- Misc. Contractual Support – TBD if needed	
Travel	\$ 90,000
RESNET Conference	\$251,000
Other	\$126,000
<ul style="list-style-type: none">- Credit Card Service Fees (\$52,000)- Copying & Printing (\$2,000)- Insurance (\$8,000)- Internet Services (\$3,000)- Legal Services (\$12,000)- Meetings (\$12,000)- Misc. (\$8,000)- Postage (\$2,000)- Software (\$3,000)- Telephone (\$12,000)- Amortization & Depreciation (\$2,000)- Scholarships (\$10,000)	

Supplies	\$ 5,000
Total Proposed Budget	\$1,546,000

Mark Jansen seconded the motion.

The motion was adopted by voice vote.

Discussion and Adoption of the 2015 RESNET Capital Budget

RESNET Board Treasurer Lee O’Neal presented the proposed RESNET 2015 Capital Budget request.

Dennis Stroer made a motion to accept the following as the RESNET 2015 Capital Budget:

Infrastructure Investment to Implement the Enhancement of Consistency of HERS Index Scores	\$250,000
Update RESNET National Registry and Testing Servers	\$100,000
Expand Search Capacity of RESNET National Registry	\$50,000

Roy Honican seconded the motion

Steve Baden announced that RESNET staff would be contracting with EnergyLogic to develop the automated quality assurance review of building files through the RESNET National Registry.

Steve Byers recused himself for this reason.

The motion passed by voice vote with Steve Byers abstaining.

Report on RESNET Suppliers Advisory Board

Frank O’Brien – Bernini gave an update on the RESNET Suppliers Advisory Board. 81 companies have been invited to be on the Suppliers Advisory Board and 58 companies were invited personally by staff and the board.

There are currently five official suppliers advisory board members and ten more are likely to join by January 15th. The goal is to have 30 members on the Suppliers Advisory Board. Companies receive founding member status if they join by January 15, 2015. It was noted that the membership of the Suppliers Advisory Board is diverse and includes both large and small companies.

The first RESNET Suppliers Board meeting will be Sunday morning before the 2015 RESNET Conference. The founding members' logos will be displayed on the podium in the breakout session rooms.

Discussion and Adoption of the Recommendations of the Quality Improvement Task Force for Implementing Board Policies on Ensuring the National Consistency of HERS Index Scores

The board deliberations on this item on the agenda was audio live streamed nationally.

Introduction of process to develop recommendations

Steve Baden presented an introduction of the process to develop recommendations including:

- Findings and recommendations from the RESNET Task Force on Enhancing the National Consistency of HERS Index Scores
- Adoption of a set of policies by the RESNET Board in 2013
- Options and recommendations from working groups on software fixes and quality assurance
- Three separate public review and comment opportunities
- Posting a web site dedicated to the process of developing the recommendations
- Recommendations from the RESNET Quality Improvement Task Force.

Board members were reminded that the deliberations would be on the policy level and not on the details of implementation. The details of implementation will be developed by Standard Development Committee 900. The implementation development process will be transparent and will include vetting by the rating industry, RESNET Board of Directors and Quality Improvement Task Force, as well as, public review and comment.

Prior to the RESNET Board of Directors fall board meeting, the recommendations of the RESNET Quality Improvement Task Force was presented at a RESNET Board briefing teleconference. (Attachment D)

Board Consideration

Mark Jansen made a motion to accept the Quality Improvement Task Force recommendations on software fixes. David Beam seconded the motion.
Motion passes

Philip Fairey made a motion to accept the Quality Improvement Task Force recommendation on additional quality assurance oversight of HERS Rater when errors are found in the quality assurance review process. Lee O'Neal seconded the motion.
The motion passed by voice vote.

Brett Dillon moved to accept the Quality Improvement Task Force recommendations on Quality Assurance Oversight. Mark Jansen seconded the motion.

Philip Fairey made a friendly amendment to incorporate editorial changes offered by members of the RESNET Task Force on the National Consistency of HERS Index Scores.

Brett Dillon and Mark Jansen accepted the motion as a friendly amendment.

