

# Proposed Options on Quality Assurance Comments

## COMMENT #1

**Kirsten Shaw**

Advanced Energy Efficiency & Environmental Quality

**Comment Type:** General

**Option Number:** Option 1

Opinion

Because the ratings impact code compliance, it is my opinion that RESNET employees, not contractors, are the most justifiable, consistent and sustainable solution.

A fee can be assessed for each registered HERS rating to fund the additional staff and the associated travel costs. Employees can be based throughout the nation, but are accountable and answerable to only RESNET.

## COMMENT #2

**Daniel Conner**

Southern Energy Management

**Comment Type:** Editorial

**Option Number:** Option 3

We believe option 3 supplies both RESNET and SEM with the best senerio for success.

We strongly believe that having Market Infunences in the process will ensure that the QA process is conducted efficiently and costs are limited.

In a lot of ways, SEM is already using option 3. We are a provider, but contract out our QA services to Energy Logic. It allows for increased quality that is more consistent with national standards, as well as for maximized efficiency. It insures our processes are in line with other rating companies around the region, our costs are minimized since we choose to use EL, and EL recieves fair compensation for their services. A win for everyone involved.

It is important to leave the door open for the creation of a positive relationship b/w the rating company and the contractor performing the QA. We do not want to see a process like that between a builder (us) and the code officials (RESNET). This will create inefficiencies,

increase frustration, and increase costs for all parties involved. We need the market influences to ensure this new process is successful for all parties involved.

We would hope that RESNET decides to organize this new process similar to the relationship between SEM and EnergyLogic, and not like the relationship b/w a builder and a code official. Option 3 allows for this.

Thank you,

## COMMENT #3

**Eric Powell**

Cornerstone Energy Conservation Services

**Comment Type:** General

**Option Number:** Multiple

Consensus #4, Regarding the charge by the QAD for QA services, there must be a mechanism in place to allow for QA contractors to charge for each QA component completed so that in the case that the findings or adherence to the QA standards requires additional monitoring, the QAD will be compensated for the extra (above minimum) work performed.

Consensus #6, This must be defined clearly for the rating industry to understand. What if a company consists of one individual? (Sole proprietorship since I really don't need additional help to perform QA work) Will this be recognized as a company or individual? Options accommodating this point need to be implemented so that QA is not just contracted out by large regional companies which can probably offer QA services at the lowest price due to being able to scale.

Options (multiple). This probably doesn't affect every QA provider but there could be problems with not allowing a QAD who is a rater perform rating services in the area that they QA. Specifically, if QADs are an employee of RESNET but RESNET doesn't pay sufficiently, how will the Rater-QAD make up the financial loss?

Options (multiple). It seems that all options will make field QA much more difficult to schedule. It's not a perfectly independent method but what happened to QA providers being QA contractors who work with one or more rating providers in their region so that the scheduling of QA is still largely left to be worked out between the QAD and the rater? I sense that if QA Providers can't keep a regular tab on the raters they perform QA on, that there will be last second calls from a provider notifying a QAD that a rating was submitted in lets say, mid December, and a rater needs QA'd.

**Proposed Change:**

In general, I believe that this direct separation probably needs to happen but let's not put 50-75% of the QADs out of business to do it.

## COMMENT #4

**Steven Armstrong**  
Environmental Solutions Group

**Comment Type:** General

**Option Number:** Draft Options Developed by RESNET Quality Improvem

Option 3 seems to be the best approach. With proper scheduling there should be very little conflict with the builder/Rater field inspections.

Thanks to the task group for all their good work.

## COMMENT #5

**L. Michael Lopez**  
Individual

**Comment Type:** General

**Option Number:** 1

As a HERS Rater who has been in the industry for the last 9 years, I would like to see RESNET itself operate the QA program by hiring qualified staff to do so. The number one reason would be the consistency it would build within the process with the impartiality aspect coming in as a close second. Thank you.

## COMMENT #6

**John Steil**  
Midwestern Energy Solutions, LLC

**Comment Type:** General

**Option Number:** Option #3

Out of the three options presented I endorse option #3 as the best one for transparency in the QA process. It holds the most Pro's and the least Con's. The only suggestion (change) I would ask for, or for the Board to consider, would be to include into option #3 the following:

The party being contracted with to perform QA for any one region, must have a complete understanding of the various construction techniques in the area they are responsible for performing QA in.

In other words I do not think it would be representative to have a QA party from Southern, Western or Eastern Regions, performing QA for clients in the Midwest or Northern region, as the construction techniques and mechanical equipment vary in the different regions.

## COMMENT #7

**Ryan Miller**

North Carolina Building Performance Association

**Comment Type:** General

**Option Number:** We favor Option 3

NCBPA is in the final stages of launching our nonprofit-based statewide Rating Providership for the state. We have developed this program with support from many Raters and Providers across the state who acknowledge that independent third party quality assurance is needed in our industry. These companies are also willing to subject their staff to outside QA in place of performing it internally, and have stated that they are willing to pay for it as well. Our state is comprised of progressive Raters that oftentimes work together to support each other and promote our industry. In developing this program and obtaining feedback from throughout the state and nationally, we have heard consistently that being a regional/state Provider affords many opportunities for our organization to help grow, oversee and market the industry by working together. We'll have access to more home data than anyone else, can market the trade using statewide campaigns, can invest in systems and resources together, and develop consensus opinions and needs that support our entire market. We hope to be a model for the future of RESNET Providers.

**Proposed Change:**

We favor Option 3.

## COMMENT #8

**Kevin Smith**

Energy Wise Solutions

**Comment Type:** General

**Option Number:** Option 1. RESNET does all QA with RESNET Staff

I support option 1 because it is the best way to insure impartial consistency of the QA Process.

## COMMENT #9

**Kevin Smith**

Energy Wise Solutions

**Comment Type:** General

**Option Number:** Field QA's of Raters

Energy Wise Solutions is voting for Option 3 - regional 3rd party contractors that only perform QAs in their assigned region. They are not allowed to perform ratings in their region.

Thank you.

## COMMENT #10

**Amy Musser**

Vandemusser Design

**Comment Type:** General

**Option Number:** 1

From the rater perspective, I don't think there will be much operational difference in how any of the proposed approaches work. These two comments are more aimed toward avoiding pitfalls of the approach, and may lead to other changes in the RESNET standard to avoid possible pitfalls with implementation.

My first concern is that in making any of these changes will result in QA being less local than it often is today. Since the QA party can't conduct ratings locally (which I support), they will probably be traveling in from a further distance. And since QA is being de-coupled from providership, I think RESNET needs to take a look at how providers handle raters who are on probation (or new) and would normally be getting more QA than the minimum required. How

will this be communicated to the providers? Will the RESNET-hired QAs provide the additional QA or will that fall back to the providers? It seems like some of the reasons that a rater can be on probation will now be discovered by the provider and others by the RESNET QA. How will that be coordinated? Additionally, I think the RESNET standard will need to be edited to reflect a separation of "mentoring" of new raters from QA. When a new rater does their initial probationary ratings, is that QA (by RESNET) or mentoring by the provider? Will providers be required to have QA designees since they will not be officially doing QA? Also be aware that many providers are currently requiring a longer probationary period or more supervision of new raters. I don't think we necessarily want to take that away as part of this process.

My second suggestion stems from the first. Once QA becomes more centralized, it seems inevitable that some raters are going to need more QA than others. When making this change it would probably save RESNET a lot of upheaval in the future if it just established categories of raters from the beginning. Perhaps there is a category for new raters or raters who have significant findings that will get more QA. Then there would be a category for raters who are working smoothly who would get the minimum QA (the current 10%/1%). Perhaps in the future it would make sense for raters with very good QA histories to be eligible for less QA (this shouldn't be done until after QA is standardized, though).

**Proposed Change:**

I think the related changes probably need to show up in section 102.1 of the RESNET standard.

## COMMENT #11

**Philip Fairey**

Florida Solar Energy Center

**Comment Type:** Technical

**Option Number:** Options Considered

The options document provides 3 options for achieving the objectives of the Board of Directors. However, it leaves out at least one perfectly valid option that is currently in use. That is the model under which the QA provider neither performs ratings nor employs raters. This model meets both of the objectives of the Board of Directors: 1) the QA provider is functioning as an agent of RESNET, and 2) there is neither a financial interest nor an employee/employer relationship between the QA Provider and the entity performing the rating.

**Proposed Change:**

Add an option as follows:

Option 4 – RESNET accredits QA Rating Providers who do not perform ratings and who do not employ raters

QA Rating Providers who do not perform ratings and who do not employ raters are accredited by RESNET under this option. The accredited QA Rating Provider must have a RESNET-certified QAD on staff or under contract to perform all RESNET quality assurance services. Individual raters are certified by the QA Rating Provider and raters and rating companies remunerate the QA Rating Provider for the RESNET quality assurance services provided to them by the QA Rating Provider.

Pros:

1. Improves impartiality (QA Rating Provider has no financial or employee/employer interest in the result of quality assurance reviews)
2. Allows best access to rated homes for random field quality assurance assessments (raters are certified by the QA Rating Provider, making for better communication and coordination between the rater, the client and the QAD)
3. Represents only RESNET QA interests (true agent of RESNET, answering only to the RESNET quality assurance process and not to raters, rating companies or rating clients)
4. Encourages competition for additional fully independent, 3rd party QA Rating Providers to enter marketplace.
5. Easily managed by RESNET under current RESNET quality assurance structure

Cons:

1. Tracking and ensuring consistency across RESNET-accredited QA Rating Providers will need to be well managed by RESNET and may require additional standardization
2. Not well aligned with some current rating company business models (maybe this one is a pro instead of a con)

## COMMENT #12

**Jonathan Coulter**

Advanced Energy

**Comment Type:** Technical

**Option Number:** Options 2 & 3

A huge value of having Weatherization Program Training Centers also perform QA duties is that the lessons learned can immediately be rolled into State or Regional specific trainings on how to improve the necessary gaps found in the field.

**Proposed Change:**

In order to satisfy Options 2 or 3, utilizing one of the 26 existing "Regional Weatherization Program Training Centers and Programs" as QA Providers - [www.waptac.org/State-WAP-Training-Centers.aspx](http://www.waptac.org/State-WAP-Training-Centers.aspx)

OR

In order to satisfy Option 2 or 3, utilize one of the 17 existing "Regional Weatherization Assistance Training Centers and Programs" as QA Providers.

OR

Combine them to have 43 or more National QA Providers

## COMMENT #13

**Robert DuTeau**

Kansas Building Science Institute

**Comment Type:** General

**Option Number:** 1, 2, and 3

Options 1 and 3 are similar because RESNET can either hire staff directly, or hire staff by contract. Hiring staff as contractors allows RESNET more flexibility, and potentially less consistency. Hiring staff as employees of RESNET provides an opportunity for maximum consistency.

All options require serious vetting, training, hiring, and managing of QAD's by RESNET. What RESNET staff or independent contractor is qualified to fulfill these technical responsibilities?

Option 2 leaves RESNET with the least responsibility and the least control over the QA process. Therefore exposes RESNET to the greatest risk and least potential for consistency.

Options 2 and 3 both require: "QA Contractors will not be allowed to perform ratings in the geographic areas where they are delivering QA services." In other words, QA contractors shall not perform ratings unless they travel away from their QA region to conduct ratings, or they travel away from their ratings location to do QA. The only way for a QAD to also work as a rater appears to be option 1.

Being on-site at the right time for the field QA of a randomly selected rating is challenging regardless of option 1, 2, or 3. If rigorous documentation is required of both raters and local QAD's, then RESNET can review and compare the extensive documentation submitted by both rater and local QAD. With actual disclosure (see below), extensive documentation requirements, and potentially the screening and data mining of the ratings submitted to the buildings registry, a

technically adept QA staff at RESNET could identify suspect ratings, take action, and minimize risk with minimal changes to the current QA system.

Item #4 in the General Points of Consensus – “Builders understand that there is a reasonable cost for providing QA services. However, to keep the financing of the RESNET QA process simple, costs for QA should not be paid directly or separately by builders...”

The RESNET disclosure currently fails to disclose WHO is being paid by WHOM for the rating. Without information on who is paying the rater, and who is paying the Provider, there is no actual disclosure. The only person identified on the disclosure is the rater. The builder, the Rating Provider, and the reason for the rating are not identified on the current disclosure form. Specifying Who is paying Whom is real disclosure.

## COMMENT #14

**Curt Van Riper**  
Green Zone Home

**Comment Type:** General  
**Option Number:** 1 2 3

My concern is not that any of the three options will not work in theory, but rather that RESNET as an organization has not had a need to develop an adequate management structure, staff, and organization to oversee any of the three options. With this new attempt at a more integral QA process RESNET as an organization and its paid staff will need to be expanded and the organization become more sophisticated.

Regardless of which option may be adopted, before adoption occurs and before implementation can begin, I recommend that RESNET as an organization develop action plans, business models, timelines, budgets, and cost estimates that the organization itself will incur. This data would likely be necessary for a valid decision to be made by boards and committees.

Further, It seems that there will be at least three potential increases in costs depending on which option is chosen:

- 1) cost for increased RESNET staffing to oversee any of the plans adequately
- 2) cost for third party QA designees if options 1 or 2 and for staff QA designees for option 1
- 3) cost for Providers to staff knowledgeable personnel to interact with QA designees and provide data, access, and files as necessary

I recommend that RESNET do exploratory work to develop estimates for each of these three costs for each of the three options and then query builders nationally to see if these additional costs will be prohibitive to them continuing to utilize RESNET/HERS as a marketing tool. I'd recommend too, that the query not just be of national representatives of large corporate builders but of local purchasing representatives for large corporate builders as well as medium and small volume builders.

I appreciate the work of the committee members who came up with the three options.

## COMMENT #15

**Laura Capps**  
Southface

**Comment Type:** Editorial

**Option Number:** General Point of Consensus 2

The proposed responsibilities of the Rating QA Provider are not sufficient in scope for maintaining a need for Rating QA Providers. Aside from the initial Rater Certification scope which involves post training coaching and onboarding, the remaining proposed responsibilities will carry no monetary value in the marketplace. Provider business models rely on the revenue from QA duties to cover the administrative paper-pushing (CEU tracking, registry reporting, etc.) and, more importantly, the ongoing technical support provided to Raters.

Including the enforcement of disciplinary actions related to QA as a Rating QA Provider responsibility is not appropriate given that under this proposal, the Rating QA Provider is not performing the QA. The individual performing the QA would be the most appropriate individual to provide follow-up guidance and oversight to the Rater if the follow-up is to effectively educate the Rater and improve the industry as a whole while ensuring standard disciplinary requirements are followed.

Southface recommends RESNET adds a layer of QA oversight to ensure the QA provided by Rating QA Providers is following RESNET standards thereby strengthening the existing QA infrastructure. Under this model, the disciplinary actions related to the oversight QA would be implemented by the QA oversight contractor to the Rating QA Provider, and where appropriate, directly from the QA oversight contractor to the Rater.

### **Proposed Change:**

It is the intent of any Option selected that the current Rating QA Provider structure continue to include, at a minimum, the following responsibilities for Rating QA Providers: Rater certification, oversight of Raters, Quality Assurance of Raters, providing rating software to Raters, disciplinary action for Raters (including enforcement of

disciplinary actions related to QA), general support of Rater rating activities, and assistance with the execution of the third-party QA process. Responsibilities for QA Oversight individuals will include oversight of Provider QA procedures including file and field review of Provider QA delivered to each Rater.

## COMMENT #16

**Laura Capps**  
Southface

**Comment Type:** Editorial  
**Option Number:** General Point of Consensus 3

Maintain the current level of QA required of Providers in overseeing Raters. Add QA oversight to Providers.

**Proposed Change:**

~~To reduce confusion, and because of the removal of the QA implementation role by Providers, “QA” should be removed from the name of Rating QA Provider;~~

## COMMENT #17

**Laura Capps**  
Southface

**Comment Type:** Editorial  
**Option Number:** General Point of Consensus 4

Since QA is a real-cost, any pass-through fees associated with providing services to builders that go to Providers and/or RESNET may justifiably be itemized on a Rater's invoice to a Builder. While the point does not explicitly state this cannot happen, we want to be sure it is not implied and therefore suggest stating clearly that it may.

**Proposed Change:**

Builders understand that there is a reasonable cost for providing QA services. However, to keep the financing of the RESNET QA process simple, costs for QA should not be paid directly or separately by builders. Rather, they should be paid

indirectly in fees charged to builders for HERS rating services. Raters retain the right to itemize the costs associated with QA on an invoice and any other pass-through fees to RESNET and/or Providers;

## COMMENT #18

**Laura Capps**  
Southface

**Comment Type:** Editorial  
**Option Number:** General Point of Consensus 6

Individuals performing QA should be required to pass appropriate training, exam and on-going performance monitoring requirements.

### **Proposed Change:**

~~If QA is delivered by outside contractors, the~~ The contractors delivering QA should be companies rather than individuals with specific individuals performing the QA that have passed and continue to pass ongoing training, exam and performance standards appropriate of a QAD;

## COMMENT #19

**Chris McGinley**  
Kurk Homes

**Comment Type:** General  
**Option Number:** 1

What we suggest is continuing with the success of the rating system as it has been administered over the last several years. Rating Providers performing QA on the personnel they are responsible for, and often train, while RESNET performs more in-depth Quality Assurance across all Rating Providers

### **Proposed Change:**

What we suggest is continuing with the success of the rating system as it has been administered over the last several years. Rating Providers performing QA on the personnel they are

responsible for, and often train, while RESNET performs more in-depth Quality Assurance across all Rating Providers

## COMMENT #20

**Laura Capps**  
Southface

**Comment Type:** Editorial

**Option Number:** General Point of Consensus 7

In addition to the QA not performing QA on Raters and ratings where a conflict of interest exists, the QA should not be permitted to perform ratings in any market.

**Proposed Change:**

QA contractors should not be performing QA on Raters and ratings where a conflict of interest exists, and QAD individuals should not be performing ratings;

## COMMENT #21

**Laura Capps**  
Southface

**Comment Type:** General

**Option Number:** General Point of Consensus 9

We feel this is the most important point of the entire document and is what has caused the inconsistency in QA to date along with a lack of effective, continuous QA oversight. Thank you for working on this.

## COMMENT #22

**Laura Capps**  
Southface

**Comment Type:** Editorial

**Option Number:** General Point of Consensus 12

We support a rigorous implementation timeline for improving the QA program, and the commitment to having an increased level of oversight by 2016. We want to be sure RESNET, Providers and Raters all have sufficient time to implement the new QA program and suggest adjusting the point of consensus to reflect a time period rather than a specific date should unforeseen issues arise creating delays in RESNET announcement of the new program or appropriate enactment date. We also agree that regardless of how long it takes for the new program to be announced, and therefore launched, that improved QA should begin no later than 2016, and preferably in 2015.

**Proposed Change:**

It is the intent of RESNET to implement the new option for delivering QA in calendar year 2016. While QA for 2015 will remain unchanged from previous years, all companies (Energy Rating Companies and Rating QA Providers) will have a full calendar year 2015-after the official announcement of the new QA program to adjust their services and performance in preparation for the new QA option. Beginning with QA review in 2016, a new level of oversight, compliance and transparency will begin;

## COMMENT #23

**Laura Capps**

Southface

**Comment Type:** General

**Option Number:** Option 1

We really like this option for a QA oversight role. We recommend any lessons learned from RESNET previously having the QA oversight on staff and from RESNET contracting-out the QA oversight be fully documented and evaluated for appropriate incorporation into the design of the QA job descriptions and management.

Additionally, if RESNET would agree to providing the structure we are proposing whereby Rating QA Providers continue to deliver the current QA and RESNET add a new layer of oversight QA to ensure the Rating QA Providers are in compliance, then the QA oversight individuals could be employees of RESNET.

## COMMENT #24

**Laura Capps**

**Comment Type:** Editorial

**Option Number:** Option 1, Con 2

Strike this statement as it is already addressed under Con 1.

**Proposed Change:**

~~2. RESNET would need to staff up significantly to meet the need;~~

## COMMENT #25

**Laura Capps**

Southface

**Comment Type:** Editorial

**Option Number:** Option 1, Con 3

Since RESNET is selecting the contractors approved to provide QA oversight, there can be no financial connection between the rating and the QA oversight, and Providers are not allowed to select who does the QA for their Raters then RESNET is ultimately selecting pricing for each option. RESNET has the ability to command the QA price they deem appropriate under each scenario.

**Proposed Change:**

~~3. No market competition to set pricing;~~

## COMMENT #26

**Laura Capps**

Southface

**Comment Type:** Editorial

**Option Number:** Option 1, Con 4

In-field QA coordination will be challenging under every scenario and is not unique to this option.

**Proposed Change:**

~~Coordination with Providers and their Raters to get into houses for Field QA would be challenging because windows of time to do QA are narrow.~~

## COMMENT #27

**Michael Van**  
Enterra Homes

**Comment Type:** General  
**Option Number:** 1

We have been advised of the proposed change to remove quality assurance services from the scope of work of the entities providing rating services and outsource this process to yet-to-be identified third parties.

It is our opinion that the QA being done by our raters is of the utmost professionalism and independence and that the proposed change will only result in additional costs and delays being burdened upon homebuilders.

We suggest continuing with the success of the rating system as it has been administered over the last several years.

## COMMENT #28

**Laura Capps**  
Southface

**Comment Type:** Editorial  
**Option Number:** Option 1, Con 4

In-field QA coordination will be challenging under every scenario and is not unique to this option.

**Proposed Change:**

Coordination with Providers and their Raters to get into houses for Field QA would be challenging because windows of time to do QA are narrow.

## COMMENT #29

**Laura Capps**  
Southface

**Comment Type:** Editorial  
**Option Number:** Option 2

QA oversight individuals should not be allowed to provide ratings in any market to prevent possible conflict of interest with Raters. Builders and Raters work across multiple geographic regions so limiting a QA oversight individual to a specific region will not eliminate the potential for them to work with a builder whose ratings they are QAing in another market.

### **Proposed Change:**

QA Contractors will not be allowed to perform ratings ~~in the geographic areas, to be defined by RESNET, that they are delivering QA services.~~

## COMMENT #30

**Laura Capps**  
Southface

**Comment Type:** Editorial  
**Option Number:** Option 2

QA oversight individuals should not be allowed to provide ratings in any market to prevent possible conflict of interest with Raters. Builders and Raters work across multiple geographic regions so limiting a QA oversight individual to a specific region will not eliminate the potential for them to work with a builder whose ratings they are QAing in another market.

