



Setting the Standards for
Home Energy Efficiency

**Agenda of RESNET Board Meeting
Monday & Tuesday, October 21 & 22, 2013
San Diego Sheraton Hotel & Marina
San Diego, California**

Monday, October 21

Members Present-

Ben Adams
David Beam
Dave Bell
Steve Byers
Dennis Creech
Brett Dillon
Philip Fairey
David Goldstein
Andy Gordon
Roy Honican
Mark Jansen
Lee O'Neal
Jim Petersen
Dennis Stroer
Nancy St. Hilaire
Paul Stalknecht
Joseph Triolo
Barb Yankie

Members Absent-

Greg Thomas

Jacob Atalla was not present but was granted an excused absence due to previously scheduled KB Home Conference.

Staff Present-

Steve Baden
Laurel Elam
Kathy Spigarelli

Call to Order

The meeting was called to order by RESNET Board President Mark Jansen at 9 AM.

Roll Call

The roll was called and a quorum was present.

Approve Agenda

Steve noted several changes. On Monday Doug Donovan was not be able to attend but Steve Quirk would replace him. Tuesday John Beldock was unable to attend.

Ben Adams requested to give a presentation on the multifamily task force under new business.

Brett Dillon made a motion to approve the amended meeting agenda. Barb Yankie seconded the motion. The motion was unanimously approved.

Review of RESNET Anti-Trust, Sexual Harassment, Whistle Blower and Conflict of Interest Policies

Kathy reviewed the anti-trust, sexual harassment, whistle blower and conflicts of interest policies (attachments A, B & C). All policies were given to all members in board packet via email and Kathy reviewed the main points of all policies. The anti-trust and conflicts of interest policies were distributed to all members at the meeting.

Jim Petersen made a motion to approve the conflicts of interest policy. Brett Dillon seconded the motion. The motion was unanimously approved.

Approval of Minutes of February 26, 2013 Board Meeting (attachment D)

Brett Dillon made a motion to approve the minutes from the February 23th meeting. Dave Bell seconded the motion. The motion was unanimously approved.

RESNET Executive Director's Report

Steve Baden delivered the executive director's report which included an update from RESNET, mega trends for RESNET and the rating industry and a proposed housing/energy policy.

Mr. Baden began by highlighting the great accomplishments in 2013 which lays the foundation for new opportunities. The accomplishments include the growing demand for home energy ratings, energy rating option included in the 2015 IECC, proposed Arkansas regulation requiring labeling with HERS Index Score on all new homes which will be voted on Wednesday and RESNET continues to be in sound financial health.

179,000 homes rated to date in 2013 and the average rating costing \$500 that represents \$89.5 million in earnings by the rating industry which is up from \$64 million in 2012.

Mega trends for RESNET and rating industry include incorporation of HERS index as compliance path option to energy code, incorporation of HERS index in MLS, Evidence that low HERS index Scores reduces risk in mortgage loan, large homeowner insurance is doing an energy bill guarantee based on Home Energy Rating, and on bill financing.

These trends have led to an increase in media coverage both national and regionally. RESNET launched a new website for consumers and builders, www.hersindex.com but still drives traffic to www.resnet.us.

On bill financing will be through rural electric cooperative with funding from USDA. They will be low interest loans for members to make whole house improvements and paid back with surcharge on bills. This is included in house and senate farm bill and USDA regulation.

Mr. Baden then stated the challenges to RESNET in 2014 include need greater consistency in HERS index score and the need practical test for raters. The HERS Index Consistency Task Force has developed recommendations to improve consistency. The training and education committee has been working on the issue of the in-field practical test for raters and will now develop a practical test that is consistent. Another challenge is maintaining a sustainable budget; currently 47% of income based on conference, so RESNET needs to diversify income stream.

Mr. Baden then reviewed the proposed housing/energy policy to require HERS Index Scores on all homes financed through federal mortgage programs. Transparency in the housing market doesn't require legislation and gave the example of lenders requiring home inspections in the 1990s. New proposed formula for determining housing affordability-

He also proposed a new rationality in the mortgage underwriting process that reflects energy costs as a cost of housing.

There many benefits to the proposal including job creation, more secure mortgages, cutting energy consumption and ensuing environmental pollution.

HERS Index Score and Mortgage Risk Reduction

Robert Sahadi of the Institute for Market Transformation reported on the HERS Index Score and Mortgage Risk Reduction. He began by providing the background for the study and the research question which is- "Is residential energy efficiency associated with lower mortgage default and prepayment risk?"

The study accessed a database of 200,000+ ENERGY STAR Homes matched with a 30 year fixed rate mortgage and homes that were single family/owner occupied. The national sample included 71,000 mortgage loans in 38 states and the District of Columbia.