Definition of Direct Rating Provider

Kelly Stephens made a motion to accept the working definition. Jacob Atalla seconded the motion. The motion passed by voice vote.

Maintain Current Infrastructure of Direct Rating Providers with Changes

Mark Jansen moved that the board adopt the recommendation that Direct Rating Providers must utilize independent QA Contractors to perform quality assurance on their Ratings. David Beam seconded the motion. The motion passed by voice vote.

Lee O'Neal moved that the board adopt the following:

- *QA Contractors* are certified as agents of RESNET Are trained by RESNET
- Are certified by RESNET
- Can have their certification revoked by RESNET

Dennis Stroer seconded the motion.

The motion passed by voice vote.

Lee O' Neal moved that the RESNET Board adopt the following: "QA Contractors must be financially independent from the Direct Rating Provider. An employer-employee relationship shall not exist between the Direct Rating Provider and the QA Contractor."

Mark Jansen seconded the motion.

Daran Wastchak proposed the following friendly amendment, "The board's intent is to not preclude QA contractors from receiving fees from the party receiving QA services, consistent with IRS financial relationship provisions."

Lee O'Neal and Mark Jansen accepted the motion as a friendly amendment.

After discussion the amended motion passed by voice vote.

Mark Jansen moved that the RESNET Board adopt the following: “RESNET will provide a list of RESNET-approved QA Contractors from which Direct Rating Providers may select”. Dave Bell seconded the motion. The motion was adopted by voice vote.

Kelly Stephens moved that the RESNET Board adopt the following: “RESNET staff will establish a rigorous credentialing process of vetting, approving, and validating QA Contractors”. David Beam seconded the motion. The motion passed by voice vote.

Ben Adams moved that the RESNET Board adopt the following:

“RESNET staff will establish uniform QA processes for which QA Contractors are responsible and ensure the comprehensive training of the QA Contractors”.

Barb Yankie seconded the motion.

The motion was adopted by voice vote.

Lee O’Neal moved that the RESNET Board adopt the following:

“RESNET staff will implement measures that address disclosure and conflicts of interest between QA Contractors and those receiving quality assurance services.”

Brett Dillon seconded the motion.

Steve Byers proposed a friendly amendment that “disclosure” be changed to “non-disclosure”.

Lee O’Neal and Brett Dillon accepted the amendment as a friendly amendment.

After discussion the amended motion was adopted by voice vote.

Lee O’Neal moved that the RESNET Board adopt the following:

“RESNET staff will continue the monitoring of Direct Rating Providers to ensure documentation of the QA process.”

Dennis Stroer seconded the motion.

The motion passed by voice vote.

Third Party Providers

Lee O’Neal moved that that the RESNET Board adopt the definition of *Third Party Providers* as follows:

“Providers who do not receive fees for the rating and whose staff do not conduct any portion of the rating are Third Party Providers.”

Mark Jansen seconded the motion.

The motion passed by voice vote.

Lee O’Neal moved that the RESNET Board adopt the following policy:

“*Third Party Providers* are exempt from the requirement to use QA Contractors: their QAD’s are agents of RESNET

- Are trained by RESNET
- Are certified by RESNET
- Can have their certification revoked by RESNET

An employer-employee relationship shall not exist between the *Third Party Rating Provider* and the rating entity. The board’s intent is to not preclude *Third Party Providers* from receiving fees from the party receiving QA services, consistent with IRS financial relationship provisions.”

Philip Fairey seconded the motion.

Steve Byers proposed a friendly amendment that “The board’s intent is to not favor one QA mechanism over another and to ensure the quality assurance outcomes are equivalent for the direct and third party providers.”

Lee O’Neal and Philip Fairey accept it as a friendly amendment.

After discussion the amended motion passed by voice vote.

Philip Fairey moved that the RESNET Board adopt:

- o RESNET will:
 - Establish a rigorous credentialing process of vetting, approving, and validating QADs;
 - Establish uniform QA processes for which QADs are responsible and ensure the comprehensive training of the QADs;
 - RESNET will continue the annual monitoring of providers to ensure documentation of QA process.