### **Proposed Change:**

QA Contractors will not be allowed to perform ratings ~~in the geographic areas, to be defined by RESNET, that they are delivering QA services.~~

## COMMENT #31

**Laura Capps**  
Southface

**Comment Type:** Editorial  
**Option Number:** Option 2

Make the following statement more definitive by removing "work to'

**Proposed Change:**

RESNET will ~~work to~~ implement measures that address non-disclosure and conflicts of interest between QA contractors and those receiving quality assurance.

## COMMENT #32

**Laura Capps**  
Southface

**Comment Type:** General  
**Option Number:** Option 2, Pro 1

It is necessary that this pro be available under ALL options in order to meet the intent of the directives given by the board for improved QA, and therefore should not be listed as unique to this option.

## COMMENT #33

**Emelie Cuppernell**  
PSD

**Comment Type:** General  
**Option Number:** 1

It is too soon to change the current structure without first answering these questions:

What background research/proof is there that the index is not consistent?

What are the causes of inconsistency

In What areas are they inconsistent?

How can we fix it if we don't know what's wrong?

**Proposed Change:**

None of the three options identified should be accepted. Rather effort should be put into answering the above questions, Allow the current recently updated process more time to work (RESNET recently increased the level QA review and started taking action, RESNET Registry only about a year old, and still getting some kinks out), and spell out a more clearly defined QA Process for Provider.

## COMMENT #34

**Laura Capps**

Southface

**Comment Type:** Editorial

**Option Number:** Option 3

Additional information is required to further clarify this option.

- a. Individuals, not companies, should be approved to provide QA
- b. QA Contractors should not be allowed to perform ratings
- c. RESNET should remain the right to cancel contracts based on performance

**Proposed Change:**

Only individuals at the companies who are approved by RESNET are allowed to provide QA services. The pool of QA Contractors will be limited but appropriate in number to meet the requirements of this Option, fully responsible for overseeing and carrying out the entire QA process, and not be allowed to perform ratings ~~in the region(s) that they are awarded a contract.~~ RESNET will:

1. Establish a rigorous process of vetting, approving, and validating Contractors;
2. Establish uniform QA processes that Contractors are responsible for and ensure comprehensive training of the QA Contractors;

3. Establish Regions of the country and allow third-party contractors to respond to an RFP to provide QA services in one or more Regions. Contractor selection to be based on “best value” and not solely on lowest price. Selected contractors would be awarded contracts for 2-3 years and the RFP process would be repeated again at the end of each contract period;
4. Retain oversight of the work done by the QA Contractors and the freedom to terminate the contractors with poor performance;
5. RESNET will ~~work to~~ implement measures that address non-disclosure and conflicts of interest between QA contractors and those receiving quality assurance.

## COMMENT #35

**Laura Capps**  
Southface

**Comment Type:** General  
**Option Number:** General Point of Consensus 4

We are concerned that the proposed structure will increase costs substantially for the industry and question whether the industry will be able to bear those costs compared to what other rating systems may be able to offer. We understand increased scrutiny is critical, but we feel that these options do not provide the best bang for buck and recommend RESNET consider keeping the current QA system in place, and instead increase QA oversight that was intended to be in place all along while also clarifying the QA requirements in detail for Rater, Providers and QA oversight individuals to follow.

Failing to contain costs may result in programs dropping HERS Ratings and builders using alternate scoring tools for home performance comparisons.

Time also has a huge impact on cost and under none of the options provided are turn-around times suggested. RESNET should clearly state criteria for file QA turn around.

## COMMENT #36

**Laura Capps**  
Southface

**Comment Type:** General  
**Option Number:** Options 1 and 2

Clarity needs to be given in how the regions will be defined. By climate zone?

## COMMENT #37

**Brian Christensen**  
myself as HERS Rater

**Comment Type:** General  
**Option Number:** Enhanced QA proposal

Although I work for a HERS Software Provider, I am writing this independently as a HERS Rater and longtime participant in the HERS industry.

All three options presented by the RESNET Quality Improvement Working Group have a serious Con listed, i.e. the difficulty of coordinating with all the necessary parties to accomplish Field QA in the typical timeframes required for the construction industry.

This particular Con is being reasonably managed by the existing structure of Provider QADs. This advantage can be retained under the Enhanced QA Proposal being offered by Chris McTaggart. The Enhanced QA Proposal takes advantage of the existing Provider QAD structures, while also creating a structure of financially-independent "QAO implementers" who provide good QA Oversight on the Provider QAD's. Sampling of the Provider QAD's work is central to this proposal, along with corrective feedback and disciplinary tools.

Chris's proposal has numerous other merits.

1. The QAO implementers could be a relatively small group, minimizing the effort and resources needed by RESNET to manage it.
2. Disruption of existing Provider business models is minimized, in contrast to the 3 options presented for our consideration. The potential disruptions under Options 1-3 are huge, if numerous existing Providers abruptly exit the industry due to newly-untenable business models.
3. It provides time for the HERS industry to fully digest, enforce, and reap the benefits of the numerous improvements enacted in the past 3 years.
4. The existing widely-distributed body of mentoring and expertise will remain in place, where it can more quickly get new HERS Raters up to speed, and where it has good incentives to do that mentoring.
5. In practical terms, the existing Options 1-3 will have to cannibalize the existing QAD network, and the resulting QAD's will not have that incentive to mentor new Raters. The existing financial interactions and ongoing relationships have positive impacts which can be retained under Chris's Enhanced QA Proposal, while still adding in the financially independent element required by the RESNET Board.

Thank you for your consideration of this comment.

Brian Christensen

**Proposed Change:**

Please see proposal by Chris McTaggart.

## COMMENT #38

**Jerry Kovaly**

Customer, Energy Star Builder

**Comment Type:** General

**Option Number:** other

As an employee of Houston Habitat for Humanity and the winner of 7 EPA Energy Star awards and building to Energy Star standards since 1996, what we suggest is continuing with the success of the rating system as it has been administered over the last several years. Rating Providers performing QA on the personnel they are responsible for, and often train, while RESNET performs more in-depth Quality Assurance across all Rating Providers.

## COMMENT #39

**Dave Williams**

Residential Science Resources

**Comment Type:** General

**Option Number:** none of the 3 options

We understand the need for a more rigorous QA process but we have some serious concerns regarding the options proposed by the task force. One concern is the proposed plans may raise the price to perform QA beyond what Raters and Providers may charge to recoup the cost of the QA.

This concern stems from the multitude of unresolved variables that seemingly are outlined in these proposals. These variables include scheduling of QA field work in the short time frames that are needed to visit the home, without the benefit of reviewing the full plan to implement the proposals by 2016.

If this issue and others have been identified and there is a resolution/plan it would be beneficial to have that information in order to help provide high quality feedback.

If that issue and others are still under advisement it would be our recommendation to conduct a cost and feasibility study of each of the plans to address or uncover these types of issues. Once the study has been completed the findings should be presented to the RESNET Network so Raters and Providers can respond with appropriate feedback.

We completely agree in the need for standardization and enhanced QA but with that all being said the price increase, scheduling/timing, and geographical issues could cause smaller shops undue hardships that could even force doors to close. In our opinion all of these types of concerns should be vetted if they have not been prior to the implementation or adoption of this size. It could even raise the price of a Rating, to cover the new QA process, such that convincing new customers (and possibly existing customers) to build with the HERS score difficult.

An example that quickly comes to mind would be the Energy Star 3.0 Certification for new homes. The certification process has become so complicated and expensive that very few customers pursue this certificate without serious outside financial support. Like many other markets, in Minnesota that does not exist. Utility companies and builders have sought out other options like the HERS score and it would be a shame to dampen that spirit or force them to seek other options as well.

We would encourage you to re-consider the options on the table, and take a good look at the proposal from Chris McTaggart.

We appreciate your willingness to ask for and review these concerns. It is our hope that more work will be done and results provided in order to give quality feedback.

Thank you again for all that the RESNET Teams does to help ensure the quality of our hard work stays true to the spirit of what we all are working for.

## **COMMENT #40**

**Alan Dossey**  
Ryland Homes

**Comment Type:** Editorial  
**Option Number:** Other

What we suggest is continuing with the success of the rating system as it has been administered over the last several years. Rating Providers performing QA on the personnel they are responsible for, and often train, while RESNET performs more in-depth Quality Assurance across all Rating Providers.

## COMMENT #41

**Pasquale Strocchia**

Integral Building & Design, Inc.

**Comment Type:** General

**Option Number:** General Point

Dear members of the committee,

As a RESNET member-Rater since 2006, as well as a QAD since 2009, I would like to express my lack of confidence and strong disagreement with any of the three proposed options on RESNET Quality Assurance. Instead, and quite simply, I recommend that the current QA structure and policies be maintained and enhanced in order to more effectively fulfill the current requirements. In my experience, I've found RESNET to be an extraordinary organization, mission-driven and fully committed to the critical priorities of both national and international energy policy. And yes, there is room for improvement which should be appropriately matched with incremental and continuous improvement strategies.

### **Proposed Change:**

An alternate approach I recommend is to strengthen and enhance the RESNET organizational QA leadership and staffing to not only oversee the current infrastructure of QA Providers, but also provide additional support services, as warranted. The end-goal of the RESNET QA oversight would be to build on the past successes and to strengthen areas of weaknesses among QA Providers. For example, depending on the type of relationships that QA Providers have with their Raters (In-house, Independent or both), it may be advisable to provide different levels of direct QA Oversight by RESNET. This is an approach that I used as a QAD. Depending on the level of the Rater's technical competency and experience, or the level of financial engagement between the Rater and their clients, I would use higher levels of QA as deemed appropriate.

Again, I hope you consider this alternative in your considerations.

Many thanks,

Pasquale

## COMMENT #42

**Steven Gleaves**

ACP Allied Construction Professionals

**Comment Type:** General

**Option Number:** Solution- Regional Oversight & PQAM

1. ACP would like to voice strong support for the concept of regionalized QA-QI that includes physical verification of homes under construction and/or recently completed (requiring daily upload to Registry by Providers).

2. PQAM's are to do the job QAD's already perform; please refine the definition of QAD as necessary, but do not create another rater designation (if at all avoidable from a legal perspective).

## COMMENT #43

**Brett Pevear**

Myself

**Comment Type:** General

**Option Number:** INPUT ON OPTIONS TO BE CONSIDERED BY THE RESNET QU

I propose a completely different change to the draft standard, different than what the working group identified. First identifying the actual problem with the existing system would be recommended and put forth to the public. Then a hybrid system designed, expanding on the existing system already in place. Do not re-invent the QA system as i feel nothing good will come of it. Please see Chris McTaggart's submitted white paper for more direct thoughtful insight on the correct direction to be taken.

## COMMENT #44

**Brett Dillon**

IBS Advisors, LLC

**Comment Type:** General

**Option Number:** 2

It doesn't make sense to continue to have a fragmented system with multiple players engaged in the same work.

Consensus point 2 seems to be a group effort to find a continued role- doing administrative things that can/will conflict with the Board policy that QA work must be separated from rating work.

It seems to me that it would be simpler and cleaner to just push those administrative responsibilities to the Rating Company instead of creating a new class of non-QA Provider. This would not have a significant impact on the vertically-integrated Quality Assurance Provider/Rating company.

**Proposed Change:**

2. It is the intent of any option selected that the ~~existing Rating QA Provider structure continue to~~ Rating Company include, at a minimum, the following responsibilities ~~for Rating QA Providers~~: Rater certification, oversight of Raters, providing rating software to Raters, disciplinary action for Raters (including enforcement of disciplinary actions related to QA), general support of Rater rating activities, and assistance with the execution of the third-party QA process;

## COMMENT #45

**Brett Dillon**  
IBS Advisors, LLC

**Comment Type:** General  
**Option Number:** Consensus #3

There is no need for this additional non-QA Rating Provider. It simply adds another player to the game and will increase cost to the rating companies.

**Proposed Change:**

~~3. To reduce confusion, and because of the removal of the QA implementation role by Providers, "QA" should be removed from the name of Rating QA Provider;~~

And renumber the consensus points.

## COMMENT #46

**Brett Dillon**  
IBS Advisors, LLC

**Comment Type:** Technical  
**Option Number:** Consensus #5

The Board of Directors policy states that the Quality Assurance agent "have neither a financial interest nor an employee/employer relationship with the entity performing the rating."

How does that translate to "Rating QA Providers will not be able to choose who performs their QA"?

You seem to have conflated Quality Assurance Provider with Rating Company...and if you continue with consensus points 2 and 3, put the industry in a bind.

So a new category of Provider is created to provide additional layers of oversight that have traditionally been handled by Quality Assurance Providers- then the entity providing the Quality Assurance can't choose who performs the quality assurance work for them?

Who assigns this individual? Who pays this person? How do they know when they have work? Who controls that QA work? Who provides the insurance for the QA worker? Who provides the tools for the QA worker?

This consensus item is really silly.

**Proposed Change:**

5. Under all Options, Rating ~~QA Providers~~ Companies will not be able to choose who performs their QA;

That meets the intent of the Board Policy.

## COMMENT #47

**Brett Dillon**  
IBS Advisors, LLC

**Comment Type:** Editorial  
**Option Number:** Consensus #7

There is a simpler way to word this that will allay a lot of fears expressed by currently vertically-integrated Provider/Rating companies. The intent of the HERS Index Consistency Task Force

was that companies providing quality assurance services must not do any rating work. They are to strictly provide quality assurance services. This prevents a rating company from being exposed to a competitor or a potential competitor doing quality assurance work on them.

In addition, there should be a standardized non-disclosure agreement that protects the rating company from having their proprietary intellectual property exposed to competitors, and a prohibition on a quality assurance company doing rating work for a specified period after they cease performing quality assurance work.

**Proposed Change:**

7. QA contractors ~~should~~ must not be performing QA on Raters and ratings where a conflict of interest exists;

## COMMENT #48

**Nancy St Hilaire**  
Home Energy Group

**Comment Type:** General

**Option Number:** Entire document

First, I agree that the Quality Assurance Process is in need of review and most likely modification in order to meet the needs and expectations of RESNET Members and stakeholders. In the interest of disclosure, the organization that I'm a part of, and have a financial interest in, provides ratings and quality assurance. I accept the fact that at best, providing quality assurance as an "internal" process can be perceived as a conflict of interest, and at worst has the potential to be abused.

However, I think there is a fundamental flaw in the process we have embarked upon. The Quality Assurance Working Group has tried to fix a problem without understanding what caused the problem in the first place. To understand why there is a consistency issue, we need to utilize a process of systematically analyzing the data (i.e. root cause analysis).

We've jumped to the conclusion that the financial interests between QAD's and Providers is the cause. I don't disagree that this is a potential contributing factor. But I think that other things like consistent training of raters on how to perform ratings, agreement on what is the proper way to account for all types of equipment, materials, and building techniques in a rating file, training of Quality Assurance Designees, and clear processes that describe what is expected in a quality assurance review could also be contributing factors.

The truth of the matter is that, at this point in time, we do not know why there are issues with consistency in the HERS index. We have not been presented with data and we have not conducted a proper analysis. There is also no analysis and justification for how any of the three options presented would resolve the perceived problem of consistency in HERS ratings.

Before we totally up-end the Quality Assurance process, shouldn't we be certain that the new process has a reasonable expectation of succeeding? We owe this to the industry and all of the stakeholders that have put their confidence in our Quality Assurance process.

**Proposed Change:**

The entire document of proposed options needs to be tables until a systematic analysis of the issue is conducted. I propose the group engage a root cause facilitator to pursue the following process:

Data gathering: What are the consistency issues? Where are the data/facts/examples that demonstrate the consistency issues? What is the magnitude/breadth of the consistency issues?

Organization of Data: Is there sufficient data to draw a conclusion? Is more data needed?

Analysis: What is the root cause(s) of the consistency issue? This is the most important and difficult part of the process. An understanding of the difference between proximate causes and root causes is critical for success. In my experience, there is not one root cause, but several root causes that contribute to system failure. All causes must be addressed to solve the problem.

Proposed Solutions: How do the proposed solutions address the root causes of the failure? How will they be implemented? What resources (training/financial/staffing) that will be needed to implement these solutions? What are the steps of implementation? What is the timeline for implementation?

Final Analysis: How will we know if the proposed solutions addressed the root cause? What analysis/measures will we use to determine success? Who is responsible for conducting the final analysis? What is the feedback loop if the proposed solutions do not address the root cause(s) satisfactorily? What is the timetable for determining success?

## COMMENT #49

**Brett Dillon**

IBS Advisors, LLC

**Comment Type:** General

**Option Number:** Options in general

There is a 4th option, and it currently exists in the marketplace: independent Quality Assurance Provider companies. While a minority, they exist- and seem to have fewer problems executing the current quality assurance standards than the vertically-integrated Provider/Rating companies.

**Proposed Change:**

**Option 4 - Quality Assurance is provided by independent Quality Assurance Provider companies that meet RESNET requirements for accreditation.**

RESNET will:

1. Establish a rigorous process of accrediting Quality Assurance Providers;
2. Establish uniform QA processes that Quality Assurance Providers are responsible for and ensure comprehensive training of the QA Providers;
3. Retain oversight of the work done by the QA Providers;

**Pros:**

1. Increases consistency of QA delivery because it addresses most of the biases inherent in vertically-integrated Provider/Rating companies;
2. An increase in rigor through the accreditation process will prevent a plethora of QA Providers springing up overnight;
3. It works with the current infrastructure in place for Quality Assurance;
4. It uses a market-based approach.

**Cons:**

1. Market will remain fragmented and costs for implementation will be higher;

## **COMMENT #50**

**Dixie Wong**

Dixie L. Wong-Real Estate Broker [www.Homes2Love.c](http://www.Homes2Love.c)

**Comment Type:** General

**Option Number:** Room for improvement

We always need room for improvement!!!!!!!!!!!!

## **COMMENT #51**

**Abe Kruger**

SK Collaborative

**Comment Type:** General  
**Option Number:** General Point

I am encouraged by the hard work performed by the QI-Working Group, but I am not convinced any of the three options is the correct solution for the industry. I agree with the basic premise of a need for financial disentanglement of QA Providers and Raters. I believe QA Providers cannot review their own Ratings.

My concern is that the proposed options suggest that Providers no longer are allowed to perform QA, but yet must continue to perform all other administrative functions as required by Providers including maintaining the RESNET Registry, rater certifications, providing rater support, and perform discipline on Raters. The removal of QA responsibilities would be a significant blow to the stability and financial security of all types of Providers.

My recommendations are as follows. First, I think RESNET needs a more robust process for accrediting QA Providers to ensure they are not reviewing Ratings by their own staff. This will solve the financial disentanglement issue. Second, RESNET must implement a process for “QAing the QA.” Simply put, RESNET should review (either through on staff QADs or independent contractors) 10% of all 10% building file reviews and review 1% of all 1% field reviews. This will add additional costs to the QA process, but I think many QADs and Providers will actually see value in these changes. I do not think large, wholesale changes like the ones proposed are the best solution to the problems the industry is facing.

## COMMENT #52

**Wes Riley**  
Wes Riley - Freelance QAD & MaineStar llc

**Comment Type:** General  
**Option Number:** Reject all Three - Consider other Option(s)

First - I strongly agree that our industry needs to have some type of meaningful independent third-party QA component.

I have read and considered all three of the posted QIWG recommended Options. It is my feeling that as written, all three of these Options will likely have a far more damaging effect on the HERS Industry than RESNET can imagine.

I have also read the BER *Enhanced Quality Assurance Oversight (QAO)* Proposal. Although I do not agree with every detail of this Proposal, I do agree with its intent and direction.

It is my recommendation that the RESNET Board ***reject*** all three of the QIWG's posted Options, and consider and Adopt the outline and intent of the BER (QAO) Proposal as the basis for developing a more practical and viable alternative to establish an independent third-party QA component to the HERS process.

Wes Riley  
Freelance HERS QAD-Trainer & MaineStar llc

## COMMENT #53

**Clayton Morris**  
DPIS Engineering, LLC

**Comment Type:** General  
**Option Number:** 1 or Option 4, the BER approach

We would like to address the need, consistency, and implementation of national quality assurance for the rating industry. We believe the only way for quality assurance to be neutral is if RESNET performs the quality assurance directly. If any competitor, or potential competitor, has access to our systems, it could present an unfair advantage in the marketplace, and a breakdown of the confidence we have come to appreciate with RESNET as an organization. We will be glad to participate in a national quality assurance program.

There is definitely a need for national quality assurance in our industry. With that in mind, we have to be careful so that it is not performed in a manner that could harm existing Rating Providers or Raters.

Our recommendation is for RESNET employees, option #1, to do the rating quality assurance. In our opinion, this is the only way to make quality assurance completely neutral. We recommend a 2 YEAR non-compete clause. This would necessitate, upon agreeing to do quality assurance for RESNET, an individual, company, or any individual within that company, cannot work for a Rating Provider / Rating Company / or perform Ratings independently for 2 years from the date of QA employment / contract.

If this non-compete is not initiated, what could happen is that we will be giving access for certain individuals to learn other companies systems and efficiencies. This could present the opportunity for them to share proprietary information with their next employer. If their next employer is a competitor of their previous auditees, then there exists an unfair advantage in the marketplace.

This currently happens with many Certified Public Accountants that work for the IRS. They gain knowledge while working at the IRS, and use this as a resource to attain large compensations from corporations desiring to use that knowledge. See links below:

<http://freshstarttax.com/fresh-start-tax/>

<http://www.taxhelp.pro/>

<http://www.bernhoflaw.com/index.php/major-cases/joseph-banister/>

We could reference many more links, but the result is the same; each one references former employment at the IRS, and internal knowledge of their systems.

RESNET is an organization that was created by members, for members, and is there to help protect the rating industry as a whole. In my opinion, the only way for RESNET to accomplish this, with the current transitional phase of quality assurance, is to manage its implementation directly and not rely on sub-contractors.

If we begin awarding contracts to rating companies, it could become a system slanted in favor of certain companies, and that is not conducive to the rating industry's benefit. It could benefit a few, and become a burden to many.

As an option, we would like to explore the proposed BER business model in more detail. This proposed system encourages more RESNET oversight of existing QA providers, while not excluding the quality assurances of existing Rating Provider Companies. Thus far, this is the best proposal I have seen to increase quality assurance, while supporting the Provider / Rater system that we have found to be successful over the last 16 years.

Summarily, DPIS Engineering, LLC as a company and I personally, do NOT support independent contract companies performing QA of rating providers. We support RESNET's continuance of Rating Quality Assurance, while working with existing quality assurance within Rating Provider QA Companies, with a more eager interest in its implementation and completeness.