The findings were-

- Default risks are on average 32% lower on ENERGY STAR homes, controlling for other loan determinants. The more efficient the house, the lower the default risk
- Owners of ENERGY STAR residences 27% less likely to prepay
- Results are statistically significant at a 99.9% confidence level
- Results hold true at a national level, but findings vary greatly by state (reflecting inadequacy of sample size)

What does that mean for mortgage lending?

- Lenders could include the slightly higher upfront costs in the mortgage, if the monthly savings more than offset those costs.

- Debt-to-income ratios could be adjusted to reflect the lower than-average monthly operating costs.
- Energy efficiency renovation options could be included in mortgages for existing homes and refinances.

This model can be implemented on a small basis via regional banks.

Status of Performance Path in 2015 IECC

Jim Petersen and David Goldstein presented the status of the performance path in the 2015 IECC.

The NRDC proposal RE-188 for an alternate performance path was approved. The revised proposal RE-188 for an alternative performance path with revised HERS values was defeated. This means that HERS is officially recognized in the 2015 IECC; there is a pure performance path, if it is reflected in the HERS score, it is accepted and Raters have an added value proposition to the municipalities.

One challenge is working with states, HBAs, and municipalities to get HERS number inserted into the alternate performance path and work with them to get 2015 adopted instead of 2012. Another challenge is to work with the municipalities so they understand the value the raters have with the alternate performance path. There are also challenges to ensure the accuracy of ratings with code recognition and continue to work the partners and critics to address concerns as well as deliver the services to set the standard.

Discussion ensued.

Report of HERS Index Score Consistency Task Force

CR Herro of Meritage Homes and chairman of the RESNET HERS Index Score Consistency Task Force reported on the findings and recommendations of the task force.

HERS Scores are a competitive differentiator in the marketplace; demonstrate energy efficiency code compliance and are being considered performance indicators such as EEMs so the index score needs to be consistent, credible, predictive and non-influential.

To achieve this goal RESNET has formed the HERS Index Score Consistency Task Force. Members of the task force are representatives of the nation's largest production builders, rating software tool developers and Rating Providers.

Members of the task force are

Home Builders

Jacob Atalla, KB Home
CR Herro Meritage Homes
Jim Petersen. Pulte Group
Dean Potter. K. Hovnanian Homes

Rating Software Tool Developers

Philip Fairey, Florida Solar Energy Center

Rob Salcido, Architectural Energy Corporation

Rating Providers

Dave Bell, Environments for Living
Brett Dillon, IBS Advisors

The charter of the task force was to identify areas of inconsistency and recommend actions to improve consistency and present them to the RESNET Board of Directors.

Task force members undertook an analysis of the consistency of how rating scores are produced. This analysis included surveys of builder division managers and their Rating Provider clients.

This analysis found three broad areas of inconsistency in the rating of homes:

- Inconsistency of quality assurance oversight by Rating Providers
- Inconsistency of the way the various software programs allowed variance for raters in inputting data into the program
- Inconsistency of Home Energy Rater candidate testing in terms of practical knowledge

The task force has released a set of findings and recommendations. The findings and recommendations focus on:

- Enhanced Quality Assurance of Ratings
- Independence of Quality Assurance Designees
- Percentage of Rated Homes by a Rater that Must be Quality Reviewed Annually
- Clearer and Consistent Information and Training from RESNET to Quality Assurance Designees
- Home Energy Rating Software Program Improvements to Ensure Greater Consistency of HERS Index Scores

Motions on Consistency Taskforce Recommendations

1) Independence of Quality Assurance Designees

Jim Petersen made a motion that the RESNET Board adopt the HERS Consistency Taskforce recommendation that the RESNET standards be amended to require that RESNET certified QADs shall-

- 1- Serve as agents of RESNET
- 2- Have neither a financial interest nor an employee/employer relation with the entity performing the rating

A task group shall be established composed of representatives of homebuilders, rating providers, certified raters/rating companies and QADs to develop the draft amendment language. The RESNET HERS index consistency task force shall be given an opportunity to review and comment on the task group proposal prior to the draft standard amendment being submitted to the RESNET board for approval to go through the public review and comment process.

Joseph Triolo seconded the motion.

Dennis Creech made a friendly amendment to revise title to-
“Independence of Quality Assurance Designees”

Jim Petersen and Joe Triolo agreed to the revision.

The amended motion passed unanimously

Jim Petersen then made a motion “that the RESNET Board of Directors shall adopt the HERS index consistency task force recommendation that the RENSET QA standards maintain the current requirement of annual quality assurance review of raters consisting of 1% field reviews and 10% building file reviews with provisions through modification to the standard to add additional oversight of HERS Raters when errors are found in these reviews.