Mark Jansen seconded the motion.

The motion passed by voice vote.

Review of Effectiveness of New Quality Assurance Oversight Process

Lee O'Neal moved that the RESNET Board adopt:

“This QA model will go through a two year trial cycle after the effective date of implementation of the standard. After the second year RESNET will contract with an independent third party to conduct a compliance audit of the effectiveness of the QA model. If the audit finds that components of the QA model are not working and do not meet the objectives of RESNET or are not in the best interest of the industry, RESNET can proceed to replace or modify the QA model. “

David Beam seconded the motion.

Frank O'Brien – Bernini proposed the following friendly amendment:

“This QA model will go through a two year trial cycle after the effective date of implementation of the standard. After the second year RESNET will contract with an independent third party to conduct a compliance audit of the effectiveness of the QA model. If the audit finds that components of the QA model are not working and do not meet the objectives of RESNET or are not in the best interest of the industry, RESNET can proceed to replace or modify the QA model.”

Lee O'Neal and David Beam accepted the proposal as a friendly amendment.

Brett Dillon proposed a friendly amendment that “it is the intent of the board that the implementation group will define outcomes to determine benchmarks for effectiveness.”

Lee O'Neal and David Beam accepted the proposal as a friendly amendment.

After discussion the motion passed by voice vote.

RESNET Quality Improvement Task Force Overseeing RESNET Staff in the Development of the Implementation Plan

Mark Jansen moved that the RESNET Board adopt:

“The RESNET QI Task Force will oversee RESNET staff in the development of the implementation plan and will serve as the nucleus of a QI working group under Standard Development Committee 900 – Quality Assurance.”

Lee O'Neal seconded the motion.

The motion was adopted by voice vote. The Board requested regular updates from the SDC 900 and Quality Improvement Task Force.

Transparent Process for Reporting RESNET's Cost of Implementing the Quality Assurance and Credentialing Model

David Goldstein moved that the RESNET Board adopt:

“There will be a transparent process for RESNET’s cost of implementing the Quality Assurance and credentialing model. RESNET will report the cost of carrying out the requirements of quality assurance oversight to the accredited Providers.”

Brett Dillon seconded the motion.

Steve Byers offered the following friendly amendment:

“There will be a transparent process for reporting RESNET’s cost of implementing the Quality Assurance and credentialing model. RESNET will report the fee for RESNET carrying out the requirements of quality assurance oversight. “

David Goldstein and Brett Dillon accepted the motion as a friendly amendment.

After discussion the amended motion was adopted by voice vote.

The question was called on the motion on the floor. The RESNET Board adopted the amended motion unanimously.

Marketing the HERS Index

Jim Petersen stated that over the past three years RESNET has been successful in achieving the following institutional milestones:

- Adopting the ANSI standard
- Having a Energy Rating Index Score recognized in the International Conservation Code
- Laying the ground for enhanced consistency in HERS Index Scores

Jim stated the time was now to begin focusing on reaching out to homebuyers. He proposed that RESNET develop a video that would introduce the HERS Index and its benefits to consumers.

RESNET Strengths/Weaknesses/Opportunities/Threats Analysis

Steve Baden provided background on the past strategic plan. Since the latest version of the RESNET strategic plan was adopted in 2011 it was time to develop a new plan to address the changed environment and market place. It was decided that this time the RESNET board would be involved in the development of the plan.

Kathy Spigarelli led the board in the Strengths/Weaknesses/Opportunities/Threats (SWOT) Analysis. The results were:

Strengths		Weaknesses	
Topic	Votes	Topic	Votes
Inclusion in IECC	17	Limited Effort to Market Ourselves/Branding	20
Established Market Presence	15	Limited Staffing	18
Ability to Produce Consensus Based Standards	15	Perception of Membership	18
Recognition by Established Organizations	13	Messaging to Stakeholders	13
HERS index Promotes Greater Efficiency Through Competition	13	Clarity of Purpose	8
Financial Status	11	Industry Communication Structure	6
Openness to Change	9	Lack of Nationally Recognized Spokesperson	6
Infrastructure	5	Board Election Process	6
Dedicated & Efficient Staff	4	A Fortress Mentality	5
Membership	2	Lack of Diversity in Board Membership	3
Relative Lack of Competition	2	Proofreading	3
Engaged/diverse/collaborative board	1	Lack of Agility	0
Membership Diversity	0	Clear Definition of Stakeholders	0
Comprehensive Market offerings	0	Board has a Tendency to Lose Focus	0
Opportunities		Threats	
Topic	Votes	Topic	Votes
Water Rating	18	Alternative Rating Companies (Non-RESNET)	27
Existing Homes (ratings, audits, labels)	17	Creditable QA	20
MLS	13	Quality of Ratings	16
Marketing of HERS Index	11	Lack of Consumer Awareness of Builders	11
EPA Existing Power Plant Regulations	10	2018 Code- Potential of Undo What's Been Done	8
Data Sales	8	Utility Programs	8
Multifamily	7	Federal Government	6
Loans and Finance	7	Price Erosion	4
SAVE Act	4	Lack of Team Building between Raters and Trades	4
Education & Certification (Realtor, appraisers, designers, manufacturers)	3	Shortage of RESNET Certified Raters	1

Insurance Industry (defaults, warranties)	3	Educational Cost to Raters	1
Re-Ratings	3	Limited Software Providers and Consistency	1
Codes & Standards	1	Code Enforcement	0
Commercial Buildings	1		
Credit Verification (carbon, energy, capacity)	0		

The RESNET Board created a Board Strategic Planning Subcommittee that would be responsible for completing the SWOT Analysis. The subcommittee would take this analysis and draft a revised strategic plan. The subcommittee would be composed of one member from each membership class.

The subcommittee will meet on Saturday before the 2015 RESNET Conference and the draft strategic plan will be presented to the RESNET Board at its 2015 Fall board meeting.

Tuesday, November 4

Update of California Harmonization Working Group

Working group chairman Jacob Attalla provided the following updates:

- A “bilingual” system has been proposed where California HERS would govern Title 24 compliance and utility rebates, but where builders would be able to market the RESNET HERS Index Scores of their homes.
- There was a meeting in January 2014 with California Energy Commission (CEC) staff and California Building Industry Association (CBIA) to reach consensus on how this can be done and to quantify the current gap.
- CBIA invested in an analysis of the differences between the RESNET and California rating calculations. The analysis has not been completed and it is not ready for public review.
- California HERS software program update (for the new T-24, as of July 2014) has some issues; fixing it has priority over the harmonization project.
- In the interim, we are expanding on stakeholders’ support – the concept of a bilingual system has been presented to California Investor Owned Utilities’ new home program managers, raters and energy efficiency NGOs, and has generated support.
- Organizing a California HERS Raters and Building Professionals Conference in conjunction with the RESNET 2015 conference is in progress.
- More work is required to get the California Energy Commission, builders, utilities, raters and RESNET at the table to develop a solution.

Update of the RESNET – Pacific Northwest Harmonization Working Group

On behalf of Andy Gordon, Dan Wildenhaus, of the NEEA Efficient Homes Program, presented the update of the RESNET- Pacific Northwest Harmonization Working Group.

- EPA and NEEA mutually agreed on rollout date to require v3.1 specifications in Oregon, Idaho, and Montana subsequent to the adoption of the 2012 IECC or an equivalent code, consistent with national policy.
- NEEA and EPA are to collaboratively develop v3.2 specifications around the WA Reference Home
- EPA and NEEA conduct quarterly technical meetings around code developments throughout 2015, making use of RESNET and Boot Camp or EEBA conferences when convenient.
- The EPA website and hotline informs builders/Raters that homes striving for incentives in the NW may need to meet additional requirements as set forth by a regional entity.
- NEEA will maintain the Multifamily BOPs through 2015.
- Once RESNET protocols are finalized for modeling low rise multifamily, NEEA can begin the migration to the national multifamily requirements.
- NEEA is moving to RESNET testing and modeling protocols (for ENERGY STAR and HERScores at least) and NW may still require alternative information for incentive programs and NW scoring systems.