Thank you for your consideration of my comments,

Clayton Morris

Vice President Energy Programs

DPIS Engineering, LLC

## COMMENT #54

**Ricky Sandlin**

Burgess Construction Consultants, Inc

**Comment Type:** General

**Option Number:** Enhance Quality Oversight

I believe everyone is in agreement that the QA process must become better in order for our industry to move forward. I believe that options 1,2 and 3 are not viable options to move the industry forward due to their complete dismantling of the processes in place today. The framework that would need to be put in place would be lengthy and may not fully address the concerns that we have. It has taken us years to establish the system we have in place today and though it needs to be improved it is not inherently broken.

A better option would be to have enhanced quality assurance oversight. This option would allow the current framework to remain in place with additional oversight by RESNET. Instead of RESNET trying to hire QADs or contracting QADs to perform the 10% and 1% of Raters,

RESNET could hire a select team of highly qualified QADs that would perform 10% and 1% of each Provider each year. The team could be split up regionally so that they would be overseeing the building practices that they have the highest knowledge of. To take it one step further, if an infraction was found during the process then a more in-depth review would take place of the provider at an increased expense.

I have read Chris McTaggart's white paper as well as Clayton Morris's suggestions which both promote an enhanced quality assurance oversight and believe that these are more feasible ways to address the need that we have today and they can be put in place more efficiently than Option 1,2 and 3 that has been presented to us.

## COMMENT #55

**Curt Van Riper**  
Green Zone Home

**Comment Type:** General  
**Option Number:** Alternative Plan

I would also like to submit a recommendation that another option be considered for the enhanced QA Oversight and Application.

The concept is based on REGIONAL NON-PROFIT organizations being responsible for the application, management, and performance of the enhanced QA Designee functions.

- 1) an existing or created non-profit organization would be given this task for a region, state, or area of a state depending on geography and rating density
- 2) all raters and/or providers in that area would be required to be members of that organization
- 3) raters/providers would pay an enhanced fee to RESNET directly for QA oversight, - RESNET would then pay the local non-profit for the QA tasks
- 4) this would give a much better chance of parity with the QA process for providers in an area
- 5) it would give providers and raters in an area the opportunity to choose/elect board members of the non-profit who would hire management, QA designee, support staff, etc.
- 6) it would allow the local non-profit to provide a dispute resolution process
- 7) it would allow a dispute resolution process with RESNET above the regional non-profit if the need arises

8) it would also give the opportunity for more regional oversight, application, and determination in the HERS process with regards to climate and state and local governmental organizations, NGO's and utilities

This is a quick submission based on a thought I just came up with. I apologize for any typos. I'm in a time crunch as I type this.

Thanks

## COMMENT #56

**Brad Lowe**  
EarthCraft Virginia

**Comment Type:** General

**Option Number:** Option 1 (RESNET does 100% of QA with RESNET Staff)

Option 1 (RESNET does 100% of QA with RESNET Staff):

Concerns:

- How does RESNET define QA? Understanding this criterion is necessary to properly evaluate this proposal.
- Costs associated with uploading files, annual field QA, cost of infrastructure/software required to support
- Turnaround time and project delay. We currently perform quality assurance review on projects in a revolving cycle and process files within 3 business days.
- Quality of our programs. We currently perform 100% file QA vs. the 10% minimum required by RESNET.
- All 3 of the above items could impact the overall delivery of the programs that we offer.
- Scheduling field QA could be difficult. Coordinating schedules of QAD, HERS Rater and homeowner/builder is challenging and would be much more difficult for RESNET to coordinate it with travel.
- General concerns about how it would be performed. How often would RESNET review files (would files due one day a month? Would all files be submitted or just a certain percentage of them? There are time costs associated with file upload. Will this limit our ability to print certificates? This affects our customer service and ability to quickly deliver our product. What would be required to be submitted with a rating file (plans, pictures, etc.)? There are time costs associated.)

Solutions:

- Allow current Providers, including those with hybrid models, to continue operating in accordance with current RESNET Standards. Establish an additional level of RESNET QA oversight to perform QA of Providers in order to improve current QA methods.
- Cost and time relations (diminishing cost to Provider based on length of RESNET turnaround).

- Allow current internal file review, and RESNET spot check quarterly (or monthly) to provide a rolling review from RESNET.
- Sliding cost scale based on number of systems, volume, sq./ft., or some sort of clearly defined metric.

## COMMENT #57

**Brad Lowe**  
EarthCraft Virginia

**Comment Type:** General

**Option Number:** Option 2 (RESNET to create a pool of QA Contractor)

Concerns:

- How does RESNET define QA? Understanding this criterion is necessary to properly evaluate this proposal.
- Higher turnaround time concern compared to option 1.
- Could greatly increase field QA costs.
- Drive up costs for review based on the market price variations around the country.
- Bias can still exist if QA contractors are able to see the information about builder, rater, location, etc.
- Inconsistencies between file reviews will still exist because of the wide range locations and experience of various contractors.
- It will remain difficult for RESNET to get consistency with QA

-Pro: Peer reviewed process.

Solution:

- Rater Registry assigns random QAD to review a file. (This solution doesn't take into account the want of RESNET to have QAD's familiar with regional building practices do QA on said region's ratings)
- Cost incentives for turnaround time of files.

## COMMENT #58

**Brad Lowe**  
EarthCraft Virginia

**Comment Type:** General

**Option Number:** Option 3 (RESNET contracts with a pool of third-party)

Concerns:

- How does RESNET define QA? Understanding this criterion is necessary to properly evaluate this proposal.
- Higher turnaround time concern compared to option 1.
- Could greatly increase field QA costs.
- Drive up costs for review based on the market price variations around the country.
- Bias can still exist if QA contractors are able to see the information about builder, rater, location, etc.
- Inconsistencies between file reviews will still exist because of the wide range locations and experience of various contractors.
- It will remain difficult for RESNET to get consistency with QA-What happens if your company works in multiple regions (have to pay various contractors or fees go through RESNET)?
- Providers are left to do all cultivation of raters within their network, supply all software, and implement RESNET decided upon disciplinary action. This leaves a lot of burden on the provider and also, for our situation, an increase in cost of doing business without any real benefit or improvement of our current processes. We are paying RESNET more, but what do we get in return other than RESNET's perceived increase in consistency? Not much trade-off, we are just allowed to continue doing business.
- It will remain difficult for RESNET to get consistency with QA.

Solutions:

- Rater Registry assigns random QAD to review a file.
- Cost incentives for turnaround time of files.

## COMMENT #59

**Austin Garrett**

Newmark Homes Houston LLC

**Comment Type:** General

**Option Number:** ALL

The 3 options for proposed changes to Quality Assurance are, as a residential homebuilder, all unacceptable. RESNET's proposals all seek to take away the authority of a property owner (homebuilder) to determine which entities are allowed to perform work on its property, and place it in the hands of RESNET or its partners. Builders assume a great deal of risk in constructing new homes, and those risks must be mitigated through insurance. One primary way to manage the risks and insure from great liability is to manage the trade base we allow on an individual jobsite. By adopting these changes, we would open ourselves to allowing someone that RESNET deems appropriate on our jobsites to oversee the work of an independent rater we've

already hired. With no control over who that entity maybe, we would disallow this practice and have said entity removed from our property. Our ability to vet out each contractor based on the merits of their work must remain ours and only ours as the sole property owner where any construction is taking place. The proposed changes severely compromise that ability and are unacceptable. No property owner would agree to this, and the proposal reeks of cronyism to allow favored partners to capture a larger share of the money involved in inspecting new homes for Energy Compliance.

## COMMENT #60

**Brad Lowe**  
EarthCraft Virginia

**Comment Type:** General  
**Option Number:** General

### **EarthCraft Virginia Response to Quality Improvement Working Group RESNET QA Options document dated 8/15/14.**

EarthCraft Virginia (ECV), a 501c3 nonprofit, understands the need for improved quality assurance measures when it comes to the integrity of HERS Ratings. ECV utilizes the rating system as a performance based measurement tool to deliver the EarthCraft House Program across Virginia. As the careful administration of this tool is a direct reflection on the brand of the organization, careful quality assurance is followed with 100% building file review and 1% field QA. ECV agrees with many of the concerns surrounding the need for improved quality assurance raised by RESNET, however ECV does not agree that the options presented are the best means to accomplish those goals. The below thoughts, concerns, and suggestions are based on the options set forth by the HERS Index Score Consistency Task Force..

Some of our overarching concerns include the percentage of files that will be reviewed, the roll of current providers with raters on staff moving forward, the costs and time associated with implementing the options, and how this will impact our overall business model. The concerns and potential changes or solutions are listed per option below. Some of our overarching concerns include the percentage of files that will be reviewed, the roll of current providers with raters on staff moving forward, the costs and time associated with implementing the options, and how this will impact our overall business model.

The concerns and potential changes or solutions are listed per option below.

#### **Option 1 (RESNET does 100% of QA with RESNET Staff):**

Concerns:

-How does RESNET define QA? Understanding this criterion is necessary to properly evaluate this proposal.

- Costs associated with uploading files, annual field QA, cost of infrastructure/software required to support
- Turnaround time and project delay. We currently perform quality assurance review on projects in a revolving cycle and process files within 3 business days.
- Quality of our programs. We currently perform 100% file QA vs. the 10% minimum required by RESNET.
- All 3 of the above items could impact the overall delivery of the programs that we offer.
- Scheduling field QA could be difficult. Coordinating schedules of QAD, HERS Rater and homeowner/builder is challenging and would be much more difficult for RESNET to coordinate it with travel.
- General concerns about how it would be performed. How often would RESNET review files (would files due one day a month? Would all files be submitted or just a certain percentage of them? There are time costs associated with file upload. Will this limit our ability to print certificates? This affects our customer service and ability to quickly deliver our product. What would be required to be submitted with a rating file (plans, pictures, etc.)? There are time costs associated.)

#### Solutions:

- Allow current Providers, including those with hybrid models, to continue operating in accordance with current RESNET Standards. Establish an additional level of RESNET QA oversight to perform QA of Providers in order to improve current QA methods.
- Cost and time relations (diminishing cost to Provider based on length of RESNET turnaround).
- Allow current internal file review, and RESNET spot check quarterly (or monthly) to provide a rolling review from RESNET.
- Sliding cost scale based on number of systems, volume, sq./ft., or some sort of clearly defined metric.

#### **Option 2 (RESNET to create a pool of QA Contractors to execute RESNET QA Program):**

##### Concerns:

- How does RESNET define QA? Understanding this criterion is necessary to properly evaluate this proposal.
- Higher turnaround time concern compared to option 1.
- Could greatly increase field QA costs.
- Drive up costs for review based on the market price variations around the country.
- Bias can still exist if QA contractors are able to see the information about builder, rater, location, etc.
- Inconsistencies between file reviews will still exist because of the wide range locations and experience of various contractors.
- It will remain difficult for RESNET to get consistency with QA
- Pro: Peer reviewed process.

##### Solutions:

- Rater Registry assigns random QAD to review a file. (This solution doesn't take into account the want of RESNET to have QAD's familiar with regional building practices do QA on said region's ratings)

-Cost incentives for turnaround time of files.

**Option 3 (RESNET contracts with a pool of third-party regional QA Contractors to perform QA of Raters):**

Concerns:

-How does RESNET define QA? Understanding this criterion is necessary to properly evaluate this proposal.

-Higher turnaround time concern compared to option 1.

-Could greatly increase field QA costs.

-Drive up costs for review based on the market price variations around the country.

-Bias can still exist if QA contractors are able to see the information about builder, rater, location, etc.

-Inconsistencies between file reviews will still exist because of the wide range locations and experience of various contractors. -It will remain difficult for RESNET to get consistency with QA-What happens if your company works in multiple regions (have to pay various contractors or fees go through RESNET)?

-Providers are left to do all cultivation of raters within their network, supply all software, and implement RESNET decided upon disciplinary action. This leaves a lot of burden on the provider and also, for our situation, an increase in cost of doing business without any real benefit or improvement of our current processes. We are paying RESNET more, but what do we get in return other than RESNET's perceived increase in consistency? Not much trade-off, we are just allowed to continue doing business.

-It will remain difficult for RESNET to get consistency with QA.

Solutions:

-Rater Registry assigns random QAD to review a file.

-Cost incentives for turnaround time of files

**Other Notes:**

RESNET would need to clearly define difference between QA Contractor and Rating QA Provider.

RESNET would need to clearly define fee structures. Whatever is perceived to be appropriate QA needs to be defined.

**Overarching comments/solutions:**

All options seem to reduce the need for as many providers as there are now. They either eliminate them by having RESNET take over or having a few contractors take over. Creating more defined inputs and a more advanced system to find failures in REM/Rate (and other software's) could help do this much more cost effectively. Technology could help with field QA (i.e. - live feeds or video taping of field QA). If a stated problem is found during the QA process by one QAD, then that file should be redistributed when corrected to another QAD to help reduce bias. How will the back and forth of QA for the raters be handled and priced? The current provider situation saves RESNET time and money to perform the quality assurance services. The biggest cost will be the transfer of information (between time and putting systems in place to exchange large amounts of information). RESNET will need to clearly define the flow of the process and the various rolls of all parties. There are some important questions that remain around the provider roll moving forward. Lots of programs have utilized and adopted the HERS Index, and we do not want to compromise the integrity of our programs by reducing the amount of files

that get reviewed to less than our current 100%, but it would not be financially smart to do redundant QA of files, especially if we wish to venture into the 'un-biased' QA of other organizations to which we have no financial ties.

## COMMENT #61

**David Weitz**  
CSG

**Comment Type:** General

**Option Number:** Option 1, with potential hybrid of 1 and 2 or 3.

CSG supports RESNET's goal of establishing consistent and non-biased QA within the rating industry, and we believe that concentrating the QA function will offer progress along that path. We therefore support Option 1 to the degree that it is achievable. We understand the demands that this option would make on RESNET resources, but encourage RESNET to explore a viable business model and the associated costs so that a decision can be made based on reasonable business assumptions.

We believe that the most difficult aspect of executing Option 1 will be the field observation component, and therefore suggest that RESNET also consider a hybrid approach in which documentation reviews are conducted by RESNET staff, but field QA is performed by a pool of contractors selected by RESNET per Options 2 or 3. In either case we feel it is imperative that the QA work (documentation and field) be performed by an entity assigned by RESNET and not selected by the Provider.

### **Proposed Change:**

The document under review is not a specific plan but instead a set of general guidance options, so specific modifications are not warranted.

## COMMENT #62

**Wade Byrd**  
Performance Building Consulting

**Comment Type:** General

**Option Number:** 1

All the proposed options seem to dictate a RESNET command and control strategy in which RESNET will choose QA designees and dictate to providers the individual/company who will perform QA.

It is apparent that RESNET understands the cost implications to Providers, Raters and rating Customers. RESNET is seeking to "bury" these costs by increasing rating fees charged to Raters.

I know there are individuals within RESNET who wish to emphasize the technical aspects of performing a rating. However, I am involved with training of a number of other professions including architects, engineers and commercial aircraft pilots and in no case does the overseeing body require a command and control strategy like that proposed by RESNET. This includes the FAA. Perhaps piloting a planeload of people pales in comparison to the responsibilities of a Home Energy Rater.

RESNET standards and requirements seem to be changing with alarming regularity. There does not seem to be a great deal of advance thought put into the process. RESNET is now issuing revisions of standard revisions. RESNET is requiring training and testing (computer simulation) in which it appears little oversight was exercised. For example, the current CAZ computer simulation test includes procedures that are in direct opposition to the RESNET CAZ standard (appear to be a holdover from BPI). Additionally the CAZ standard itself appears to be a hurried revision of a BPI standard that includes several potential liability traps for raters and ignores what I have found to be the primary cause of pressure induced problems in homes in my area (moisture and combustion gases) -- attic power ventilation fans.

The selection and oversight of the company to produce the CAZ simulation does not speak well for the newly introduced impending Rater Computer Simulation and raises questions of the selection process utilized by RESNET. The command and control strategy recommended by RESNET is the perfect vehicle to steer business to a select group of individuals. It is contrary to the free-market.

RESNET needs to understand that there is now a DOE-Supported option to a RESNET Home Energy Rating.

## **COMMENT #63**

**Ryan Moore**  
Green Insight LLC

**Comment Type:** General  
**Option Number:** 1, 2, 3

I applaud the QI QA Working Group for their hard work. This is definitely not an easy task, and I struggle in coming up with suggestions myself. I've listened to a number of Raters in our network and others as well. I don't think any one of the 3 options is viable in and of itself.

My preference is for Option 1, but RESNET should not hire staff directly. Since I have one foot in the LEED world, I am very familiar with USGBC's 3rd party certification body GBCI. I think this is a model that RESNET could follow – an organization that is independent of both Raters and RESNET itself acting as an agent of RESNET. It's a system that has worked for many years for USGBC (although not without its flaws), and would be relatively easy to implement. This means that the vast energy that RESNET puts into policing Providers can be moved toward much more efficient and reliable QA and Rater management processes.

The sticking point with all Options is Field QA, which I consider absolutely critical to rating quality. No matter how you slice it, you can't be more efficient and cost effective than having local Providers perform this service. The 3rd party QA organization (whatever that might be) would need to have a network of on-call local QADs to do field review. They would be paid a standard fee (maybe based on square footage) + expenses. Raters would coordinate directly with the local QAD. Moving Field QAs from one region to another is not, and won't ever be, a practical solution because of the high cost and difficulty of coordination. Further, Field QA should not be paid by Raters as it is now. Part of the Rating Archive Fee should go to a national pool of money to fund this so that the rural, low volume Raters are not pushed out of business by high Field QA costs because of where they operate. We need and value ratings in rural areas.

I realize this takes away a huge part of the Provider's reason for being and an important revenue stream. Providers do a lot more than just QA, and I think if RESNET takes QA away then they should take on all the other responsibilities as well (or pay Providers a % of all their ratings to provide the additional services). I've always thought it should be RESNET certifying Raters and tracking CEUs just like its peers BPI, USGBC, AIA, etc. Mentorship and answering technical questions can be done by the local QADs, who would be compensated to some degree by the 3rd party QA organization.

What I am advocating (and I'm a Provider myself) is to do away with Providers all together. This will no doubt create a huge uproar as some people will lose their jobs and some companies may be forced to close, so it's not something I say lightly. My company will lose revenue, but ultimately I think this is where the industry has to go.

I urge you to not add more bureaucracy and additional layers of QA. Simplify. Simplify. Simplify. It is important to recognize that any change is likely to increase costs, so I would also urge some sort of cost analysis (for Raters, Providers, QADs, RESNET, etc.) be attached to any further refinement of options.

Thank you for the opportunity to comment.

## **COMMENT #64**

**Chris McTaggart**  
BER

**Comment Type:** General

**Option Number:** This is not a standards ammendment. You should not

I think you all have a pretty good idea of where I stand. I do not support the destruction and replacement of the current RESNET QA infrastructure. I support an Enhanced Quality Assurance Oversight (QAO) system such as proposed in my white paper.

Please see attached white paper along with signed copies from others who have signed onto it. If we would have been given a reasonable amount of time to organize and garner solidarity, instead of forcing comments the friday before a holiday, I am sure more would have signed as well. So it goes.

## **RESNET HERS Index Consistency Enhanced Quality Assurance Oversight White Paper**

Chris McTaggart  
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## **Abstract**

The objective of this white paper is to discuss options for improving the quality assurance oversight of the RESNET HERS industry. Options proposed by the RESNET Quality Improvement - Quality Assurance Working Group have been presented to the HERS Industry for review and public comment. It is suggested that one of these three options shall be chosen as the basis of the future quality assurance infrastructure for the HERS industry. Although the options presented by this group are intended to reduce financial conflict of interest in the oversight of the HERS industry to promote consistency of ratings, none of the options presented sufficiently address the full scope of potential financial interest dictating rating outcomes. Furthermore, the options presented pose potential disastrous consequences for the current stability and rating quality assurance infrastructure of the industry. There is widespread agreement that RESNET must take action to increase the consistency and quality of ratings for market confidence and consistency. However, there is no evidence that this will be achieved by selecting one of the three options presented by the RESNET Quality Improvement - Quality Assurance Working Group. What is needed is an alternative option that promotes a continuation and improvement of the current industry quality assurance provisions, with safeguards enacted to prevent financial conflict of interest at all levels.

## **Introduction**

With the rising popularity of the RESNET HERS Index as a metric for assessing the energy efficiency of homes, there has been internal and external pressure to improve the consistency and confidence in ratings. The HERS Index is increasingly being adopted as a code compliance metric and sales tool for homeowners and builders throughout the country. Due to this, there is a belief that improvement in the accuracy of ratings is necessary.

Beginning in 2013, RESNET created a Quality Improvement (QI) Task Force and affiliated Working Groups dedicated to exploring options to improve both energy modeling software consistency and improvements in quality assurance (QA). The QI-QA Working Group has recently released 3 options to the industry for changing the manner in which QA is performed. Each option entails the existing QA structure of the industry be replaced with an entirely different structure, with the main objective of reducing potential financial conflicts of interest in the QA process.

The objective of this white paper is to demonstrate that while all three presented options by the QI-QA Working Group offer partial safeguards for reducing potential financial conflicts of interest, none of the options presented fully address or offer safeguards to prevent financial interest in dictating QA outcomes. Furthermore, this paper seeks to demonstrate that all three proposed options have the likelihood of damaging the reputation and businesses of current industry participants.

As a proposed alternative, this paper offers an option for Enhanced Quality Assurance Oversight (QAO). This option seeks to maintain the current QA infrastructure of the industry, while layering additional QAO performed by a new class of financially-distanced quality assurance implementation organizations. While enhancing the QAO of the HERS industry, this option will pose the least disruption to the marketplace, and will deliver on the intent to improve the oversight and consistency of the HERS industry for the benefit of market confidence and transparency.

## **Problem**

The options presented for consideration by the QI-QA Working Group have several significant issues that are not sufficiently addressed in order to instill confidence in their proposed application. These issues include:

- Failure to sufficiently address financial conflict of interest
- Cost/market stability impacts
- Impacts to current industry professionals / businesses
- Damage to industry reputation and future adoption

### **Financial Conflicts of Interest**

The objective of the stated task of creating the proposed options was to reduce the risk of potential financial conflicts of interest in dictating QA outcomes. The presented options address only the most obvious and surface potential conflicts of interest, while failing to address more critical infrastructural conflicts that could occur.

The current HERS QA infrastructure allows rating companies who serve as their own QA Provider to perform internal QA review, as well as for third-party Providers to perform QA on independent Raters who pay them for this QA. To many, the financial relationships between Raters and QA Providers pose too significant of a potential financial conflict of interest, as QA Providers could have a business interest in dictating positive QA outcomes to allow ratings to continue being performed by their Raters.

Although this is a potential fair critique of the current QA scheme, there is no specific evidence that has been presented to substantiate the suggestion that the financial interest of QA Providers absolutely or typically predicates inaccurate or unethical QA outcomes. In fact, the opposite could just as easily be argued; the risk of loss of business through allowing inaccurate ratings to be performed and being discovered by either RESNET, code officials, or through a lawsuit could actually encourage more stringent adherence to QA standards by QA Providers.