A task group shall be established composed of representatives of homebuilders, rating providers, certified raters/rating companies and QADs to develop the draft amendment language. The RESNET HERS index consistency task force shall be given an opportunity to review and comment on the task group proposal prior to the draft standard amendment being submitted to the RENSET board for approval to go through the public review and comment process.”

Brett Dillon seconded the motion.

The motion passed unanimously.

Jim Petersen then made a motion that the RESNET Board of Directors shall adopt the HERS index consistency task force recommendation that a task group composed of representatives of homebuilders, rating providers, certified raters/rating companies and QADs to develop the draft amendment language. These would include:

1. Establish limits on input variables for whole-house ventilations systems and other in the RESNET Standards
2. Determine bounds checks that can be incorporated into software to limit or warn users when input values are beyond reasonable limits
3. Enhance rating software tools to enable QAD flags to be set for internal inconsistencies that should be checked prior to entering a building file into RESNET registry
4. Modify RESNET registry XML schema to include reporting of QAD flags

David Goldstein seconded the motion.

Philip Fairey made a friendly amendment to change the language in #1 to “whole house ventilation systems and other”. Jim Petersen and David Goldstein agreed.

The motion passed unanimously

Proposed Work Plan for Development of RESNET Rater Practical Test

Kathy Spigarelli reviewed the need for the rater practical test. The training and education committee decided to develop simulation based test to replace the in-field component of 2 ratings performed in the training. A work plan has already been developed for the details of the simulation exam.

Steve Quirk made the presentation showing the Interplay simulation exam possibilities. Reviewed the history of simulation and where it is used. Simulation exams can address cost issues, building type variables and climate difference in buildings. Simulation makes it possible to control testing scenarios, be consistent & objective, allows for precise scoring and there is no risk of dangerous situations.

Working group met this summer and decided that the exam must include all of the minimum rated features and there will be a full house rating combined with component modules.

The simulation exam will also create a robust effective training tool.

RESNET web site SEO and Google Grant Report

Micky Singh and Dru Vagale with Fourth Dimension reported on the RESNET website SEO and the google grant. They began by showing a table of the on the page and off the page SEO which they use to focus the website content, links, and architecture. They want the information on the website to have high quality and be trusted.

SEO Statistics

Page Views since September 2013- 76, 258

Average page views- 2.83

Number of visitors from search engines- 13,823

Total visits- 26,946 (73% new and 27% returning)

Average time spent- 2:21

Domain authority- 71 (ENERGY STAR 97 & ACCA 76)

Social Media Statistics

34,282 impressions in a month

2,736 page likes

Facebook- 293 people sharing stories about RESNET

Twitter- 1,317 followers, 2,069 tweets to date, 35 monthly re-tweets

Google +1,227 likes, 270,000 number of impressions, community distribution 84

RESNET Smarthome newsletter has 1,864 subscribers, 41% average open rate, 33% click through rate, and only 43 unsubscribed to date.

They send ten press releases year and to date they have 9,603 social media impressions, total views 1,387, 208 external website reposts, and landed on top 5 sites such as CBS Marketwatch and Yahoo Biz.

Google Ad words has yielded 4,078 clicks to the RESNET website, 267,775 impressions, and only spent \$5,213. Google Grant is \$120,000/yr and will be able to renew in 2014.

Fourth Dimension also developed logo/brand guidelines for all logos and revised the consumer side of the website with new logo, launched new hersindex microsite (1,000 hits) and created the lowerthebetter.com which will be connected to advertising campaign. They also created new banner and brochures.

Disney HERS Index Score Report

Sara Gutterman of Green Media made the report about the Disney Vision House and the partnership with RESNET.

Began a high-profile national campaign in 2013 that inspires, educates, and delivers authentic information to trades and consumers about HERS and home performance.

The VISION House at Epcot received National Media Coverage:

- Over 1.5 billion national media impressions to date!

The VISION House Exhibit Activity:

- Exposure in Innoventions to 6 million guests per year
- 10,000 – 15,000 monthly guests go through the scripted tour
- Implicit endorsement: script talks about HERS as MPG for home
- Home is Net Zero (HERS rating certificate on display)
- In-person events for consumers, trades, and Disney executives

Full page advertisements in the HERS Index have been in five issues of Green Builder Magazine. They also featured an eight page article in last month's magazine about builders using the HERS Index. They also include information about the HERS Index in their e-newsletter and on their website, blog and social media sites.