Next Steps

- Work with SDC 300 committee on a proposal for ducts inside compliance
- Work with RESNET on rating/scoring systems in the NW (Oregon HB 2801, Washington Auditor Bill, NEEA regional scoring)
- Receive written approval to extend NW Verifier status until xxxx, 2015, while the RFI pilot is rolled out
- Talk with any RESNET approved software manufacturer about providing compliance reports for NW utilities and possibly other bodies
- Explore training crossover opportunities in the NW
- Explore data sharing opportunities between RESNET Registry and NW Database
- Continue to provide a potential location for RESNET pilot offerings

Status of RESNET Standing Committees

Mark Jansen made the motion to formally dissolve the RESNET Quality Assurance and Training and Education Standing Committees after transferring their standard development activities to Standard Development Committees. Lee O'Neal seconded the motion.

The Training and Education committee will continue until the SDC 200 is formed.

The motion passed by voice vote.

Philip Fairey noted that the SMB approves the members and decides on the chair and vice-chair. The committee must be balanced per the manual approved by the board and includes user, producers, and general interest categories.

Report on Status of Adoption of RE-188

Steve Baden reported on the status on adoption of RE-188.

- Four factsheets have been developed for the Energy Rating Index and the 2015 IECC.

There is an alliance with International Code Council that includes a package of testing and certification of RESNET HERS Raters to be certified by ICC as Third Party Inspectors for IECC and IRC. There will be a customized ICC Membership for RESNET HERS Raters that will include voting rights on first round of IECC/IRC code adoption and eligibility to serve on development committees. This will be completed by January 1st and announced at the 2015 RESNET Conference.

A joint ICC training program is under development for building code officials on adopting and implementing the energy rating index option of the IECC.

Report on 2015 RESNET Building Performance Conference

Laurel Elam reported on the 2015 RESNET Building Performance Conference. A new website and logo has been developed. Exhibitors and sponsors are up from this time last year, there will be a California HERS Track and information on the Board scholarship will be going out soon.

Laurel Elam also reported on the annual quality assurance of QA providers. She reported that 100% Annual Report Reviews were completed by August 1st. Forty-three Rating Quality Assurance Providers were placed on administrative probation and 56 Providers had findings that didn't cause them to be placed on probation. The national Registry was used as a QA tool. Additional documentation was requested in the annual report submission including policies and procedures, sample rater agreement, signed disclosure for each active rater, professional development and calibration tracking and the address of the home used for field QA review.

Ms. Elam also reported that the 25% Online QA Report Reviews were completed by October 20th and that all new providers were reviewed. Approximately 50% of all providers have had an online QA review in the past 2 years and the goal is to have 100% or the remaining 50% in the next 2 years. The online reviews looked at YTD QA Reviews performed, file and field QA review process, complaints, and discussed Registry best practices including rater status

Ms. Elam stated that she learned a tremendous amount about what is currently done for QA and that everyone is doing file and field QA differently. A standard RESNET QA

checklist and QA process are needed and will help now to improve consistency among current providers

New Business

2014 RESNET Board Elections

The election procedures have changed and include self-nomination and financial disclosure as well as a questionnaire about why the individual wants to serve on the board. One new application for rater and associate member each were received; all other applications were for incumbents. A nominations committee was formed to review the applications. Voting results will not be seen until after the election. The ballots will go out on December 1st and December 20th is the deadline for voting.

U.S. Depart of Energy

Jim Petersen met with DOE. RESNET has received a letter from Kathleen Hogan stating the HERS Index is good for new homes.

David Lee has promised to convene a technical group composed of representatives of RESNET, DOE, Building Performance Institute, National Association of State Energy Officials and the national labs on the relationship between the Home Energy Score and the HERS Index. No action has been taken on this commitment.

Philip Fairey is working with David Lee on brokering a deal to resolve the dispute between DOE and RESNET but there is not any progress.

Adjournment

Mark Jansen made a motion to adjourn. Meeting was adjourned at 11:33 AM.