Ultimately, we simply do not know what the problems are because there has been no empirical analysis presented to suggest what the real problem is; we are attempting to correct a problem that is not clearly defined.

Furthermore, there is no empirical analysis presented to demonstrate how and why the new proposed options for QA will dictate more accurate or ethical outcomes. The lack of empirical evidence to support the need to execute the options presented alone supports an outright dismissal of these options.

Assuming there is merit to the suggestion that financial interest dictates QA outcomes, the options presented fail to address higher level financial conflicts of interest that could occur vis-à-vis one of the proposed options being adopted. If either RESNET or their chosen QA Contractors take over execution of the entire HERS QA industry, this could entail significant financial benefit for these organizations.

- RESNET, in its own interest to promote the continued adoption and proliferation of the HERS Index, could have a role in either choosing to be strict or loose in QA enforcement, or to be strict with certain Raters/Providers and easy on others.
- RESNET's chosen QA Contractors, in their interest of protecting their stream of QA revenue which is predicated on ratings being performed, could have a role in either choosing to be strict or loose in QA enforcement, or to be strict with certain Raters/Providers and easy on others.

Additionally, in the absence of any precedent for this level of QA and discipline, the threat of litigation for fully enforcing the standards could also influence decisions made regarding the outcome of the QA process.

### **Proposed Options and Financial Interest**

It is likely that, of the options presented, neither Options 1 nor 2 are to be chosen. Option 1 would entail RESNET itself hiring enough staff to execute QA for the entire industry for all required field and file reviews. RESNET is unlikely to undertake such an endeavor given its current and historic staffing. RESNET only has 4 current full-time employees on staff; hiring of the dozen or more new staff would be impractical and unprecedented in its history.

Option 2 would entail RESNET setting industry-wide criteria for creating a new class of QA Contractors. This would create likely the largest pool of QA Contractors to draw from, but managing the performance, oversight and direction of these actors would be much more challenging for RESNET to execute. Additionally, questions and conflicts would invariably arise as to why certain contractors are selected to perform more QA work than others.

Given this analysis, it is clear that proposed Option 3, which seeks to select regional QA Contractor firms via an RFP/RFQ process, is the most likely preferred option of RESNET as an organization. This option, while perhaps being the cleanest and easiest to manage for RESNET, poses significant problems of ethics and transparency. The potential for RESNET to create geographic territories of QA implementation and then award contracts for these territories poses two serious problems:

1. The RFP / RFQ process could lack transparency in order to ensure that it is choosing contractors solely based on true market and merit considerations. Regional contracts could be potentially awarded to organizations politically friendly to RESNET and its leadership, including those who currently are or have a history of serving on the RESNET Board of Directors, Executive Committee, task forces/working groups, etc.
2. The selection and award of contracts could be viewed and employed as a form of “command and control” by RESNET, where it has the highest degree of control to pick winners/losers, dictate costs and QA outcomes.

The scenario of Option 3 being chosen, although perhaps the most obvious choice, poses the most significant threat to the free market of the HERS industry and potential financial and political conflicts of interest dictating business and QA outcomes for the industry. For this reason, it should be summarily rejected.

By ignoring these potential, higher-level financial conflicts of interest that could occur, the options presented by the QI-QA Working Group fail to address the underlying thesis of why financial interest makes QA go wrong, which is the supposed basis of why the current QA scheme is inadequate. Both the current system and the proposed options for a new system could allow for financial interest to “poison the well” and dictate inaccurate QA outcomes.

### **Market and Cost Stability**

Beyond failing to address the potential of continued financial conflicts of interest dictating inaccurate rating outcomes, the presented options pose significant problems for the current market and participants within the RESNET HERS industry. Principal amongst these problems are issues of pragmatics of implementation, cost, and external critique/criticism. If an option is chosen without fully considering these externalities, the market impacts could be dramatic and deleterious for the industry.

At an essential level, this industry has grown vis-à-vis the relationships between builders, Raters and Providers and their ability to work cooperatively and effectively to deliver a HERS rating as a product. In addition to promoting growth in adoption of HERS ratings, these relationships have helped facilitate QA to occur.

It is a well-known phenomenon in the new construction industry that timing is essential to completing ratings, as well as QA oversight. In a prosperous market, home construction schedules are fast-moving, and move-in/closing schedules are tight. The ability of ratings and subsequent QA to be performed in a manner that disrupts this process as little as possible is absolutely crucial to the stability and continued growth of the HERS industry. The current QA scheme encourages relationships between builders, Raters, and Providers that help facilitate QA being performed in real-time. Occasionally, QA review of occupied homes is unavoidable, and further education of builders and homeowners to understand and accept this reality is probably needed.

However, in the instance of RESNET or its QA Contractors performing 100% of all QA activity for the entire industry, this would entail a significant shake-up in how QA is performed and scheduled. QA implementers under any of the proposed schemes will, by design, lack personal relationships with builders, Raters and Providers. The lack of personal relationships, potential proximity issues, and the complex nature of managing QA over large geographic spaces with several participants will invariably cause QA delivery to be more burdensome on builders, homeowners, Raters, and Providers.

There is also a significant concern as to whether RESNET QA administration staff and/or selected QA contractors are prepared to oversee and deliver such a level of service to the industry in an organized, consistent, and high quality manner. Simply stated, a system such as proposed has no direct precedent or correlative. Therefore, there is no evidence to suggest that it will be effective in delivering a higher level of consistent, unbiased QA to the industry.

Additionally, QA delivery to the industry is currently able to be delivered in a cost-effective manner, as Providers are allowed to factor the cost of QA into their rating fees, rating QA fees, rater membership fees, etc. A “QA only” business model as proposed would not benefit through these additional streams of income. Due to this, the cost for delivering this QA will be by necessity significantly more expensive than the current method of QA delivery.

Furthermore, this type of “QA only” business model only exists in the current marketplace on a micro-scale. These sorts of businesses are typically employed as an additional, lower volume quality oversight or quality control mechanism for state, regional, or utility programs. Due to

their delivery being executed on behalf of utilities or state/regional programs, fees for services rendered typically are billed at a premium, and are funded by tax dollars or rate payer money. This allows for the compensation for these business models who are not allowed to generate revenue from relationships with builders or Raters in delivering ratings.

Without additional streams of revenue associated with ratings being generated, a “QA only” business model cannot be successful unless:

1. It is significantly more expensive to the marketplace;
2. The quality / time spent in delivering the QA is reduced significantly.

Due to pragmatics of scheduling and increased cost of QA delivery, the options presented to the industry are unacceptable to maintain the current marketplace. Adding significant extra layers of scheduling administration and cost to Providers for QA will cause market disruption, and possibly cause a market shift away from participation in HERS.

Although the RESNET HERS Index is a popular method for assessing and labeling homes, it is by no means the only possible method or system. RESNET cannot run the risk of adding significant added levels of bureaucracy and cost without anticipating significant market retraction and pushback. This is especially true of options for QA delivery that are entirely new and unproven with no evidence to support why they will ensure more accurate and ethical outcomes.

### **Impacts to Current Professionals and Business Models**

Perhaps the most critical cause for concern with the QI-QA options, as proposed, is that they pose potentially devastating impacts to the businesses and livelihoods of current industry participants. Our industry is mainly comprised of professional, dedicated and savvy individuals who care deeply about promoting energy efficiency and growing the adoption of HERS. These individuals who have participated in delivering and growing the HERS system – Providers, QADs, QADDs, Raters – deserve to be viewed as innocent until proven guilty, and to be able to continue performing their current duties without excessive and unproven regulations. Unfortunately, the proposed options treat all participants as being guilty in improper management and delivery of HERS consistency, and undermines their professionalism and ability to make a living in a free market.

Providers appear to be the body most under attack under the new proposed options. There are three types of Providers in the industry:

1. Rater-Providers: Rating companies that have in-house QADs and perform QA on their own ratings work.
2. Third-party Providers: Providers that work primarily with independent Raters and perform QA on their ratings work for a fee.
3. Hybrid Providers: Providers that both perform ratings/QA in-house and perform QA on affiliated independent Raters members.

The proposed options suggest that Providers no longer are allowed to perform QA, but yet must continue to perform all other administrative functions as required by Providers including maintaining the RESNET Registry, rater certifications, providing rater support, and perform

discipline on Raters. The removal of QA responsibilities is a significant blow to the stability and financial security of all types of Providers.

For Third-Party and Hybrid Providers, without the ongoing stream of revenue from performing rating file and field QA, the essence and stability of their business model is entirely undermined. These types of Providers simply cannot make a living managing databases, certifications for Raters, and answering technical questions from Raters. These types of Providers will likely be required to discontinue doing business with independent Raters, orphaning 50-75% of the Raters in the industry (Source: RESNET Rater Registry).

For Rater-Providers, the removal of QA functions and responsibilities from what a Provider is required to perform will remove a significant barrier from other rating companies to become their own Provider. If a rating company only has to pay a check to RESNET to be a Provider and is not required to have a QAD or other specific qualified staff involved in their organization, nearly every rating company with an annual volume of 40 or more ratings will become their own Provider. This, along with the dissolution of Third-Party Providers who will be likely to start doing ratings themselves, will cause a massive influx of new competing Provider organizations with a lower bar of admission than ever before.

If Providers no longer are required to perform QA, then dozens of current Quality Assurance Designees (QADs) and Quality Assurance Designee Delegates (QADDs) will most likely find themselves out of work. Providers who are no longer allowed to perform QA may choose to keep some of these professionals on staff either as Raters or as internal QC managers, but without the formal requirement to perform QA, there will simply be no need or role for all of these professionals working for Providers. Even if there was a role and/or need, the cost would be too much for most companies to bear without having a revenue source to cover the additional payroll.

The current corps of QADs and QADDs within our industry represents the lifeblood and breadth of experience in delivering the QA scheme that has helped to promote RESNET as a leading home energy efficiency labeling system. Jeopardizing the employment of these professionals in their ability to work for RESNET Rating QA Providers will cause the industry to lose 16 years of institutional knowledge and experience in performing QA from dozens of individuals.

The best scenario for these professionals under the proposed options is that RESNET or its chosen QA Contractors will choose to employ some of them. However, more likely, the vast majority of these professionals will not be hired to participate in the “new system” and the value of their knowledge and experience will be lost. Most of these professionals will be disenfranchised in any outcome and will not be interested in working in this new capacity, being placed in a position of being forced from their jobs and having to work with a new entity they have no relationship with Raters themselves

Raters themselves will also likely suffer under the proposed options for a “new system”. The vast majority of Raters are small, independent businesses and professionals who are working with Third-

Party and Hybrid Providers. If the business models of Third-Party and Hybrid Providers are jeopardized and these businesses discontinue offering services to independent Raters, Raters will

no longer have a Provider to turn to for mentorship, technical support, program support, and ongoing informal professional development.

The result of the likely estrangement between independent Raters and their Providers will be a dramatic setback in professionalism and front-line oversight for the industry. First and foremost, RESNET will have a serious issue with the maintenance of certifications of hundreds of independent Raters. Secondly, the ongoing support, mentorship and enhanced QA/QC that Providers perform over Raters' work will likely disappear as well.

These unintended externalities of a significant market destabilization of the businesses of Providers will likely cause a decrease in rating consistency and constituent dissatisfaction within the industry. Independent Raters, by and large, appreciate having a knowledgeable and proactive Provider who they can turn to for technical support, standards interpretation, and on-going informal professional development. Without the financial relationship of Raters submitting ratings to their Provider for QA review, Providers will stop answering these calls and emails.

The dissolution of these relationships and mentorship that has been predicated on the Provider-Rater financial relationship will hurt rating and program compliance consistency. Most Providers perform greater than 10% QA review of ratings files to promote consistency, and the ongoing feedback Providers give to their Raters is a learning tool Raters use to get better at doing ratings. Field QA performed by the Provider helps to reinforce best practices and go beyond the formal classroom training experience to ensure more consistent rating outcomes and enhanced professional practices. This is not just the case for independent Raters working with Third Party and Hybrid Providers either; the role and scope of formalized QA obligations by Rater-Providers ensures that they are properly and consistently performing internal Rater training and review to promote consistency as well.

Finally, vested outside parties and programs who count on the work and oversight of Providers will potentially suffer under the new proposed system as well. The EPA ENERGY STAR New Homes program, DOE Zero Energy Ready Home program, and others count on pro-bono interpretation, support, and oversight by Providers to ensure these programs are successful. If Providers no longer offer these services to independent Raters, then either the questions will not be answered or the organizations themselves will need to begin offering enhanced support and oversight for these programs. Software manufacturers will also suffer from a significantly larger volume of technical support requests previously handled by Providers.

All in all, these externalities will significantly and inherently damage the business and professionalism of Providers and Raters. This in turn will have deleterious effects on the quality and consistency of HERS ratings. Given that this is the entire stated purpose of this exercise – to improve the consistency and quality of ratings and the Raters who perform them – the QI-QA options presented will undermine the very essence of the stated goal.

Summarized, the ability for RESNET and/or its selected QA Contractors to deliver a QA scheme that is transparent, market based, free of financial entanglements at the highest levels, and promotes a higher degree of consistency for the industry is entirely unproven. RESNET and its constituents would be making a serious leap of faith that the “new system” will deliver higher

quality, when there is substantially more evidence to support the idea that it will undermine quality.

Completely destroying everything the industry has collectively worked for and built in good faith over the past 16 years will hurt the credibility of RESNET and its constituents in a very serious manner. Tearing down and replacing the very foundation of the QA infrastructure of the industry would be a concession of abject failure to build and deliver a system of quality, and will be used by RESNET's critics and detractors to further discredit our industry and its effectiveness. RESNET cannot risk such a serious transition based on the evidence provided.

## **Solution**

Despite the proposed QI-QA options failing to present a substantiated case for why and how the proposed "new system" will promote a higher degree of consistency and quality than the existing QA scheme, the very fact that the industry is even considering such a dramatic turn of events should indicate that the industry inherently believes QA oversight of the industry must improve. It is almost universally accepted that the QA system that has persisted for nearly two decades needs additional checks and balances to ensure inconsistency and malfeasance is abated.

Despite the widespread agreement that we must do something, it is not universally accepted that the proposed "new system" is going to fix the problems. As evinced above, there are many reasons to question that such a system will achieve greater transparency and quality. Given this reality, how do we move forward in enhancing QA oversight of the industry without undermining and destroying everything previously built and achieved?

The solution that this paper seeks to propose is a system of **Enhanced Quality Assurance Oversight (QAO)**. This solution does not suggest that a complete teardown and rebuild of the existing QA infrastructure will be required. To the contrary, under this proposed system:

1. The existing infrastructure of QA Providers performing QA on Raters and ratings continues;
2. It improves QA by layering a more manageable level of financially-distanced QAO on top of the existing system;
3. It requires additional safeguards to ensure QA administration and direction by RESNET, its staff, and QAO implementers is fair, unbiased and transparent;
4. It provides the most pragmatic model to achieve enhanced consistency for the industry that will cause the least disruption and cost to the market and negatively affect the least amount of businesses and professionals.

## **Rating QA Providers**

Under the proposed Enhanced QAO system, QA Providers will continue to perform ongoing 10% QA rating file review and 1% QA field review. They will also perform all other current functions that are required of them per the RESNET Standards, such as RESNET Registry maintenance, Rater certification management, Rater discipline, etc. Additional requirements for technical support and mentorship of Raters within their providership will be formalized.

Additionally, a new classification of Provider Quality Assurance Manager (PQAM) shall be created. Each Provider will be required to have a PQAM on staff. PQAMs will be professionals that are certified not solely based on technical knowledge and experience, but also their knowledge of administering a Rating QA Provider per the expectations of the RESNET Standards. This additional designation and requirement will ensure that each RESNET Rating QA Provider has a fully-qualified and knowledgeable person on staff to interact with RESNET Quality Assurance staff and QAO implementers.

### **RESNET Quality Assurance Oversight Implementation Contractors**

The industry will create a new category of financially independent QAO implementation contractors. These QAO implementers would either be RESNET staff or organizations that are independent of providing Rater or Provider services.

QAO implementers will be directed by the RESNET QA Director to perform QAO on Rating QA Providers. The proposed level and rate of QAO is as follows:

- Office review
  - o 10% of “10% QAs” and “1% QAs” for all Raters under each QA Provider annually
  - o 1% randomized review of all registered ratings per QA Provider annually
  
- Field review
  - o 5% of total “1% QAs” performed by QA Providers annually
  - o 0.1% randomized review of all registered ratings per QA Provider annually

Additional specific focus on review and documentation of sample sets shall be performed for any RESNET Sampling Providers who are performing Sampling projects in order to ensure that the RESNET Chapter 6 standards are executed properly.

The review of QAOs will go beyond a simple administrative review of QA completion and instead will emphasize review of documentation and physical evidence of how, where and by whom QA was performed by the QA Provider. Specific requirements for documenting the QA process with photos or video shall be codified in the RESNET QA Standards, and may include stipulations for date and time stamping, or real-time uploading/processing of QA documentation via the RESNET Rating Registry.

QAO will report results to RESNET QA Director. At no point in this process will QA Providers be allowed to choose which QAO implementation contractor performs the QAO review of their work.

QAOs will be entirely financially independent of QA Providers, Raters, and builders. They will not be paid for their QAO services by the QA Provider. Rather, RESNET will develop a QAO implementation fund that is financed through RESNET’s ongoing QA Provider membership. Any additional funding required for this system beyond RESNET’s current budget for QA will be funded through an additional nominal per rating fee paid by the Provider.

The rate and levels of additional oversight performed by QAO implementers should be balanced with considerations of added incremental cost per rating to the Provider. Simply stated, the industry cannot and does not need to absorb massive levies in order to add an additional layer of effective oversight.

### **RESNET Quality Assurance Director**

To manage relationships and accreditation of RESNET QA Providers and oversee and direct the work of QAO implementation contractors, RESNET shall appoint a QA Director. The QA Director shall focus specifically on the management, oversight and direction of the RESNET QA system in order to ensure its effectiveness and impartiality.

The RESNET QA Director will, in combination with the RESNET Registry, manage the delivery and execution of QAO by implementation contractors. QAO contractors will report the results of their office and field reviews over QA Providers directly to the RESNET QA Director. The QA Director will be responsible for:

- Managing the feedback from QAO contractors
- Giving feedback to QA Providers
- Disciplining and managing corrective action of QA Providers

The QA Director will also be tasked to support QA Providers in their management and discipline of Raters. This additional responsibility is necessary in order to ensure that QA Providers have the support of RESNET in managing discipline of Raters in the most effective, sensitive and legally responsible fashion. This will ensure that QA Providers have support and consultation in making tough decisions that could significantly affect their business or the business of their Raters.

### **Disputes, Arbitration, Transparency, and Accountability**

QA Providers shall report disputes over QAO and other QA Provider disciplinary findings to the RESNET QA Director. Ideally, communicating directly and productively with the QA Director will facilitate resolution of any disputes or conflicts.

In the case that disputes between QA Providers and RESNET over QAO disciplinary findings cannot be resolved between the RESNET QA Director and the QA Provider, the Provider shall have the right to have their case arbitrated by an impartial Arbitration Resolution Committee (ARC). This committee shall be comprised of individuals who are:

- Technically savvy, experienced and knowledgeable in the principles of energy efficiency, building science, and the RESNET Standards
- Financially independent of Raters, QA Providers, QAO implementation contractors and RESNET;
- Nominated and elected by QA Providers and QAO contractors, not RESNET Board of Directors, Executive Committee, Standards Management Committees, etc.

The ARC will review the findings from RESNET, their QAO contractors, and any supporting evidence or documentation from the QA Provider. Record of arbitration shall be made available

to the public at the request of the QA Provider in either event, and at the discretion of the RESNET QA Director in the event the ARC rules in favor of supporting the RESNET QA Director.

This additional level of impartial arbitration will ensure that QA Providers are permitted to have their disciplinary cases heard by a panel of industry experts that have no financial interest in rating outcomes. This further supports the transparency, fairness and due process within the industry.

The capstone requirement of the Enhanced Quality Assurance Oversight (QAO) proposal for redefining and improving the consistency and quality of the HERS industry is for RESNET to submit to an independent audit of its direction of the QA process. This independent audit shall be conducted by an Organizational Ombudsman that is certified by the [International Ombudsman Association](#).

The independent review and audit by Organizational Ombudsman shall serve as the pinnacle level of oversight and transparency for the RESNET Quality Assurance process, and the keystone validation that RESNET, its staff, Board of Directors, affiliated constituents and QA Standards are independently validated as ethical and unbiased. The result of this annual review will be made public for all, including all industry constituents, program managers, and the general public.

The RESNET QA Director and Executive Director are ultimately responsible for ensuring a level playing field and complete transparency of the execution of the QA provisions of the RESNET Mortgage Industry Home Energy Rating Standards. Given the critical nature of QA to the confidence and consistency of HERS ratings, these actors must ensure that the independent review of the QA system for our industry is found to be consistent, fair and transparent.

### **Additional Considerations**

The solution presented through the Enhanced Quality Assurance Oversight scheme described in this document represents the most comprehensive, transparent and market-supportive option that has been presented for the industry to consider. It is unsurpassed in its level of accountability, thoroughness and adherence to the intent of the QA Provisions of the RESNET Standards. However, this solution alone is not enough to ensure that the industry is moderated and its participants remain confident in its results. The industry must take additional supportive action to ensure that our goals are successfully achieved.

Additional steps that must be taken:

1. The RESNET Registry shall be further refined and coded to help support enhanced QAO and help the RESNET QA Director successfully implement the enhanced QAO system.
2. The RESNET Standards must clearly define the roles and responsibilities of all actors participating in the QA system, including
3. The RESNET Standards must clearly define the explicit expectation of deliverables for 1% QAs, 10% QAs, and the review processes of QAO implementation contractors.

4. The RESNET Standards must clearly define the explicit rules and metrics for judging the quality and consistency of Raters by QA Providers, as well as QA Providers by QAOs and the RESNET QA Director.
5. The RESNET Standards must clearly define the explicit expectations for Rater discipline by Providers, and QA Provider discipline by the RESNET QA Director. All requirements must clearly demonstrate respect for and understanding of potential legal disputes that could occur based on these actions.
6. RESNET shall improve the RESNET Ratings Registry so it is more transparent and accessible to vested third-parties in the rating process, such as utilities that count on rating data to justify savings.
7. The RESNET Standard Disclosure shall be updated to reflect that the end user of a rated home shall receive the Disclosure and be permitted to review documentation of who participated in the rating and QA oversight of the home and any potential conflicts of interest of these parties. It is recommended that this take place by labeling all rated homes with a sticker on the electrical panel of the home with a QR code that links to page for the rated home on the RESNET Ratings Registry.