RESNET Standards Management Board Report

Philip Fairey reported on the activities of the RESNET Standards Management Board. Most of the activities involved completion of ANSI standards 301 which have been through 3 rounds of public comment. Only 12 comments were submitted during the last round and no substantive were suggested only some were editorial changes were made. It is out for ballot of the SDC and it closes on 10/25. The commentator will have 30 days to appeal, SBM will have 15 days to respond to appeal, if procedural then handled by the SBM if technical information is given to SDC, after that is completed the standard will be sent to ANSI for approval.

The next standard, 380, is being finalized by equipment subcommittee.

ANSI Standards must be republished every 5 years and all standards are open to proposed addenda and changes at any time.

RESNET Quality Assurance Committee Report

Ben Adams gave the Quality Assurance Committee report. The committee meets every 2 weeks via conference call and the bulk of the first effort is to review the comments made on the changes to chapter 9 of the RESNET Standards. 58 comments were received the first public comment and review period and 3 the second time.

The committee is also working on two related issues- developing a path for those individuals that were revoked and advising staff when a rater moves from one provider to another.

The committee also completed the registry table of authorities for providers and the public.

Laurel Elam gave the Provider quality assurance report. She stated that 100% of the reports were reviewed and that 25% of the providers will have an online review via GoToMeeting. There were many finding in the reports and some providers were placed on confidential probation until the issues were corrected.

RESNET Accreditation Committee Report

Dave Bell reported on the Accreditation Committee activities. Five rating providers were approved and none were rejected so far in 2013.

RESNET Training and Education Committee Report

Andy Gordon gave the Training and Education Committee Report. He thanked the working group that developed the plan for rater field test simulation exam.

Then he discussed the rater exam test question revision. A job task analysis was conducted which weighed importance of items for the exam. An RFP was sent requesting contractors to assist with the development of the new test questions. A 2nd RFP will be released for a contractor to facilitate a face to face meeting to review and adopt the new questions. After that is completed an alpha test then a beta test will be conducted.

Mr. Gordon then discussed the NATE HVAC certification. There was a pre-existing certification for HVAC contractors doing energy audits. Dennis Stroer and Brett Dillon reviewed those questions to determine if they could be used for the new exam. Additional questions were also developed. 100 people took the beta exam. Now NATE is conducting the passing score study with raters of various experience, supervisors of newly certified raters and educators.

RESNET ACCA Partnership on Energy Smart Home Performance Teams

Paul Stalknecht reported on the ACCA partnership on EnergySmart Home performance teams. He began by giving some background information on ACCA. They members have existed for 60 years, have 4,000 contractors and 70% are engaged in residential. They are refocusing and re-inventing itself and changed their mission statement to "America's Indoor environmental and energy professional".

ACCA is forming council councils to address member needs. The Building Performance Council started in 2003 wanted to raise the bar in the industry. They are developing ANSI Standards and ANSI/ACCA 12 QH-2011 on home performance is currently going under revisions.

EPA asked ACCA to be the program administrator for ENERGY STAR V3 following the ACCA/ANSI 5 QI standard. There are 700 contractors nationwide that are recognized QA contractors in the program.

Residential Service & Installation (RSI) certification was launched in March 2013. ACCA will work with RESNET to promote home performance contracting to customers and government entities and Energy Smart Home Performance Teams. EnergySmart Team will have Rater or HVAC contractor as the project manager. Contractors have to be licensed, insured, registered and certified. A contractor Accreditation is coming soon. Government and utility incentives tied to verified installations, marketplace demands, manufacturers tied to warranties are the key to success.

EPA-RESNET Returning Wounded Veterans/Women/Minorities Owned Business Scholarship Fund

Steve Baden reported on the Returning Wounded Veterans/Women/Minorities Owned Business Scholarship Fund. RESNET with support from the U.S. Environment Protection Agency (EPA) has

developed a scholarship program to encourage U.S. Small Business Administration designated Service-Disabled Veteran-Owned Businesses, Women-Owned Small Businesses and Minority Business Enterprises to become Home Energy Rating Companies and RESNET Accredited Providers.

The scholarship program will include recruitment of qualifying individuals and businesses to established careers in the Home Energy Rating field. The scholarships will cover mentoring opportunities, providing scholarships for required Home Energy Rater certification training, offering free or discounted RESNET conference registration, off-setting provider accreditation fees, and/or providing subsidy for the purchase of required equipment to perform Home Energy Ratings (e.g., blower doors, duct pressure testing equipment).

The scholarship program will offer up to \$2,000.00 incentives on a first come-first-served basis for any of the activities addressed above.