## **Summary**

The RESNET HERS industry is dedicated to improving the QA oversight and consistency of ratings. This has been evinced by the call to investigate and reform our existing system that has been put into motion by RESNET Executive Director, Steve Baden, and the RESNET Board of Directors. It cannot be expressed enough how critical this call to action was, and I personally applaud all of these leaders, as well as the individuals who have participated as members of the HERS Quality Improvement Task Force and affiliated Working Groups.

The action, dedication and professionalism displayed throughout this process cannot be diminished or dismissed. This is part of what makes the RESNET industry so special; there are so many dedicated participants who have sacrificed their own personal time, money and effort in order to see a better, more efficient and higher quality system emerge.

This white paper and its statements and conclusions do not support any of the options as presented by the QI-QA Working Group and offered to the RESNET HERS industry for review. That is not to say that the individuals who participated in creating these options should not be respected or lauded for their efforts. To the contrary, I have personally been in contact with almost all of these individuals to express my beliefs and concerns, and I strongly believe that these individuals have taken my suggestions and opinions seriously. I respect all of the individuals who contributed to this Working Group. However, the conclusions they have arrived at and options presented to the industry are insufficient and, if executed, will have disastrous effects on the HERS industry.

These options, as discussed above, allow for inconsistencies in executing the intent of the QA system enhancement mandate as they do not address potential financial conflicts of interest at the highest level. Without addressing the potential of RESNET staff, Board of Directors, committee members, or other similar actors to financially benefit and dictate QA outcomes for the industry, the QI-QA options fail to recognize the lynchpin of the efficacy and transparency of a QA

system – how it functions and directed from top-down. Unless the all actors within this system, including the highest level Directors and administrators executing the system, are accountable for their actions and potential financial conflicts of interest, then there is simply no evidence that a credible, transparent and consistent system of QA oversight will prevail.

The alternative option presented in this paper – the creation of a level of Enhanced Quality Assurance Oversight for the HERS industry – achieves the end goal of ensuring that all participants are held accountable, the system is fully audited and transparent from the top-down, and no level of political or economic cronyism or favoritism can continue to exist or be tolerated. If what our industry desires is a consistent process that promotes trust and confidence in its results, taking this step will demonstrate to the entire industry that RESNET is for real.

This proposed system of Enhanced QAO, although being a level of additional oversight that is smaller in scale and disruption to the current marketplace than what is proposed by the QI-QA Working Group options, is an even larger vote of confidence for the quality and consistency of our system. Through this option, we are not tearing everything down we've worked for 16 years in collaboration to build and improve upon. Instead we are encouraging continued growth in the businesses and professionals who have helped deliver an exceptional, although imperfect, system for nearly two decades.

The proposed system will be ready to implement and add onto the existing system when RESNET is ready to add that additional layer. It does not require a dramatic teardown, rebuild and reformulation of all existing QA processes and procedures in a mere 16 months. It will demonstrate to the general public and external vested interested parties that RESNET is serious about quality assurance – so serious, in fact, that it wants to execute an important step forward in quality and consistency in the most responsible and least disruptive manner possible for the marketplace.

This is the responsible path. This is the moderate path. This is the path that harmonizes what the QI-QA Working Group has proposed, but also gives credibility and respect to what we have all been doing to support and promote consistency in this industry. This path does not demonize, persecute, or necessarily put any professional or business out of a job. However, from the top down, the Enhanced Quality Assurance Oversight solution that is being promoted by this document does more to ensure that our industry is consistent, ethical and transparent than other option currently proposed.

This path will require diligence, oversight and accountability to be successful. It will also require additional time and money in order to execute properly. Yet, it is the plan that does the most to ensure consistency with the least cost, complication and stress to the still budding market acceptance of the HERS Index and the supporting industry.

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Overall, I appreciate your consideration of the positions, critique and solutions I have presented in this document. None of this is going to be easy, but the Enhanced Quality Assurance Oversight solution presented as the central thesis and alternative in this document can work and be adopted. However, to make it so, we need your support.

## Action

Our industry has an absolutely critical decision to make, and we have to make it quick. You must personally give feedback to RESNET about your position by no later than Friday August 29, 2014.

The link to make your comments is here:

<http://www1.resnet.us/comments/qa/comment.aspx>

If you agree with the commentary and positions in this paper, please sign a vote of support by clicking here:

<http://www.theber.com/EnhancedQAO.php>

Regardless, make your own voice heard to RESNET. The future of your career and RESNET as a whole may depend on it.

Signed by:

Jeremy Fird  
Eric J. Powell  
Sharla Riead  
Frank Swol

## COMMENT #65

**Laura Capps**  
Southface

**Comment Type:** General

**Option Number:** General Comments to the Proposal

Previously I submitted comments based on past requirements given by RESNET that they be explicit line-by-line edits. I have since realized that those are likely not appropriate for the proposal on the table given that the proposal is not yet a standard. Please review the following general comments, from Southface in addition to our line by line comments.

We are excited to support the enhancement of the QA process and oversight procedures for the HERS Rating Industry. We agree QA needs improvement in order to ensure consistency in ratings and prevent conflicts of interest moving forward. With the increased use of the HERS Index, our liability also increases. We want to see the HERS Index be a successful tool for code compliance and feel that QA will be scrutinized by many internal and external stakeholders. We are glad to know that RESNET will be working to clearly define QA protocols and feel that lack of definition has been the greatest weakness in the current system. Having a clear definition for how to properly conduct a QA file and field review will allow QADs to consistently perform

QA tasks and provide a plum line for evaluating QAD performance and Rater compliance with the standards.

We are concerned that the proposed options for QA moving forward do not maintain several of the key educational benefits of the current QA structure. Several providers offer 100% file review greatly increasing the consistency of ratings within their providership and supporting Raters in applying the standards and using the software. Many providers also offer free technical assistance maintaining regular contact with Raters and providing daily support. The current proposal will eliminate the revenue stream that providers use to cover these added services. Aside from supporting new Raters through the probationary period, we are not sure what value proposition there is for providers moving forward under the proposed options. Disciplinary follow-up resulting from QA reviews is best managed by the individual doing the QA assessment from a coaching/education standpoint, and from a tracking standpoint is best done with an online tool. Investment in an online tracking tool for Rater oversight is appropriate regardless of the new QA structure.

We are also concerned about cost increases and delays in turn-around time for file reviews and field reviews under the proposed options. Our Raters require extremely quick response rates in order to meet builder expectations. We do not feel the market will bear higher costs for HERS Ratings. Multifamily developers are already paying ~\$10 per unit in pass-through fees for software and RESNET services. We have already seen builders and developers switch to programs that do not require HERS Ratings in order to avoid these fees, we fear more will follow if the fees increase. Some providers are able to keep QA field fees lower for Raters by coupling the field review with other green building program QA field reviews. None of the options presented will allow for this effective overlap and cost savings and may cause those green building programs to discontinue close ties with the HERS Index.

We feel the current QA structure has the potential to meet the goals of RESNET with less drastic changes. One solution would be to significantly enhance the current QA oversight that is being conducted by RESNET on Providers. That enhancement could take many forms and we are willing to provide more specific recommendations should RESNET be willing to consider this path. QADs could be pulled from being eligible to conduct ratings moving forward preventing them from QAing their own work and from setting up relationships with other QADs to QA their work.

Having run a green building certification program for over 15 years and certifying over 30,000 homes, we are intimately aware of the importance of QA oversight to ensure consistency in program implementation, brand reputation and quality control. We look forward to working with RESNET to create the optimum solution for Rater and Provider QA which will support the industry as we enter continue our rapid growth in improving the energy efficiency of homes.

## COMMENT #66

**Jon Traudt**

Health & Energy Company

**Comment Type:** General

**Option Number:** 1

**Proposed Change:**

## COMMENT #67

**Benjamin Bogie**

Independent rater

**Comment Type:** General

**Option Number:** General point

RESNET should do more technical enforcement of its providers.

## COMMENT #68

**Don Tippit**

Energy Smart

**Comment Type:** General

**Option Number:** Opinion

I have recently set in on several conference calls in an attempt to listen to the concerns of my fellow raters and providers in regard to the options presented by the QA Task Force. There are numerous issues that shareholders have addressed and valid arguments concerning privacy, implementation, and costs. My belief is that RESNET's effort to fast track implementation of enhanced quality assurance by eliminating the current QA program and instituting an entirely new one is not warranted. My hope is that RESNET will consider working within the context of our existing QA procedures, modifying measures incrementally as needed to improve quality assurance.

With that being said I do favor some of the Task Force recommendations including clearer information on QA procedures and additional training for QA designees, improvements in HERS software programs and additional training for raters. However, I am unconvinced that the current RESNET policy of allowing QADs to be employed directly by Rating Providers presents a conflict of interest that leads to inconsistent or inaccurate HERs outcomes.

I have read the white paper issued by Chris McTaggart with Building Efficiency Resources and agree in principle with many of his conclusions. His proposal better reflects of my views than any of the Task Force proposals.

## COMMENT #69

**Srikanth Puttagunta**  
Steven Winter Design

**Comment Type:** General

**Option Number:** general comment on proposed options

As a Rater-Provider, we do not believe that the 3 options proposed by the Quality Improvement – Quality Assurance Working Group are suitable options to achieve improved quality in the rating system. RESNET only implemented QA review of providers in the past several years. Over that same period, drastic changes to national rating programs (Energy Star v3) have taken place. The level of review by RESNET has increased and is having significant impact on quality control as evidenced by the most recent QA review results.

"The reviews found numerous instances where providers fell short of complying with RESNET quality assurance provisions. As a result 43 Rating Quality Assurance Providers were placed on administrative probation. An additional 56 Providers had findings that needed correction to be compliant with RESNET Standards."

By placing existing providers that are not maintaining quality levels on probation, this sends a clear message to the industry that quality control is of significant importance. This also means that over 60% of the 108 providers were doing quality work (even if some additional documentation was needed). If these violating providers do not improve, they should be removed as providers. There is no need to reshape the entire QA organizational structure, just give the current RESNET QA process time to remove providers that are not upholding the standards sought by RESNET.

## COMMENT #70

**Cody McGhie**

Energy Inspectors

**Comment Type:** General

**Option Number:** Option 3

Quality Assurance should serve 3 key goals:

1. Provide a mechanism to ensure accurate, consistent and complete HERS ratings are being conducted by raters throughout the nation.
2. Identify and correct any “bad” characters in the market that, through their actions significantly dilute the value of the HERS ratings within the market. While these “bad” characters can arise from many different industries, including manufacturers, trade contractors, utilities, governments at all levels, the RESNET QA process should focus on the two entities that they have the greatest influence over, the Rater and the Homebuilder.
3. Provide “mentoring” of HERS raters throughout the nation. The activities of the QA should be balanced between mentor and enforcer.

### **Proposed Change:**

What mechanisms can RESNET implement to best serve the above objectives:

1. Adopt Option 3 of the recommendations of the QI Working Group with the following amendments:
  - i. Select only 1 QA Contractor per region that works as a “Virtual Municipality”
    1. Benefit: A single QA Contractor avoids any opportunities for the rater or homebuilder to “Shop” out for a preferred QA contractor.
  - ii. Each regional QA Contractor works directly with the homebuilder
    1. Benefits: Because the QA contractor acts as a “Virtual Municipality” in their region they are much less likely to be negatively influenced by any “Bad” characters in the market who may attempt to dilute the value of the HERS rating.
    2. Benefit: Avoids the complications that arise when the HERS Rater has to act as the “middleman” in the collection of QA Contractor billings

3. Benefit: Avoids putting the QA Contractor at financial risk by waiting for their payments from individual HERS raters who are much less likely to be financially stable than the larger homebuilders

iii. Ensure no conflicts of interest or opportunities for improper influencing of the QA Contractor exist by mandating that the QA Contractor cannot have any business interest in providing services or materials to the homebuilding industry anywhere in the United States, not just in the region that QA services are being provided. Examples of services include consulting, software, installation, financing, appraisal, etc.

## COMMENT #71

**Mark Blake**  
Maine Star LLC

**Comment Type:** General

**Option Number:** Quality Improvement Working Group RESNET QA Option

Thank you for all of your efforts on behalf of our industry. I appreciate the opportunity to provide input to the draft options developed by the Quality Improvement – Quality Assurance Working Group.

- The fact is that we already have a meaningful independent third-party QA system today that is the industry standard regardless of what our competitors or detractors may claim.
- Yes, there are opportunities for improvement especially to better ensure consistency, remove any appearance of financial conflicts of interest, and adherence to RESNET standards. As an Independent Third-Party Provider we see these opportunities and as a human being we recognize that we have an innate urge to improve things. But, any enterprise always has opportunities for improvement ... Our challenge is to not lose the “Goodness” in our zeal to “Improve”.
- I agree that our industry will benefit from some type of meaningful independent third-party QA component within our QA system, but we don’t have to destroy what we have today to accomplish this. We can build on and enhance our QA processes today.
- I cannot recommend or support any of the options as presented without definitive, quantitative analysis of the deficiencies being resolved and clear definition of the economic, market, business reputation and personnel costs for each option.
- This said, I studied all three of the posted recommended options from the Quality Improvement – Quality Assurance Working Group and believe that as written, any of these Options will have very damaging effect on our HERS Industry.

- I have carefully considered the recent BER Enhanced Quality Assurance Oversight (QAO) White Paper which presents another option. And though I do not agree with every detail of this Proposal, I do agree with the intent and direction. This proposal goes a long way towards addressing the recommendations of the RESNET HERS Index Score Consistency Task Force as they pertain to the Enhanced Quality Assurance of Ratings.

It is my recommendation that the RESNET Quality Improvement Task Force reject all three of the Quality Improvement – Quality Assurance Working Group posted Options, consider, and adopt the outline and intent of the BER (QAO) Proposal for presentation to the RESNET Board as the basis for developing a more practical and viable method of improving the independent third-party QA component to the HERS process.

## COMMENT #72

**Frank Swol**  
EAM Associates

**Comment Type:** Editorial  
**Option Number:** Option Numbers 1-3

EAM Associates is a RESNET Provider that functions as a rating company with its own in-house staff of raters, as a Providership for independent raters, and whose QAD does contract QAD for other providers. Because we run the entire gamut of services generally supplied by a RESNET Provider we feel we are completely unbiased in our opinion that none of the options set forth by the HERS consistency working group is right for our industry. With understanding of the goals they were required to meet with their proposed strategies we are entirely sympathetic to the difficulties they faced in trying to satisfy all the varied stakeholders in our industry. That being said, we here at EAM feel are very concerned about the ramifications all three of these proposed strategies could inflict on our industry at what is likely the most crucial period it has yet seen.

After several discussions over a period of time we have signed off on a white paper drafted by Chris McTaggart at Building Efficiency Resources. We feel it states in no uncertain terms the concerns we and so many other providers we've spoken with have about these proposed changes to QA. Further it goes beyond complaints, and offers entirely plausible alternatives to Options 1-3. EAM staff are at the conference every year, so we are well aware that many in our industry offer up nothing but complaints with nothing to propose in place. That is always unacceptable, but especially so on this topic when so much is at stake for all of us. We feel though that Chris' paper really does take the key concerns we have about the QA changes into account, and circumvents them through a new system of QA that is so much more realistic to implement than any of the options put forth by the task force.

As a Provider we feel that quality assurance is a critical component of what we do here. It needs to continue, but it needs to continue in a financially viable way. It's not enough to say that a

Provider is of course free to continue conducting their own internal QA in addition to the outside QA proposed by Options 1-3. In today's market it is an untenable situation for Providers to pay both internal staff and RESNET/RESNET approved QA Contractors to perform two entire sets of 10% and 1% QA, and we would take issue with the statement that builders understand the need for QA as a justification. That very well may be the case, but in our market cost increases for any reason are met with obstinacy and refusal. We are in agreement that more oversight is needed, but EAM is of the opinion that the Enhanced QA Oversight System that Chris puts forth in his paper does a much better job at accomplishing this goal while minimizing the cost increases that simply must be avoided.

Perhaps the area of greatest concern to us here is this idea of entirely tearing down our existing system of QA, just when our industry finds itself under the most scrutiny it has ever faced. It would be downright irresponsible of us to come out and say that the way we have been doing things is wrong, and we've scrapped the entire process. We here at EAM, and all our fellow providers have built our business interests and those of our employees in large part around the RESNET system, and most of us have all done great things with it. Let's not redesign our standards with the handful of companies who probably should never have been Providers in mind. The last few years have seen greatly increased QA oversight from RESNET; it's started to bear fruit, and we think it should be given some time to do even more. If RESNET needs increased staff to function effectively within the current system then let's talk about those needs by all means. To think that RESNET could take over QA at a national level however; either with in house staff or a network of contractors, is just not a realistic solution. Coordination of QA on the day to day level of a construction industry that is incredibly fluid in nature is challenging even for those of us who are down in the thick of it. We simply do not believe that reliable and consistent performing of QA would be possible at the 10% and 1% levels under Options 1-3. Further it is unnecessary in our opinion as we do not believe that the current system is broken for the vast majority of Providers. No one has as much at stake when it comes to making sure things are being done correctly by our Raters as the Providers themselves. This is our business and the lives of our employees and their families. If something is being done wrong no one wants to fix it more than we do. Our Raters are our employees and our clients, either way oversight of their work is and should remain our responsibility. So let's develop a system to help us and other Providers do our job better; because taking it away from us is not the solution, it's just the beginning of a new set of problems.

In closing I just want to reiterate we are 100% behind RESNET. Change is needed, but it does not need to be wholesale change. We are in this together, and we want a level playing field as much as any Provider who is spending the time and money it takes to do things correctly. We hope that RESNET will incorporate our thoughts and those we've endorsed in the next round of proposals concerning the future of our QA system. Thanks for your time.

## COMMENT #73

**Bruce Bennett**  
GDS Associates

**Comment Type:** General  
**Option Number:** GPC-5, All Three Options

I would like to state, first and foremost that I agree with the need for QA as it ensures the integrity of the system that we are all so heavily invested. I also agree that it be an independent third party.

I have reviewed the three options and NONE of them consider the fact that any of the options would add considerable operating cost to providers, raters, and indirectly builders. There is already enough opposition to HERS ratings based upon high admin, high complexity and high cost that I do not believe adding this significant cost burden to HERS ratings will benefit our cause.

I have reviewed a hybrid proposal developed by the BER. Not perfect, I support their intent and the concept.

It is my recommendation that the RESNET Board reject all three options, and consider an adoption of a proposal similar to the BER.

Please keep in mind that any proposal MUST consider cost.

Consider the option we currently use. We outsource QA to a local QAD that is NOT also performing ratings (no conflict of interest). However, he is local and therefore controls the cost of QA and better enables both parties to coordinate access to the necessary homes. He keeps my raters on their toes to PROTECT us from complaints, criticism, law suits etc. We value our QAD's role and that's why we outsource to a third party. He understands our filing system. anyone new would require more training (read: time and money). anyone new would subject us to disclosing proprietary information. I believe our system works and if it isn't broken why fix it.

Also, anyone else with no conflict would be coming from outside our geography and therefore would make accessing homes difficult and costly.

Respectfully submitted

Bruce Bennett

## COMMENT #74

**Scott Doyle**

EnergyLogic, Inc

**Comment Type:** General

**Option Number:** Option 1 alternative

The coordination and logistics of performing field QA, the large addition of RESNET staff, and disruption to current business models are the primary drawbacks of Option 1 as originally proposed. In my proposed edits to Option 1, I am attempting to address these problems and offer potential solutions. While this alternative model would still have raters paying their provider for time and travel to perform independent ratings for the purpose of QA, the actual QA evaluation and enforcement of corrective actions would be taken out of the hands of the Provider, thus achieving a much greater measure of financial separation than the status quo. One strength of this proposed revision to Option #1 is that it has less disruption to the industry in year #1, but would still allow for transition to 100% QA by RESNET staff in the future if that is deemed necessary.

### **Proposed Change:**

Option 1 – RESNET does 100% of file QA with RESNET Staff. Providers perform independent ratings for field QA, with RESNET staff using documentation from the independent rating for the purpose of centralized field QA review.

QA is carried out by a trained and qualified staff of RESNET employees.

Pros:

1. Increases impartiality;
2. Improves consistency because only one organization provides QA nationally;
3. Potential nationwide, standardized pricing;
4. Cost of QA is transparent;
5. RESNET will be directly accountable for the success of QA;
6. The authority for enforcement of disciplinary action is more viable when delivered by RESNET.

Cons:

1. ~~RESNET lacks sufficient staffing and infrastructure to implement the expanded scope of RESNET QA implementation presented in this option;~~
2. RESNET would need to staff up ~~significantly~~ to meet the need;
3. No market competition to set pricing;
4. ~~Coordination with Providers and their Raters to get into houses for Field QA would be challenging because windows of time to do QA are narrow.~~

## COMMENT #75

**Kathy Spigarelli**

On behalf of RESNET Staff

**Comment Type:** Technical

**Option Number:** General Point of Concensus #5

Under General Points of Consensus:

RESNET staff believes it is too early in the process to have such absolute language in the consensus point.

**Proposed Change:**

Under General Points of Consensus:

#5 Remove “Under all Options”

## COMMENT #76

**Scott Doyle**

EnergyLogic, Inc

**Comment Type:** General

**Option Number:** Points of Consensus

There is a need to define "conflict of interest" as used in the points of consensus. For example, if an entity previously trained a rater but does not have an ongoing financial relationship with that rater, does that constitute a conflict? Does recent employment with the rating organization? Under some of the proposed scenarios, QADs may leave their current employers only to be "independently" performing QA on their former colleagues or business partners.

**Proposed Change:**

7. QA contractors should not be performing QA on Raters and ratings where a clear financial conflict of interest exists;

## COMMENT #77

**Kathy Spigarelli**

On behalf of RESNET Staff

**Comment Type:** Technical

**Option Number:** General Point of Concensus #12

Under General Points of Consensus:

Having January 1, 2016 as the effective date of the changes is not realistic. The final procedures will need to be incorporated as a RESNET standard amendment and must go through the RESNET standard amendment process under the new guidelines adopted by the RESNET Board.

This would entail:

- The RESNET Board adopting the recommendations of the RESNET Quality Improvement Task Force at its next board meeting on November 3, 2014.
- The new RESNET 900 Standards Development Committee for Quality Assurance (SDC 900) drafting the standard language and voting to submit to the RESNET standard public review and comment process.
- A 60 day public comment review and process
- The RESNET SDC 900 considering and documenting consideration of all public comments
- This may require resubmitting some sections to a new review and comment process
- The RESNET Standards Management Board reviewing the SDC 900 process and voting to adopt the standard amendment

This process is expected to be completed no sooner than August 1, 2015. For a standard this complicated and encompassing a transition period to January 1, 2017 is more realistic. It will take time for RESNET to develop the implementing processes and hire/RFP for QADs (whatever option is selected).

### **Proposed Change:**

Under General Points of Consensus:

#12 Remove entire section

## COMMENT #78

**Allison A Bailes III**

Energy Vanguard

**Comment Type:** General  
**Option Number:** Option 4

The problem isn't that providers are doing QA improperly. The problem is that RESNET isn't doing enough QA on providers. Laurel is doing a wonderful job and RESNET is lucky to have her, but she's not a technical person. She's never been a HERS rater and isn't a QAD. I don't think the QA Manager needs to have those qualifications, but RESNET has to have technical people involved in the oversight process. They do have at least one technical person, Abe Kruger, who assists on a contract basis, but he's not fulltime.

What RESNET has been doing over the past two years since Laurel took over is the important step of making sure the *t*'s are crossed and the *i*'s dotted. What RESNET has not been doing is looking at the words and seeing if there should even be a *t* or an *i* in them or maybe if they should have used a different word altogether.

In other words, RESNET needs to dive in deep enough to determine, not only if providers are doing enough QA and keeping records properly, but also if their QA process is good enough to assure the quality of ratings. A big step here would be to repeat some of the rating data file QA done by providers on raters.

Providers are required to do this for 10% of all ratings done by a rater, so RESNET, it seems to me, should be doing the same thing for some percentage of every provider's file QA. RESNET wouldn't have to travel for this, and I think it would turn up a lot of problems and force all providers to make sure they do it right.

Unfortunately, RESNET seems to think that because the majority of providers also do ratings, no providers should be doing QA. I beg to differ. There are a few of us who are providers but do little or no ratings. Energy Vanguard does a handful of ratings per year, nearly all for Habitat for Humanity, many of them pro bono. We made the decision early on not to compete against our raters. Building Efficiency Resources (The BER) is another company with this model, and so is Southface.

Why is RESNET ignoring the benefits of this model? Rather than including only options that take QA away from providers, why not have a fourth option that allows providers to do QA but not on any ratings they do themselves? This is the fox-in-the-henhouse issue people have been talking about for years because of all the big providers that do their own QA.

This model can work, but it requires RESNET to take the next step I described above and look not only at providers' administrative compliance but also technical compliance. As a member of the RESNET QA committee, I've been saying this over and over. The current structure can work but RESNET needs to do more thorough QA on providers.

If RESNET continues down the current path and chooses one of the three options above (probably the third), why would anyone want to be a provider? The big rating companies will continue, of course, but there's not much in it for small providers like ours. We'll become document chasers and discipline enforcers, and I have no interest in that.

If RESNET chooses one of the three options above, I think QA could actually get worse for independent raters. Many providers do more than the minimum QA. In our providership, we look at nearly every REM/Rate file that gets sent to us, not just the 10% required by RESNET. Will the new QA companies do that?

And providers won't know as much about QA if they're not doing it. When raters call them up to ask questions, providers won't know as many of the answers. They may even steer raters in the wrong direction because the QA companies may do things differently.

Another problem with the three options above is that it could lead to the collapse of the QA process from three levels to two. Right now it's RESNET => providers => raters. It seems like RESNET thinks that handing all the QA off to "independent" QA companies (or RESNET staff) will solve all the problems so the collapse won't matter. I think they're wrong. Let's keep three levels and beef up RESNET's QA, which will reverberate all the way down.

I don't think the folks on the task force and the working group have fully considered all the options or the consequences.

### **Proposed Change:**

Option 4. Providers can still do QA but are not allowed to do QA on their own ratings, and RESNET should do more technical QA on providers.

## **COMMENT #79**

**Anna Miller**

Tonsmeire Construction

**Comment Type:** General

**Option Number:** General comment

To improve consistency of ratings, please consider these solutions:

1) Clarify application of technical standards - Implement a technical review process and use it to audit a percentage of QAs performed by HERS Providers (QA the QAs).

The only way for RESNET to ensure consistent application of technical standards is to check a percentage of the files and provide clarification/feedback to the Providers. Teach the Providers, let them teach their Raters.

2) Remove conflicts of interest - Don't allow HERS Providers to QA their own ratings. Don't allow HERS QA Providers to compete with the Raters they serve.

Requiring a 3rd party to replace the QA function of a Provider is unnecessary when the Provider has no conflict of interest.

## COMMENT #80

**Keith Fettig**

Thermo-Scan Inspections

**Comment Type:** General

**Option Number:** All

I support Enhancing the current QA system rather than starting over with a new system. I am inline and have signed the the paper attached Enhanced Quality Assurance Oversight. See Attached.

### **Proposed Change:**

Please see the attached Document. Enhanced Quality Assurance Oversight

## COMMENT #81

**Ron Flax**

Boulder County

**Comment Type:** General

**Option Number:** Quality Assurance of Ratings

As a Building Code Official in a jurisdiction that currently allows applicants to demonstrate energy code compliance with HERS Ratings, it is vital that we can rely upon RESNET to ensure the accuracy of these ratings. As a rater myself, I understand the complexity of the process and the many instances where judgment on the part of the rater is required. This invariably leads to variation in ratings. While some variability is an inherent part of the Quality Assurance process, it is essential that the RESNET QA process is structured to allow for reliability, and creates confidence in the marketplace. With this in mind, as you revise your QA requirements I urge you to consider two points.

- Please do not allow raters to do QA on their own ratings (or ratings done under the same company ownership).

- RESNET should perform technical QA on providers, and provide ongoing feedback to allow for continuous improvement and ensure consistency from rater to rater.

Sincerely yours,

Ron Flax  
Sustainability Examiner  
Boulder County Land Use  
Courthouse Annex  
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## COMMENT #82

**Michael Browne**  
Energy Raters of Massachusetts, Inc

**Comment Type:** General

**Option Number:** Draft Options Developed By RESNET Quality Improvement

*I am representing the Board and Members of Energy Raters of Massachusetts in these comments.*

*We appreciate any efforts to provide better Quality assurance and consistency. We have worked very hard at this ourselves. The Rating Industry in MA is healthy and expanding and Ratings are playing a significant role in MA State Energy Code enforcement without any QA problems to the best of our knowledge.*

*We believe all 3 of the options presented will be very disruptive and damaging to the Rating industry and can support none of them in good conscience.*

*We believe that the alternative QA oversight suggestions of BER and Chris McTaggart are much better aligned with the interests of everyone associated with and affected by the HERS Rating industry.*

*Please take this back to the drawing board and give this some more thought. We strongly believe that we should be building upon the existing, successful QA Provider Structures in which we have invested so much instead of tearing this down and starting from scratch and relying on entirely new QA entities.*

*Respectfully submitted.*

## COMMENT #83

**Greg Nahn**  
WECC / Self

**Comment Type:** General  
**Option Number:** See attached PDF

Response to QI Working Group RESNET QA Options

SAFE standards are defined as:

Specific: Standards (and the requirements to validate compliance with a standard) need to be specific

Assessable: Standards (and the associated requirements to validate compliance) need to be assessable to independent testing or visual verification (in order to confirm compliance)

Feasible: Standards need to be feasible for the industry/market to achieve. Feasibility is not defined by incremental costs but includes technical or demonstrated feasibility available or practiced within the industry or marketplace.

Effective (and defensible): Standards need to be proven as effective in achieving their intended objective and defensible. Standards that are otherwise (quick, easy and profitable) are a disservice to the industry and the public.

Introduction: As an accredited Rating Provider for more than fifteen years and with extensive experience in the deliver of residential quality assurance (QA) and measurement and verification (M&V) services in support of weatherization, state, local and utility based residential energy efficient housing programs, we applaud the recent initiative of the RESNET Quality Improvement Working Group to address issues aimed at creating greater consistency in the HERS Index via the enhanced quality assurance of ratings.

Indeed, as with a number of other industry stakeholders, we have been increasingly concerned not only with regard to the consistency of the Index but also, and more importantly, with the public trust and stakeholder confidence that is placed on the reported results (energy/deemed savings, building performance/code compliance). Simply put, we collectively, as an industry, cannot afford to be wrong in this later regard, as we attempt to address the environmental and societal challenges ahead in delivering on the promise of energy efficiency through code and market based compliance.

It is with this spirit and a deep sense of commitment that we provide the following response and recommendations to the Quality Improvement Working Group's RESNET QA options.

### General Points of Consensus

1. It is the intent of the Working Group that the existing Rating QA Provider network facilitate the implementation of QA under any of the recommended Options;

Comment: Facilitation needs to be defined. It is strongly recommended that all Raters, Providers and affiliated personnel (RFIs and ENERGY SMART contractors, etc), including RESNET, be required to cooperate with the implementation of QA, including but not limited to the notification of pending projects; communication of need to clients; coordination of field access; and compliance with third party (Utility/EEP/Code) requests for access to Rating files, supporting "in-field" documentation (digital photos) and other related project documentation as a condition of on-going accreditation and the ability to serve the residential energy efficient housing market.

We feel that this level of required cooperation and the agreement of transparency would provide a consistent, reliable and credible threat of discovery to effectively deter financial entanglements or other such apparent conflicts of interest from influencing Rater and Provider decisions in regard to the enforcement of requirements, thus resulting in increase public and stakeholder confidence in reported results.

We feel that any entity which has placed confidence in RESNET as an infrastructure for the verification of residential building performance or has provided a financial incentive as a platform for encouraging the completion of a registered rating be granted access to such documentation.

2. It is the intent of any Option selected that the current Rating QA Provider structure continue to include, at a minimum, the following responsibilities for Rating QA Providers: Rater certification, oversight of Raters, providing rating software to Raters, disciplinary action for Raters (including enforcement of disciplinary actions related to QA), general support of Rater rating activities, and assistance with the execution of the third-party QA process;

Comment: Any proposal to remove QA as a function of the Rating Provider will result in significant and unintended market disruption. The primary reason for this is that the remaining "administrative" functions are not sufficient to sustain financial viability for all but the largest volume Rating Providers or conversely would reduce the qualification required to enter the market, resulting in the potential increase of lowest cost Rating Providers. A secondary reason lies in the recognition that the removal of QA from the function of a Provider will significantly undermine the credibility of the Provider, does not take into consideration the blended costs the current structure provides or the market/industry value and relationships that Providers (via their QAD) provide.

3. To reduce confusion, and because of the removal of the QA implementation role by Providers, “QA” should be removed from the name of Rating QA Provider;

Comment: RESNET’s QA committee has spent considerable time and effort in the past several years to revise and strengthen RESNET QA requirements to explicitly define the Rating Provider as a QA Provider. While the recommendation to revert back to the original name is consistent with each of the proposals put forth by the taskforce, we consider each of the options as a discredit to this effort.

4. Builders understand that there is a reasonable cost for providing QA services. However, to keep the financing of the RESNET QA process simple, costs for QA should not be paid directly or separately by builders. Rather, they should be paid indirectly in fees charged to builders for HERS rating services;

Comment: The financial implications of each option proposed are not clear, however the statement implies that they will increase for the client. Instead it is recommended that RESNET re-prioritize its annual operating budget focus on the validation of QA, including but not limited to a “set aside” allocation within its operations to avoid any such increase. The risk of not doing so is the appearance of selecting a proposed option which in effect secures a stream of income from an otherwise captive market and moves RESNET closer to monopoly status.

5. Under all Options, Rating QA Providers will not be able to choose who performs their QA;

Comment: Agreed that Providers should not have this option but have allowances for an appeal if they can demonstrate cause. The greater concern is that under each option RESNET will make the selection as to who performs QA. This would require a comprehensive and transparent vetting process of selected QA contractors to avoid potential legal challenges and does not provide provisions that would directly address financial entanglements (either RESNET’s or the selected contractor) in a transparent manner.

6. If QA is delivered by outside contractors, the contractors should be companies rather than individuals;

Comment: The criterion does not substantially improve the qualifications required for the selection of QA contractors or conducting QA. It is understood that the criteria is meant to address issues of insurance and to potentially separate RESNET from liability and potential lawsuits if under option 2 or 3 fraud was to occur.

7. QA contractors should not be performing QA on Raters and ratings where a conflict of interest exists;

Comment: It is unclear how a conflict of interest is defined. If a selected QA contractor knows the Rater, was previously the Rating QA Provider for the Rater, provided training for the Rater? Each of these could be construed as a potential conflict of interest thus limiting the selection pool of qualified and experienced QA contractors.

8. The Working Group believes that financial separation alone is insufficient for creating full consistency of the QA process;

Comment: Agreed, consistency is pre-dominantly a function of inputs or allowable inputs for an observed condition. Example of which include but are not limited to RESNET's 2010 controversial (and without and effective date) interpretation of condition floor area (+/- 5 to 7 points), specific and substantiated language in regard to defining the number of floors on or above grade in terms of lookout or walkout basements (+/- 3 to 4 points) and whole house ventilation run time, power and rated vs. tested flow rates.

In contrast, confidence in the consistency in which inputs are validated is of primary importance and concern in securing stakeholder trust. To this end it is recommended RESNET implement a digital photo documentation requirement (for Raters and QA providers), whereby the date, time and physical location of testing and visual verification of the "as built" project can be independently reviewed and used to validate the reported results.

9. The RESNET Home Energy Rating and QA processes must be more clearly defined to achieve greater consistency;

Comment: Agreed, emphasis should be placed on defining SAFE objective inputs and focus on developing and implementing a process by which these inputs can be validated through photo documentation of in-field verification to assure transparency and confidence in the reported results.

10. Qualifications of the companies and/or individuals who provide QA services, including accountability, must be more stringent and more clearly defined to create greater consistency and quality in how QA is delivered;

Comment: Accountability is of primary importance and extends beyond the Rating QA Provider and QAD to include RESNET's Executive and Deputy Directors, who currently control of the chain of command and custody by which RESNET staff, committees and Board are informed of complaints alleging non-compliance or ethical violations. At a minimum it is recommended that the chain of command and custody for reported violations of RESNET standards are expanded to address the accountability of RESNET in assuring due process is followed in a fair and transparent manner and RESNET's financial entanglements are addressed.

11. It is recommended that those providing QA services should have an understanding of regional construction practices encountered by Providers and Raters in the locations where they are providing QA services;

Comment: Agreed, provided the "regional construction practices encountered" are not used as an explanation or in defense of non compliance with code, EEP or RESNET requirements for the verification of minimum rated features.

12. It is the intent of RESNET to implement the new option for delivering QA in calendar year 2016. While QA for 2015 will remain unchanged from previous years, all companies (Energy

Rating Companies and Rating QA Providers) will have calendar year 2015 to adjust their services and performance in preparation for the new QA option. Beginning with QA review in 2016, a new level of oversight, compliance and transparency will begin;

Comment: We feel that there are effective measures (as described in our recommendations) that could be implemented that would substantially improve stakeholder confidence, result in greater consistency of reported results by providing a level of increased transparency intended to address or deter the influence of financial entanglements and likely render the proposed options unnecessary. To wait until 2016, could potentially deter any effective QA from occurring in 2015, as Providers would not have a renewing incentive for compliance.

13. Recommend that a third-party operational audit and dispute resolution process for Raters and Providers be established to oversee and be a part of the RESNET QA Process. The QI Working Group, or others, will develop a Scorecard for performance of RESNET QA. RESNET will provide an annual performance report of the RESNET QA process and of the Rating QA Provider network which provides clear and transparent performance metrics. This report will be available to the public.

Comment: We agree with the caveat that an independent outside third party be responsible for an audit of QA activities reported to or conducted on behalf of RESNET QA requirements. In this regard we support the proposal of Chris McTaggart that an ombudsman type organization be retained for this purpose.

QI Working Group RESNET QA Options

Option 1 –RESNET does 100% of QA with RESNET Staff.

QA is carried out by a trained and qualified staff of RESNET employees.

Option 2 – RESNET to create a pool of QA Contractors to execute RESNET QA Program.

Option 3 – RESNET contracts with a pool of third-party regional QA Contractors to perform QA of Raters.

Comment: Due to the enormous challenges to implementation and delivery, impact on current Provider viability, potential loss of QAD/Provider continuity in established relationships and value added support services, as well a concern with monopoly status and the impact this would have on RESNET, we strongly recommend RESNET pursue a different direction than any of the options being proposed. Our recommendations in line with those presented by Chris McTaggart and are to strengthen the current QA process by:

- 1) Require of Raters and QA Providers photo documentation of in-field verification of minimum rated features or other EEP/code requirements in order to validate reported results
- 2) Expand user access to information contained in the Registry of Rated Homes, Rater Registry and compel Raters/Providers to provide individual Rating file documentation to stakeholders with a demonstrated financial or compliance interest in the reported results.
- 3) Establish a Quality Assurance Oversight (QAO) function with the QA process that compliments and augments the current annual QA review conducted by RESNET Staff though a validation of in-field documentation and additional in-progress and or post completion rating field QA. This point would most closely represent option 3, but on a regional or statewide level,

and would not replace the Provider QA function.

4) Require QA Providers to participate in regional or state QAO meetings to discuss compliance issues and provide technical exchange workshops.

5) Require RESNET to invest in a third party ombudsman to validate QA outcomes

It is our belief that these recommendations would provide a level of transparency and confidence in reported results that along with proposed modifications, enhanced guidelines and training on allowable inputs, achieve RESNET's stated the goal of increasing consistency or the HERS index and further secure stakeholder trust in a cost effective and efficient manner that results in minimal market disruption or increased end user costs.

We thank you for the opportunity and your consideration.

## **COMMENT #84**

**Stephen Onstad**

EverGreen Building Solutions

**Comment Type:** General

**Option Number:** 1

RESNET should be the central control for a small number of regional providers. I like the California system. Not many states have an Energy Commission like that but RESNET should encourage it and find other similar methods to accomplish the same. Community colleges could be an avenue.

This keep the number of providers small and easy for RESNET to oversee.

If we had a single provider that reported directly to RESNET for our state or region, current QAs could contract directly with that Provider" and qualify control would come from a central source. That source could establish libraries, standard value to use for things like insulation, approve new products that claim a certain performance factors, etc.

I think the Field Reviews should be done by local QAs that are familiar with a specific region. The Provider could oversee this process and insure the QAs have no conflict with the reviewed Rater.

## **COMMENT #85**

**Stephen Sye**

Houston Habitat for Humanity

**Comment Type:** General

**Option Number:** General Point of Consensus Number

*As a Development Manager at Houston Habitat for Humanity with experience leading several hundred Energy Star rated home projects, I believe no change in the rating process is needed. Keep it "business as usual" on the current process and continue with the success of the rating system as it has been administered over the last several years where Rating Providers perform QA on the personnel they are responsible for, and often train, while RESNET performs more in-depth Quality Assurance across all Rating Providers. "Don't fix something that isn't broke!"...*

*Houston Habitat for Humanity is a ten-time National EPA Energy Star Leader Award and four-time National Design Award recipient.*

*Thank you.*

## COMMENT #86

**Michael Duclos**

Energy Efficiency Associates, LLC

**Comment Type:** General

**Option Number:** IMHO, none of the options are suitable

I've been a HERS Rater since 2008, and I do not understand why, if properly implemented, the existing mechanism for QA are considered insufficient to assure a high level of independence from financial conflict of interest. However, since I do not have the advantage of seeing how other Providers in other parts of the country operate, I'll give this the benefit of the doubt.

I agree that the HERS Rating system must have some type of strong independent third-party QA component, in order to be justifiably be considered an investment grade measure of home energy 'goodness.'

I've reviewed the three QIWG recommended Options. It is my opinion all three of these Options could very well have a much damaging effect on the HERS system that those at RESNET may currently appreciate. I strongly encourage RESNET to give more thought to this entire situation before taking any action.

I have reviewed the BER Enhanced Quality Assurance Oversight (QAO) Proposal. I don't agree with all the details of this Proposal, however, I think it is a much better thought out proposal, and support the intent and general direction.

I think the RESNET Board should reject all three of the QIWG's posted Options, and re-consider

the issue, starting from the approach described in the BER (QAO) Proposal, to develop a better, more workable, independent third-party QA approach for the HERS process.

Please don't hesitate to contact me if there are any questions.

Best Regards, Mike

## COMMENT #87

**Darol Harrison**

Building Engineering Company

**Comment Type:** General

**Option Number:** 1

### Comments on Proposed QA Options

By definition, Quality Assurance: a program for the systematic monitoring and evaluation of the various aspects of a project, service, or facility to ensure that standards of quality are being met

I would contend that the QA process is doing a reasonable job of ensuring the standards of quality are being met. We are not taking the lessons learned from that process and aggressively incorporating that into the process from the raters to the QAD to the trainers. The proposed options by RESNET are focusing on fixing the problem with consistency of ratings by restructuring the QA auditing portion, which is not the place the problem exists. The root cause of the lack of consistency in ratings cannot be a flawed QA process. Ineffective QA does not create the lack of consistency, it just fails to identify the lack of consistency or fails to correct the lack of consistency.

Industries use QA to identify latent issues in their business and then correct those through improvements and changes in process, procedure, training, personnel, qualifications, etc. It would appear to me the solution to a problem with rating quality is not to start with the QA side but rather to improve the consistency and quality of the ratings at the source: the rater. The rater is on the front line, so if high quality ratings were consistently being developed across the industry that would meet the standards but could mask a problem in the QA process if the ratings were not good. So part of the solution should be to determine why the consistency of the rater's work is a problem. If it is in the behaviors of the rater in the conduct of the work, no change in procedures or QA auditing will correct that behavior. The procedural guidance may be a contributor and need to be changed. And the QA audit may be lacking and need to be changed, but it is at the end of the process and the intent I believe is to correct the issue at the beginning. Then the process can be improved throughout

I would suggest the root cause begins with the training raters receive. Parallel to that training of the QAD's is non-existent and should be developed and implemented. Also, the process should

not just allow a rater, who may or may not be right for the QAD position, to take a test and become a QAD. If the QA function is taken over by RESNET and no improvement is made at the rater and provider level, it will be a difficult hill to climb to get where we want to be.

Part of the solution to this issue may involve defining what RESNET considers itself. Industries that are subject to regulation have for decades provided their own quality assurance, with procedural and corporate structure requirement that the QA aspect be “independent” of the authority responsible for the actual activities being performed. Those QA auditors had the same financial interest as any other employee of the company: they are paid a salary and benefits, and all provide value if the company does well. The way the system works is the QA staff do not work directly for a given department or portion of the company. This is so the top person responsible for accomplishing work cannot force the QA staff to compromise the integrity of their audits. Rating providers that also perform ratings would generally have the QA portion of their business not report the Rating portion of the business. Few providers are large enough to have the type of separation one would see in an industrial facility/company with a larger staff. If the intent is to force QA providers to be of a certain size to maintain that separation, then that should be stated. Otherwise, smaller companies that only function as a provider and perform QA but do not do ratings are effectively “agents of RESNET” already and what remains is to improve the quality of the QA rather than force them out of business.

The Regulatory authority over such industries establish the requirements for regulation, and perform periodic audits and assessment. In certain industries there are separate auditing organizations to help that industry improve and reduce their susceptibility to regulatory findings. If RESNET takes over the QA aspect of the rating industry, I would suggest that to be unprecedented, and certainly a daunting task to undertake. It also impacts the economies of areas throughout the country, by forcing/altering the flow of money through the regulator instead of through the regional areas where the ratings are performed.

The way RESNET is structured now would be comparable to regulated industries. It would seem that the “beefed up” review of rating providers via “webinar” type audits that are being performed will improve the quality of ratings. The key will be how the lessons learned from those audits is disseminated to the providers.

Some of the options proposed are akin to a “takeover” in an area where the system is not “broken” but has some deficiencies that need to be corrected. Some of the proposed options will hurt smaller rating provider companies. Larger companies will likely stand to benefit from all of the proposed options. Moving work to the top never results in a good outcome, especially in a regulatory environment. Those that regulate should never be in charge of the work, only the responsibility and authority to regulate to the standards. If the regulator does the work, who will be watching the regulator.

As ratings become more and more required throughout the country, the “centralization” of QA will become even more challenging to implement. Each state will need one or more QA organizations to effectively and at a reasonable cost implement the field QA aspect. The close proximity of QA personnel affords the opportunity to have more personal contact between QA and rater to resolve issues.

Anytime a body of authority puts itself in a position to decide “Who” does certain things rather than establishing minimum standards and criteria to be met and all who meet those standards can become “certified” there will be challenges to the integrity of the process. Moving the work up the organization should be discouraged.

There are several areas that contribute to the quality of ratings. Below are a few and is not a complete list.

1. Base knowledge of the rater
2. Thoroughness of the Training
3. Ease of use and understanding of the standards and procedures used
4. Ease of use and understanding of the software used
5. Contributing Factors
  - Human Performance Aspects of the Rater
    - Health
    - Family Situations
    - Financial Considerations
  - Condition and Calibration of the Equipment
  - Environmental conditions – excess heat and cold, rain, wind, etc. – We can’t do anything about this but it does play into the human aspect of our business.
6. Base Knowledge of the Provider/QAD
  - Science
  - Software
  - Standards
7. Quality and ease of use/understanding of the QA requirements

Some of the areas above are further described below:

- Base knowledge of the rater: We must face the fact that some individuals that are certified raters don’t possess the intellectual skill set to be raters, but were capable of making a score of 80% on an exam. I’m glad the engineers that design bridges can’t simply cram for a test and barely pass and then start designing bridges. We have many raters that are really field inspectors, and these people should probably be field inspectors instead of raters.
- Training
  - Raters: Most raters that use us as a rating provider in my opinion were inadequately trained. They approach us and I ask about things they should have been taught in training and in many cases say they touched on it briefly but never addressed it in detail. Most rater training is one week in duration. Ten years ago when there were much fewer requirements the training lasted one week. With the addition of new requirements continually it would appear a restructuring of the training process needs to be evaluated. Online training should be able to identify if a person is right for becoming a rater. This could be done on their own time and

then could take a screening test to determine if they have the base knowledge to continue to the next step, which would be the current rater training classes. These could possibly eliminate portions that were covered in the online section and concentrate on the more detailed part.

- Providers – There is currently no training for providers in how to implement the standards. Initial training should help to anchor the expectations for implementation and reduce variability in interpretation. It would seem important to establish consistency that feedback from RESNET QA be topics for periodic training after initial training is performed.
- QAD – A rater can become a QAD by passing a test, but there is no training or qualifications for knowing how to use the software, for how to interpret the standards, or for how to conduct QA on a rating file. Once again, training on deficiencies from QA should be a required topic at periodic meetings or webinars for QAD's with mandatory participation.

I would suggest a few areas for consideration:

- Training
  - Increase the rigor in the rater training process, including pre-requisite knowledge and to have detailed training on standards and software.
    - Online training could be used to implement some training
  - Develop training for QAD's. This would need to include standards and software at a more detailed level than for raters.
  - Conduct periodic training on the results of QA findings and issues. This could be documented through a simple acknowledgement of reading a summary report. Providers/QAD's should receive more detailed information and training in order to respond to rater questions and to be able to better identify issues that are missed.
- Rater Testing
  - Suggest removing the testing aspect away from training providers and move that to RESNET or some independent agency. This would serve to ensure that raters are sufficiently trained and qualified for performing ratings.
  - Periodic rater requal exams – people with extensive training, i.e., degrees from college or trade schools, have received extensive training and testing to qualify them to a minimum level. A one week training class and one test doesn't necessarily mean a person have reached a minimum level of competency that can be carried forward. Periodic exams would demonstrate that raters are remaining current.
- QAD
  - Testing – the process of certifying personnel to be QAD's is very weak. The test is more rigorous than that for raters but there is nothing that ensures a QAD has a level of expertise in a given software system to the level that is needed for real QA.
    - Recommendation: make the process of being a QAD more rigorous, and include knowledge of RESNET standards and the rating software.

- Most QA audits performed in industry have a “plan” for the areas to audit. RESNET is somewhat silent on the communication of findings to the providers except on an annual basis. Communication should be made on a monthly rollup basis, and more frequently as significant issues are identified. Issues should be identified in a formal manner and submitted to providers for them to review and provide a response as to what they have found.
- RESNET Standards – No organization that I know of across numerous industries put all of its requirements and procedures into one document. The RESNET standards are too complex, poorly formatted, and difficult to follow. Anytime a standard has a section numbered to the extent of, for example, “102.1.2.2.1.1.3” should consider the structure of the document and make it easier to follow.
  - Recommendation - Split the standard into multiple documents, and make it such that the portions applicable to raters in the field can literally take it into the field with them without having to turn through 196 pages.
- Restructure the RESNET Conference – much of the information at the annual conference could be observed, read or evaluated from a rater's office in front of his computer. The information is mostly that, information. There is no control over knowing what classes raters attend or even if they do attend. At one time attendees had to get credit for attendance to prove they were there. Now only showing up for the conference is sufficient. One could simply pay the registration fee, show up the first morning to check in, and then leave and receive full credit. I find it interesting that we now have stringent requirements for trainers, but allow conference classes to constitute continuing training without knowing if the material offered is adequate.
  - Suggestion: look at smaller regional conferences that are shorter, contain high quality refresher training and provide an opportunity for raters in a given area to meet up and learn from each other. Possibly tie it to the climate zones. This would likely encourage a higher attendance since many organizations cannot afford to participate at a high level every year.

Thank you for the opportunity to provide comments on improving our industry.

## COMMENT #88

**John Proctor**

Proctor Engineering Group, Ltd.

**Comment Type:** Technical

**Option Number:** Providers should not be allowed to do QA on their o

Ratings are supposed to be independent of who does them and one cannot be expected to independently judge their own work.

Rating is by its nature technical and requires a technical person to ascertain the quality of the rated work. The only way to know if the rating was done well is to go to the site and check it out.

**Proposed Change:**

Providers should not be allowed to do QA on their own ratings.

A small percentage of the ratings be, on site, checked by a technical person from RESNET -- not someone else.

## COMMENT #89

**Peter Harding**

Home Energy Technologies LLC

**Comment Type:** General

**Option Number:** Comments on Proposed QA Options

I believe the QA Options proposed by the QI Working Group are seriously flawed and pose grave risks to the future of RESNET and the HERS rating community.

As described below the present system can be strengthened to provide the highest levels of user confidence in the accuracy and consistency of HERS ratings at far lower risk and cost by adopting a Total Quality Management approach to quality management and adapting best practices from the public accounting/auditing profession.

I am commenting from the perspective of a QAD and as the owner of a HERS Provider and Ratings company who cares passionately about the quality and integrity of HERS ratings. I also have a wider perspective on the HERS industry as a past-President of the Northeast HERS Alliance and on quality management as a management consultant who spent many years advising companies on quality and process improvement.

I have read the white paper prepared by Chris McTaggart of Building Efficiency Resources and fully agree with his conclusions that the options proposed by the QI Working Group are seriously flawed and pose major risks to RESNET and the HERS rating community. My reasons for this are:

- Abandoning the current system developed over many years will create major disruptions just at a time when HERS ratings are gaining increasing acceptance among the potential community of users. While most agree that the current system needs improvement that can and should be accomplished by building on what has been accomplished, not tearing it down and starting again

- By divorcing QA from the Provider-Rater relationship the opportunity to educate and mentor raters is lost. Every problem discovered in a QA review is a teachable moment in an effective Quality Assurance process.
- The proposed options seriously jeopardize the business models of existing Providers, particularly those who support independent raters. Quality assurance is a major part of the value-added of Providers and without that revenue stream it is likely that many will stop servicing independent raters.
- Adding another layer to the rater-provider-RESNET structure (Options 2 & 3) will add significant costs to the industry with uncertain if any benefits
- Options 2 and 3 are premised on the assumption that there are (or will be) highly qualified personnel willing to do QA on a low-bid contract basis. This is a fallacy and a recipe for disaster. This approach is employed by some utility programs to do QA for their programs and the reality is that many of the people engaged under these contracts are far less knowledgeable about ratings than many of the raters doing the ratings. Engaging contractors in this role must be limited to field inspection tasks only, not doing QA.
- As McTaggart has argued in his paper there are troubling potentials for real or perceived conflicts of interest and a lack of transparency in the options proposed

I urge the RESNET Board to reject the options presented and to reconsider the principles on which a successful quality management process can be founded. In particular we must incorporate Best Practices that can be found in other industries, in particular public accounting and manufacturing. Two core principles must be:

**Providers are Responsible for the Quality of 100% of the Ratings issued by their Providership**

Unfortunately the RESNET Standards seem to have given many the impression that Providers are responsible for 11% of the ratings issued by their raters (10% file review, 1% field review). This is nonsense – it must be made clear that the only acceptable standard is that 100% of the ratings issued are correct.

Probably no profession in the business world depends more on the 100% accuracy of its work product than public accounting and RESNET would profit greatly by studying and incorporating the best practices from that sector into the rating process. CPA's and the firms they work for are 100% responsible for the quality of their work, just as Rating Providers should be. The American Institute of Certified Public Accountants (AICPA) sets out six fundamental required elements in its statements of QC standards

- Leadership (firm leaders must be role models and advocates for quality)
- Ethics (highest ethical standards required)
- Client relationship management (avoiding conflicts of interest that might influence the integrity of their audit work)
- Human resources (ensuring staff are properly trained and supervised)
- Engagement performance (ensuring work processes are designed to minimize errors)
- Monitoring (ensuring the elements are followed)

In determining its role RESNET should look to the Public Company Accounting Oversight Board (PCAOB). The PCAOB was created by the Sarbanes-Oxley Act that was a response to

recognized failures in the previously self-regulated audit business. While this was a legislated response it is not unlike the present situation facing RESNET with criticism from outside parties. The PCAOB requires that audit firms be responsible for the quality of their work and implement the elements set out by AICPA above. The PCAOB's role is to ensure that audit firms adhere to these elements essentially by enforcing the monitoring element in four ways:

- Internal reviews. This is feasible in large public accounting firms with hundreds or thousands of employees but has limited applicability to Rating Providers, many of which are small organizations
- Peer reviews. An accepted alternative to internal reviews for small firms when conducted according to AICPA standards.
- Inspections. The PCAOB staff conduct inspections. Large firms are inspected annually, smaller firms once every three years. Inspection reports are published on the PCAOB website
- Tips. PCAOB has a tip line where anyone can submit a comment or concern. Anonymous tips are accepted.

### **The RESNET Quality Management System must be based on Total Quality Management principles**

The options presented to the RESNET board are based on outdated 20<sup>th</sup> century concepts of quality management. The Board must reject this and require that the RESNET Quality Management system be based on 21<sup>st</sup> century Total Quality Management (TQM) principles. The old US quality system was based on the premise that workers (read Raters and QADs) are fundamentally lazy and want to do as little as they can get away with. Quality management was based on inspection to weed out defects and punishment of offenders. If you had a quality problem the solution was to beef up inspections, much as is being recommended to the RESNET Board.

TQM has swept through industry in the last thirty years, largely in response to global competition and the realization that building quality into products and services was far more cost effective than trying to inspect it in. TQM starts from a premise that most workers do care about the quality of their work and most quality issues result from failures of the system (materials, methods, processes, equipment, training etc.) than through the workers lack of care. In my experience working with raters and with other QADs in the Northeast HERS Alliance this is far closer to reality than the old model. While I am sure there are a few "bad apples" the one problem case I am aware of was eventually ejected by RESNET (although it took three years) so the present disciplinary system works although could be greatly improved.

While this is not the place to get into a discourse on TQM a few key principles are worth emphasizing:

- TQM begins with data and analysis of problems. We have seen no studies on quality in the industry to know whether we have a big or a small problem or what the root causes of those problems might be. We have heard anecdotal reports that some builders have reported differences between the HERS ratings on their homes in different divisions but no analysis of what those differences were due to. All experienced raters know that the same home design could have quite a range of HERS indexes due to legitimate differences in climate zone, orientation, envelope sealing, duct leakage, appliances etc

even if these builders used identical insulation, windows and mechanicals which is often not the case

- Quality management incorporates feedback. The analysis of quality problems should provide invaluable feedback into process design, methods, equipment, training etc. The options currently in front of the RESNET Board cut out any feedback loop.
- TQM uses statistical methods. The 10% and 1% standards for file and field inspections are arbitrary and not statistically valid. For some raters this is much more than necessary and for others it is far too little. A rater doing a 90-unit apartment complex and 10 single family homes could have file reviews done on 10 of the apartments which is clearly ineffective as a QA tool. RESNET does use statistical methods in its Chapter 6 sampling protocol and these same concepts should be adopted in its QA procedures
- TQM focuses on the customer. One of the primary customers for ratings are EEPs who receive rating files and use them in calculating program savings. EEP program administrators probably know better than anyone who are the “good” raters and who are the “problem” raters and their feedback should be part of the process.
- TQM focuses on training.
  - o The RESNET standards require only five completed ratings for rater certification. As a QAD I believe that few if any raters can be considered competent until they have rated at least 20 different homes. File reviews should be on a diminishing basis, starting at 100% for the first 20 homes and then using a statistical sampling protocol.
  - o 18 hours of professional development in three years is inadequate, particularly since RESNET has allowed raters to earn credit for the required ENERGY STAR v3 and CAZ training time
  - o QAD’s receive no training. QAD’s should be required to take training in Ratings TQM and related topics. This could be done in a two-day course before every RESNET conference.

In summary I urge the RESNET Board to reject the options presented by the QI Working Group and instead to focus on improving the current process by incorporating the following elements

- Making Providers responsible for 100% of the ratings prepared by their raters
- Designing a Ratings Quality Management System based on Total Quality Management principles
- Adopting best practices adapted from the AICPA and PCAOB quality system
- Creating an Office of Quality Management at RESNET adequately staffed by experienced QAD’s and TQM professionals to conduct inspections of Providers quality management processes
- Creating regional networks of Field Auditors who would conduct inspections and testing on homes randomly drawn from the RESNET Ratings Registry with results reported to the RESNET Office of Quality Management for comparison to submitted ratings files.

I believe this approach will provide far greater assurance to outside parties in the accuracy of HERS ratings and at substantially lower cost and risk than the options that have been presented to the Board.

## COMMENT #90

**Sharla Riead**

Accurate Rater Network by Hathmore Technologies

**Comment Type:** General

**Option Number:** All Options

My input on the draft options supplied by the Quality Improvement – Quality Assurance Working Group is that they have not yet defined the full problem, the options selected do not fully address the problems that have been identified, and that there are many “Cons” to each of the options that have not been listed. I truly appreciate the work that the committee has been doing and I know they are volunteering their time and efforts. However, I hope the committee will step back and fully consider all comments submitted and all of the points that I and others are making to determine if there might have been some tunnel vision with the committee and perhaps it is time to consider the full impact of the options before selecting any of them. The correct answer for the industry and to solve the problem may not yet have been formulated into an option. In my comments below I focus on Option 3 because it is clear that is the preferred option of the task force.

**The problem is not yet fully defined.** We have been told that the issue is inconsistency in HERS Index scores. The task force name is the HERS Index Score Consistency Task Force. However, information has not yet been shared indicating that any root cause analysis has been performed to determine what is causing this inconsistency. In any quality improvement process, root cause analysis is the first step to improvement.

I believe there are other root causes for the inconsistency, starting with the fact that a QAD is not given any special training or even direction in how to perform QA on a rating file. If the new QAD had a good QAD themselves when they were performing the ratings, then they at least have an example to emulate, however, there is no support, training or guidance outside of that. If consistency is the goal, then the QADs should be trained to perform QA in a consistent manner and taught what to look for in a rating file. Another root cause is that the oversight between RESNET and the QADs was historically absent. This has changed for the better in the last couple years with Laurel Elam at the helm, however, the focus so far is administrative and she just started to dive into the technical quality of the QA performed. We haven’t even been given an opportunity to prove ourselves at this point. To throw out all the QADs who have gone through the extremely tough task of self-education around software, standards, and the QA process is a true waste of institutional knowledge.

There are already several Rating QA Providers who meet the policy of having neither a financial interest nor an employee/employer relationship with the entity performing the rating. Accurate Rater Network is one of these. We have not yet had the opportunity to have our QA process and findings reviewed by RESNET and, in discussions with other third-party Rating QA Providers like ours; we find that very few have had that opportunity. The assumptions listed

under the Pros of option 3 are the exact same pros that one could argue have not yet been tested with the third-party regional QA contractors that RESNET already has in play, those Providers who do not have Raters on staff but support the independent Rater pool we have today.

The pros listed in option 3 are:

1) "Increases consistency of QA delivery because there are a limited number of Contractors performing QA services." There are already a limited number of Contractors performing QA services. They are called Rating QA Providers.

2) "Improves impartiality (no expectation of subsequent work between QA Contractor and Rating QA Provider)." How is this different from what we have today? I have no expectation of subsequent work from my independent Raters. They know they are free to choose any Provider they like.

3) "Less complex for RESNET to manage because fewer number of Contractors." This option will become more complex than what we have now because there is already a limited number of Rating QA Providers and now RESNET will have to manage both QA Providers and Rating Providers and the number of Rating Providers will need to increase drastically so the independent Raters can continue to work.

4) "This Option delivers market competition because Contractors offer competitive pricing and can also offer creative solutions to delivering QA." We already have market competition in the Rating QA Provider arena. We also have some extremely intelligent QADs that have a lot of creative solutions to delivering QA.

How does RESNET know that this policy will make an improvement that goes to a root cause of this issue? Perhaps an evaluation of the ratings QA'd by these third-party Rating QA Providers was performed and it was found that our quality of QA is higher than those Providers who have Raters on staff. If that is the case, it would be helpful if that data were shared.

**The options selected do not fully address the problems that have been identified.** Option 3 states that it will increase consistency of QA delivery, but does that equate to an increase in the quality of the QA performed? Does it result in more consistent HERS Index Scores? Simply transplanting QA to a different group which mirrors a QA method we already have in place does not provide problem resolution.

**There are many cons that have not been listed.**

- QA will suffer. All options focus on a strict 10% file review and 1% field review. I have not yet found a QAD who performs that little QA. As a matter of fact, I know of at least three Rating QA Providerships who perform 100% file review. At Accurate Rater Network we perform 100% file review until the HERS Rater is performing with such consistency that the rate can be lowered. In our years of performing QA we just now have one rater who is not at 100% file review, but he is not at 10% either. The rate is variable dependent on the ratings submitted. If he submits a rating for a type of

construction that he has not submitted before, that file is thoroughly reviewed. Our Raters count on us to have their back. They want the high level of quality that a high percentage of QA reviews supplies. This type of personal connection to the HERS Rater community will be lost. This level of QA and ongoing training and improvement will be lost. A contracted QA company will perform the number of QA reviews they are contracted to perform and the entire HERS Rating community will suffer.

- Costs will rise. All options propose separating the Rating QA Providership into two entities. These entities must remain financially viable. This doubles the cost of oversight.
- Raters and Providers will be put out of business. Third-party Rating QA Providerships like ours count on the registration and QA fees from our Independent Raters as our income stream. To put it quite frankly, the portion of the job that is proposed to stay with us just barely pays for our fees that are paid to RESNET and the software vendors. If QA goes; so do we. This will mean that those independent Raters will need to become Rating Providerships and the smaller ones that we support will not be able to afford to do this.
- The smaller markets with independent raters and small builders will need to find another 'qualified rating program'. The rise in cost, drop in quality, and inability to find a Rating Providership or a HERS Rater will kill the RESNET HERS Rating market in the Midwest states. We have spent decades steadily building the market and just now have energy codes, code officials, builders, and housing development corporations bought in to the HERS Rating ideal. I am deeply concerned that this decision will swing open the door wide to the DOE Home Energy Scorecard and BPI's 'solution' that comes nowhere near the quality of a HERS Rating. But what other choice will there be for the builders and code officials? Sure, Kansas, Missouri, Nebraska, South Dakota, will all be covered by someone's region, but the cost for the field QA will likely be too much for a small Rater, taking all his profit, and I am sure that any QA Contractor will not consider doing this for mileage and expenses only as several Rating QA Providers do. After all our hard work proving that RESNET is the better model it is devastating to lose entire markets. I believe this would be seen as a systemic issue with the RESNET model and will reverberate throughout the Rating community.

I am a very strong advocate of RESNET and HERS Ratings. I am a very strong advocate of the QA process. I agree that we need to have more consistency, but there are ways to create this needed consistency and oversight without the disaster these options would create. Requiring QADs to perform QA on rating files that prove their effectiveness as a method to retain their QAD title is one idea. Having QADs perform QA on the same file already QAd by another QAD (with identifying information removed of course) and then sharing the findings would be another method of promoting consistency. If these were combined so the QAD did not know if they were receiving a test file or a file from another Providership to review would keep us QADs on our toes and this way we could learn from each other. To achieve consistency we need to be sharing knowledge and working together. The options presented only tear us apart. Please give the QA community the opportunity to share options that would fix the problems, once we really know what the problems are. I am worried that any of these three options presented would destroy the organization.

## COMMENT #91

**CT Loyd**

Texas HERO

817.721.0293

[ctloyd@txhero.org](mailto:ctloyd@txhero.org)

**Comment Type:** General

**Option Number:** General Point of Consensus Number; Option Number o

Thank you for allowing Texas HERO to provide feedback regarding the findings and recommendations on behalf of our membership. We would also like to thank all of the members of the “Quality Improvement Working Group” for their commitment and hard work involved in coming up with their recommendations, especially with such a narrowly defined scope of work.

Texas HERO members met on 8/26/2014 to discuss the recommendations from the “Quality Improvement Working Group” contained in their “RESNET QA Options” document. The question to comment ratio was significantly weighted toward more questions than agreement on a particular option. In fact, the major consensus; none were liked.

### **General Overview of Discussion and Comments:**

Texas HERO members agree that Quality Assurance is critical in sustaining the credibility of the brand, e.g. HERS Rating. We also agree as managed currently the QA system/process is not working as intended. However, they are not convinced that any of the suggested paths will result in improving the current situation. In fact, members have grave concerns that pursuing any of these paths will increase costs, reduce efficiency and will not likely result in improving the current status.

### **QI Working Group Proposals:**

The general sense from the discussion was that Option (1) was the most tolerable, primarily due to the risk of “competitive espionage” occurring from contractors (option two (2)) or organizations (Option (3)). Members expressed concerns that opening there systems to other organizations who were part time QA contractor, and full time Rating providers would allow them to learn of their clients and operation systems. This in turn could lead to eventual competitors in the market, if the QA firm decided to no longer perform RESNET QA. Since most of the systems are proprietary and in some cases may be licensed for use by Raters, they fear exposure by these QA firms could lead to pirating of their proprietary system designs. Whereas, RESNET employees may be less likely to benefit, but the potential is still there.

There was however, the overriding concern expressed regarding RESNET’s historical inability to consistently manage the current, less complex system, effectively. Leading to the question; how can they be expected to manage any of these drastically more complex proposals? The consensus was that it is likely they will not be able to do so.

*Note:* Many of the members expressed; since Laurel Elam has taken over managing the QA process, it has improved significantly.

**This led to discussion regarding the possibility of option (4) and (5) in the following days after the meeting, they include:**

**Proposed Change:**

Option (4) – Maintain the Current QA Provider System, Identify in a Truly Transparent and Honest Process, the Root Causes for Its Ineffectiveness and Investing in Cost Effective and Meaningful Improvements.

The Quality Assurance process is currently based on the national body overseeing quality assurance at a Provider level, which has led to the current issues. RESNET has taken the approach in recent years to not provide actual onsite evaluations, which should include field review of rated homes as part of a Provider's annual review, unless there are significant discrepancies in the "paper trail" of a provider. This policy makes it impossible to verify if the rated features of a home are being consistently or accurately represented by the HERS index assigned since little to no rating file analysis or onsite field verification of the rated home is performed by RESNET.

Additionally, inconsistency of RESNET staff interpretations and guidance has resulted in confusion by Provider QAD's. Members expressed personal occurrences where RESNET staff provided conflicting guidance between recent review years. They were frustrated after following the guidance from RESNET staff the previous year, to be cited the following year after complying with staff guidance. This resulted in unnecessary provider staff time being spent having to validate and defend their position. The conflicting interpretations were not provided by two separate RESNET staff members, but from the same staff member.

Texas HERO members expressed the opinion that more effort should be spent on enforcing the current Quality Assurance provisions before adding additional layers and cost to the process. Complicating a process will not increase consistency, but will most likely result in increased confusion, cost, and continued lack of consistency.

Before abandoning the current system, the following summarizes the action our member's believe should be taken that would provide a consistency, without causing increased cost:

RESNET Staff:

1. RESNET Staff should include certified QAD's who are knowledgeable, experienced and skilled at performing HERS Ratings and managing a Rating system, both projected and confirmed, to audit the QA assurance submissions.
2. RESNET Staff should be trained in both the standards and building science behind the rating process in order to be consistent in providing guidance and direction.
3. RESNET Staff should provide annual onsite visits to compare the QAD's review of projected rated features to those found in the field.

These should include:

- a. Reviewing 10% of the QA submission Building Files, against plans, photos, and manufacture specifications as they relate to the RESNET Standards.
- b. Perform on site field QA verification of a minimum of least two (2) homes, comparing architectural drawings, specifications, and confirming they represent those rated features in the home for which they were used to create the rating file. One (1) at final and One (1) at pre-wall board. Additional homes could/should be included if findings from the first two (2) homes indicate potential issues.

RESNET:

1. Define in clear and precise terms what Consistency means, in relation to the HERSrating Industry and QA process.

Consistency - conformity in the application of something, typically that which is necessary for the sake of logic, accuracy, or fairness.

2. Roles and responsibilities should be clearly defined; including clearly written and detailed descriptions of the QA process in general and specific terms.
3. RESNET should limit the revisions to the Standards to every three years, similar to the International Energy Code revision cycle. This would eliminate most of the confusion.
4. Interpretations occurring between revision cycles, should be limited and have a minimum of a six (6) month period before interpretations are effective and accountable as part of the QA process.
5. Any QA interpretation request should be reviewed by the QA committee and consensus reached prior to the interpretation being provided to the requesting party and any action being taken. These interpretations should be provided to all Rating Organizations and QAD's and compiled into QA Companion Guide which should be developed.
6. RESNET should develop a companion guide to the RESNET standards, specifically regarding the allowable input variables that would be used in the QA process. Staff should be trained and well versed in the guidance provided by the document.
7. RESNET should develop objective Quality Assurance processes and checklists coupled with adequate training, based on the Standards and Companion Guide, which should be followed by the QAD's and RESNET staff during evaluation.
8. RESNET should enforce the current penalties on those providers and raters when egregious findings of the current standards are documented. Publicizing the QA results of Providers consistently found in violation, including the issues associated with the findings.

QAD / HERS Rater Training:

1. RESNET should provide quarterly QAD "process training", beyond the current QAD "Round Tables" to educate QADs and Providers based on a standardized process for conducting quality

assurance. These should include:

- a. findings from the Quality Assurance process
- b. interpretations occurring throughout the year

2. RESNET should create standardized training materials that all trainers are required to use, in order to have consistent and accurate materials that all rater candidates are trained with. This would go a long way in bring consistency to the HERS index.

3. The financial separation of HERS Providers and Training Providers should be considered. There are HERS providers, who are also HERS Rater Training Providers, who provide Training and Proctoring for their own employees. Additional consideration should be given to the models of BPI and NATE that do not allow training providers to proctor exams. The quality of in house training in many cases is simply self-study, without actual classroom instruction.

Option (5) – Building Efficiency Resource (BER), “RESNET Enhanced Quality Assurance Oversight (QAO) White Paper”

Many of our members attended BER’s webinar earlier this week and after reading their white paper, are in general agreement with the criteria and explanation as to their proposal. They also agree that it is a viable and more palatable alternative to the current RESNET Board directive and QI Working Group proposals. Texas HERO would support RESNET considering this as a more realistic and workable solution.

Conclusion:

Membership has expressed concerns regarding the transparency of the original Task Force’s process and analysis, which resulted in Board of Directors Policy to move all Quality Assurance Designee’s to being agents of RESNET, with no employee/employer conflict.

It is the opinion of our members that the following questions should be answered with transparency, prior to moving forward with the Board’s policy of separation by any form:

1. Were minutes taken during the original task force discussions and subsequent Board Meeting leading to this decision?
2. When and where will these be made public, for true transparency?
3. What were the documented and substantiated findings of this group, which led to the determination; financial separation of the QAD from the Provider would be the best approach to improving the system?
4. What were the criteria used in the original task force’s cause/effect/solution analysis, leading to the conclusion that making the QAD agents of RESNET would increase the consistency?
5. What is the definition of consistency, which was used by the task force?
6. Was there a cost benefit analysis performed prior to making the decision, e.g. what will the cost be vs. actual improvement in the consistency?

It is their opinion, most Providers and Raters in Texas are attempting to follow the QA process currently established and more often than not, are exceeding the minimum standards. However, our members are also aware of those who do not follow the standards, even at the minimum level. This has been confirmed by employee migration, e.g. hiring employees from other rating organizations, which has resulted in the disclosure of these practices by their previous employers. These organizations should be identifiable, if RESNET conducted adequate QA oversight, using the current system, with the recommended improvements we have included.

Our members could support the idea of third Party Quality Assurance provided by individuals with a level of separation from the Rater and/or Provider, if adequate protections were put in place and they were not potential competitors. However, they are not convinced the current plan to require all QAD's to be "Agents of RESNET" is the best approach.

Texas HERO members want to see true value for any increased regulatory requirement and cost. They feel that a more stringent effort of enforcement of the current requirements, with clearly defined obligations, will provide this without the increased costs to RESNET certification holders.

On behalf of our members, thank you for your consideration.

## **COMMENT #92**

**Valerie Crosby**  
Earth Advantage

**Comment Type:** General  
**Option Number:** 3

Earth Advantage supports RESNET's efforts to improve the QA process, but we do not agree with dismantling the current infrastructure and starting from scratch. We support the enhanced QAO process as presented by Chris McTaggart from Building Efficiency Resources (the BER). As a rater organization, we strive to continually learn and grow and complete the best work possible. We work with our builders so that they can do the same, and we appreciate the support of our provider, the BER. Their technical support, mentorship, and willingness to answer all of our questions about RESNET standards has enhanced the level of service we are able to provide to our consumers. We believe enhanced QA processes could help assure that the entire industry is strengthened and held to the same high standard to which the BER holds us.

## **COMMENT #93**

**Andrew McDowell**

This Leaky House

**Comment Type:** General

**Option Number:** Quality Improvement Working Group RESNET QA Option

I am a rater, and I would like you to consider the following:

Providers should not be allowed to do QA on their own ratings.  
RESNET should do more technical QA on providers.

I believe that more detailed guidelines and standardized processes will help raters deliver reproducible and accurate models.

## **COMMENT #94**

**John Zaborowsky**

Builder

**Comment Type:** General

**Option Number:** Comment

As Construction Director for Houston Habitat for Humanity, winner of 7 EPA Energy Star awards including 2014 Sustained Partner award, we suggest is continuing with the success of the rating system as it has been administered over the last several years. Rating Providers performing QA on the personnel they are responsible for, and often train, while RESNET performs more in-depth Quality Assurance across all Rating Providers.

## **COMMENT #95**

**Ken Riead**

Accurate Rater Network

**Comment Type:** General

**Option Number:** All

Information from Ken Riead – Part Time QADD:

I believe that there is a workable option that rapidly achieves the goal of a nationally uniform QA process with minimal disruption to the processes currently in place at minimal expense.

Starting with the fact that Laurel is currently in place to help oversee the QA providerships, it has been pointed out that she does not have a technical background. This can be quickly alleviated in the system I will explain here.

The biggest complaint for the current system is that the consistency of the QA process and the actual ratings themselves are not within an acceptable tolerance. I submit the following process to institute a self-correcting mechanism:

If and until RESNET gets a Technical Advisor or employee well versed in the QA/rating processes it would still work to have Laurel remain in her current capacity. If she was authorized to remove the identifying information contained in a rating file that refers to the homeowner, the QAD and QA providership she could then send this file and submission attachments to another accredited QAD currently in RESNET's network. The file would then be reviewed for accuracy using a standardized set of criteria that includes verifying all inputs.

If the rating is within index tolerance it is then approved and sent back to Laurel using an approval portal. However, if the rating has problems then these deficiencies would be fully detailed in the notes provided by the QAD. (Or other forms as deemed appropriate) The rating would be flagged as needing additional work and sent back to Laurel. Laurel will quickly become a well-versed QA technician by nature of reviewing these notes plus she will soon understand ways to upgrade the national QA process.

There would need to be a self-correcting mechanism in place in which Laurel also sends a generic rating file back to the original QAD for review. Any provider that continually rejects rating files will run the risk of rejecting their own files and therefore will learn to review incoming rating files much more carefully.

This method of cross-verifying the various QAD and QA providers against themselves will help elevate the entire profession and help normalize the climate and construction types across the country, which is vitally important to the private sector lenders who want to offer financing for energy mortgages and such. The original rationale for HERS ratings was to create a residential energy efficiency evaluation system that would normalize a numerical scoring tool as it is used to evaluate a spectrum of homes.

I see no valid reason to stray away from the original intent of the financial industry leaders who brought the idea of home energy ratings into existence in the first place. We should strive to remember who brought us to the dance and why.

## COMMENT #96

**Arlene Stewart**  
AZS Consulting Inc

**Comment Type:** General  
**Option Number:** 1

I'm concerned at the timing and duration of the comment period for this topic. Typically, RESNET allows 30 days and I'm seeing that this one is just 10 days. I infrequently make comments, but I do depend on that 20 extra days to get me the time to look at the proposal even if I don't make a comment. I'm making this comment while I'm on vacation because it's the witching hour.

Also, Chris Taggart's white paper purports a lack of empirical evidence on the problem that is being corrected. If it ain't broke, don't fix it...I have been concerned for a while that mucking with the QA will really slow down HERS implementation. The current financial structure is not unlike what has worked for years in a majority of product certifications with the same payment structure. The challenge with ratings in this certification process is that many raters insist on perfection. To me it seems that there is little to no DEFINED tolerance in the process which perhaps is the actual problem. Without that guidance, of course it would seem that some providers are easier than others and what else could be the reason other than finances?

An empirical study may reveal other nuances that could be addressed. HERS is poised to explode with the implementation of the 2015 IECC - don't jeopardize that potential by expecting a cash cow to support another layer of regulation and cost - especially one without empirical evidence to support the reasoning.

In this internet age, there is enough rumour mongering. There is enough scuttlebutt to justify such a study.

## COMMENT #97

**Andrew Gordon**

Washington State University Energy Program

360.480.7420

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**Comment Type:** General

**Option Number:** 1-3

I support the goals of the RESNET Quality Improvement Task Force, and as a board member, voted to adopt their findings into the board priorities for 2014. Improving RESNET's Quality Assurance infrastructure is and should be a significant priority for the organization. Having said that, I have some significant concerns about the proposed options for Quality Assurance restructuring.

All of the proposed options essentially remove meaningful, effective QA from the purview of the provider, and shift it to RESNET or their designated contractor(s). The effect of this change is to eliminate the viability of both third-party and hybrid providers (hybrid providers employ their

own raters, while also supporting independent raters.)

Certification and administration are key functions of a providership, but for independent, third-party providers such as ourselves, are not the primary reasons we are engaged in this industry. We see ourselves primarily as educators and technical service providers, and these are functions that would be lost, or at least greatly diminished under these new options. When the QA function is removed from the providership, the opportunity to provide education or process improvement is lost. Independent providers such as ourselves are faced with the options of becoming administrators only (there is no point in maintaining field-capable staff under this scenario, as their services are no longer required), or to quit the field entirely.

Speaking with the obvious caveat of self-interest, I see the loss of the independent provider model as a significant one for the industry. We have long believed that independent providers provide the best, least biased means of assuring the highest standard of quality for RESNET and affiliated programs.

As I say, that is my and my organization's bias. I understand that even the third-party relationship is still financially entangled, though I would maintain less so than other business models. The solution proposed by Building Energy Resources (BER) has the virtue of addressing the financial entanglement issue for all business models, while maintaining the provider/rater relationship.

I'd like to note that a similar shift in structure was proposed for the Pacific Northwest's ENERGY STAR program, one that would shift QA functions from the providers to the program administrators. We spoke out loudly against that shift at the time, and the existing model stayed in place, though with an added layer of quality oversight (program review of provider QA). This is a similar approach to the one endorsed by BER, and can serve as a model for RESNET's discussions going forth.

### **Proposed Change:**

As I stated above, I largely endorse the positions held in the attached white paper authored by BER staff. Specifically, I believe that the addition of a Quality Assurance Oversight (QAO) process maintains existing relationships between raters and providers, and provides RESNET and affiliated organizations with the assurance of Quality Assurance with no financial entanglements regardless of providership business model. The QAO layer also assures a more robust and defensible QA process. I also think it's in RESNET's best interest to look at the recommendation to create a QA ombudsman, to allow for a regular, top down review of RESNET's own QA process.

I have some questions about certain particulars in the BER proposal, such as the recommendation that QA Providers engage the services of a Provider Quality Assurance Manager (PQAM). While I think the notion of an in-house authority on RESNET QA requirements is worth discussion, it may be outside of the capabilities or capacities of certain providerships, and the same outcome may result from better training and preparation of QADs.

I bring up this particular issue to point out that this proposed solution still needs a great deal of discussion within RESNET's QI task force and the RESNET QA committee. Having said that, the overall structure proposed respects existing relationships while meeting RESNET's future needs, and as such, has my support.

## COMMENT #98

**John Nicholas**

Myself

**Comment Type:** Editorial

**Option Number:** None

I fail to see the need to make such a massive change. There are distinct advantages of a system that allows QA to be completed by people that know your strengths and weaknesses as a rater.

If there are problems with the QA Provider system, then additional transparency is a better answer.

1. QA Providers should not be allowed to QA raters they employ.
2. The idea that some type of lottery system or other type of random assignment for QA is almost laughable. As a Rating Company, I am in business to provide a quality service to my customers. To do that I look at and make decisions about which brand of equipment to use, where to get my training and training updates and where to obtain QA services. All of these come with a price, and many parts of the process impact the prices I must charge.

Having a system where my QA may be done from San Francisco, ignores the advantages of someone knowing the construction techniques used in my area. Someone from TX would expect many EFIS and 2 story new homes, here they are all siding and one story. A QAD that looks at a TX home, then a SF multi story and then a ranch from KS will be at a complete disadvantage in completing these QA evaluations.

Part of the pricing concerns addressed in the proposal involves the per rating fee charged by the QA Providers. One of the costs I have as an independent rating company, is the cost of Field QA. How should that be worked into the fee? Should it be separate and applied only to the builder of the home under field QA? Should it be spread over all all ratings, or all builders?

Why shouldn't I be able to choose between QA providers, and the distance which impacts the size of the field QA charge. The ability choose someone driving 3 - 5 hours away makes a big difference from someone flying in 2 - 5 hours and then having to spend the night due to lousy air connections.

3. At this point to Raters, the QA process is a big black box. Ratings go in and sometimes get resubmitted, then approvals come out. There is no information from RESNET to Raters regarding the QA process. What information is sent to QADs? What is the latest? What are they looking for? How do they evaluate a file? If that information was shared with Raters, they could prepare the files with more knowledge of what is needed and what is being checked.

Whatever change RESNET puts in place, if the transparency of information, from RESENT to QADs is not easily accessed by raters, then the new set up will fail.

The webinar format works for many types of educational purposes. It is ideal for this process. I would love to sit for a series of webinars by various QADs and RESNET staff that can explain to Raters about the process, what is expected and how Raters can use this knowledge to improve their ratings.

To paraphrase Brett Dillon; I do not believe any Rater or QAD gets up in the morning and says 'Im going to do a lousy rating today.'

Resnet should be helping raters to understand the process and expectations and enable Raters to improve their files for submission.

## COMMENT #99

### **Eurihea Speciale**

Building Efficiency Resources

**Comment Type:** General

**Option Number:** All Points of Consensus and Options

The following are in support of Mr. McTaggart's proposal for RESNET Enhanced QAO.

Jeffrey Sauls

Andrew Gordon

Allison A. Bailes III

Ryan Bennett

Douglas Walter

John Hensley

Eurihea Speciale

Keith Fettig

Mark Blake

Marvin Young

## COMMENT #100

**Ethan MacCormick**

Performance Systems Development

**Comment Type:** General

**Option Number:** General Point of consensus #8

Please demote the role of Financial Interest in deployment of Quality assurance. There are many safeguards possible for Improving and Assuring Quality with a provider network similar to what is used now.

There are several business models among current Provider QAs that already act more as third-party QA than others, and the financial interest of those providers doesn't have to be considered an impediment to them doing a consistent job.

### **Proposed Change:**

The Working Group believes that financial separation ~~alone is insufficient for creating full~~ may be a useful tool to enhance consistency of the QA process;

## COMMENT #101

**Ethan MacCormick**

Performance Systems Development

**Comment Type:** General

**Option Number:** Option Number 1

RESNET Staff should not provide primary QA on ratings done.

More levels separating ratings from quality assurance may seem like better, more independent evaluation, but I think it's unlikely to yield higher quality. The primary negative is that feedback to the actual raters doing the work will be necessarily limited, and in fact faster feedback, faster more responsive education, better and more regular contact with the raters is essential to building quality.

The provider network provides a more hands-on, boots-on-the-ground approach to dealing with QA communication.

A better use for added RESNET QA staff would be to act as a hub for standards dissemination and education. Similar to BPI's proctor education model during the training/certification crush of a few years ago, having regular (monthly?) meetings in which discovered inconsistencies are discussed, and clarifications are distributed, should have a similar effect: tightening and improving consistency of QA, which will be part of the solution for more consistent ratings.

**Proposed Change:**

Option 1 –RESNET ~~does 100% of QA with RESNET Staff~~ staff work with provider network to deliver consistent Quality Assurance.

QA is carried out by a trained and qualified ~~staff of RESNET employees.~~ QADs, working in regular communication with technical and policy experts on RESNET Staff.

## COMMENT #102

**Ethan MacCormick**

Performance Systems Development

**Comment Type:** General

**Option Number:** Point of Consensus Numbers 9, 10, 11

These three General Points of Consensus are at the core of a successful process to improve rating quality and consistency, going forward.

Clarifying documentation, starting with an updated Appendix A, is every bit as important as clear and consistent standards.

Supportive communication, regular and critical, between Raters, QADs, and RESNET staff, will provide vital feedback.

Local and specific knowledge of the work and practices of the raters, builders, and occupants are essential skills for Quality Assurance staff.

I would ask that these three be elevated to the primary points of consensus.

**Proposed Change:**

1 ~~9~~. The RESNET Home Energy Rating and QA processes must be more clearly defined to achieve greater consistency;

2 ~~10~~. Qualifications of the companies and/or individuals who provide QA services, including accountability, must be more stringent and more clearly defined to create greater consistency and quality in how QA is delivered;

3 ~~11~~. It is recommended that those providing QA services should have an understanding of regional construction practices encountered by Providers and Raters in the locations where they are providing QA services;

## COMMENT #103

**Ethan MacCormick**

Performance Systems Development

**Comment Type:** General

**Option Number:** General Point of Consensus #3

Please strike all of point 3.

Although I suspect some QA Provider business models can't survive heightened requirements for financial separation, many QA Providers already offer effective 3rd party assessment and enforcement.

Because of their direct involvement with the flow of ratings, with certification and education of raters, and because of their knowledge of regional programs, a network of QA providers offers the best chance at delivering scalable and improving quality.

**Proposed Change:**

~~3. To reduce confusion, and because of the removal of the QA implementation role by Providers, "QA" should be removed from the name of Rating QA Provider;~~