Report of the RESNET Multi-family Housing Working Group

Ben Adams made the report on the multi-family housing working group. The group requested adaptation of the RESNET Standards for multi-family building. There is an increasing demand in the marketplace for multi-family so an ad-hoc working group was put together. Ted Leopkey was the lead on the working group and they are addressing:

- HERS modeling
- Performance Testing
- Inspections
- Sampling
- Taxonomy/Definitions

Goal is have a unified document by the RESNET Conference. Initially may be an interpretation but will eventually be a part of the RESNET standards. They are also considering if there should be a multi-family designation for raters.

Tuesday, October 22

Appraisal Institute Green Addendum

Steve Baden reported on the Appraisal Institute Green Addendum. The Appraisal Institute has developed a Residential Green and Energy Efficient Addendum. The Appraisal Institute Green Addendum is the first residential green and energy efficient appraisal report addendum developed by appraisers, for use by appraisers when appropriate. The Appraisal Institute Green Addendum provides items of high performance features including the HERS Index Score of a home for consideration by appraisers.

The Appraisal Institute Green Addendum will provide appraisers a tool for selecting comparable sales for the property they are appraising. If an appraiser had a completed Appraisal Institute Green Addendum on every high-performance house used as comparable sales, it would leave little question on the comparability of the data. It may also aid in a more accurate valuation of the property.

The goal is to have the Appraisal Institute Residential Green and Energy Efficient Addendum available in early 2014.

Energy Savings Guarantee Based on HERS Rating

Roger Lange with the Bonded Builder Warranty Group reported on the energy savings guarantee program. Bonded Builders Warranty Group is one of the largest new home builder warrantees in the country. The program will offer a whole house energy bill guarantee to homebuilders based on the energy projections of a RESNET Home Energy Rating.

The warranty is based on the HERS rating report projections on total energy use. Under the program, Bonded Builders Warranty Group will pay the consumer for the additional annual natural gas and electric costs over the HERS projection. The company is offering guarantee terms of 2, 3 or 5 years. This will allow builders now to actually guarantee the energy performance of their homes to buyers and increase consumer confidence with the builder and the HERS Index Score.

Did a research study through an online survey of new homeowners:

- 73% would have had interest in energy guarantee
- 84% influence on purchase
- 83% would recommend builder
- 50% would be more conscious of energy use
- 43% would use energy the same
- 75% would have increased confidence of energy savings

Who does it cover?

- New Homes with HERS index
- Owner occupied
- For residential purpose
- As delivered by builder

What it does?

- Guarantees energy usage based on HERS index
- Reimburse usage exceeding 15% of the HERS estimate (100% with monthly reporting- waive the 15%) *home performance data
- Up to 100% over the base
- 2, 3, or 5 year terms

How it works?

- HERS Rating- expected usage- 15,000 kWh/yr
- Annual Energy Guarantee Level- 17,250 kWh/yr
- Homeowner's actual usage over 12 month period- 19,000 kWh/yr
- Eligible for benefit- 1,750 kWh/yr over
- Basic Energy Change- \$.12 kWh
- Benefit payable (\$.12X1,750)- \$210

Washington Update

Carl Chidlow with Cardenas Partners gave the Washington Update. Many bills are on hold due to the government shutdown. He reviewed the legislation effecting RESNET.

Rural Energy Savings Program RESPA (thru Farm Bill effort)

RESPA would direct the Secretary of Agriculture, through the Rural Utilities Service (RUS) to allow rural electric co-ops to loan money to a homeowner for energy efficiency improvements. The homeowner would then repay the loan as part of the savings on their monthly utility bill. If a home is sold, the loan stays with the property rather than the consumer. RESPA is not current law – it is a proposal that has been included in the Senate’s version of the Farm bill.

RESPA loans would have terms of no longer than 10 years. Loans to utilities could be as low as 0% but no higher than the federal cost of money plus 1/8 of 1%. Utility loans to customers would be at a rate no greater than 3%. The bill does not state how much money would be allocated to the program, but the RUS guidelines ask for \$250 million.

45L Tax Credit

45L provides a \$2000 credit to a homebuilder for building a new home that is 50% more efficient than the 2006 IECC. 45L was extended in the “fiscal cliff” deal retroactively. It will expire again at the end of 2013. RESNET’s Washington team is pursuing a two-pronged strategy: in the near term, we are seeking another “extender” before the end of the year; in the long term, we will insert 45L into the tax reform debate in an effort to eliminate future uncertainty over one-year extensions.

RESNET’s Washington team has been developing new 45L language that it hopes to introduce during a forthcoming tax reform debate. Under the revamped proposal, new homes would have to comply with the 2015 IECC, which would make 45L tied directly to the HERS index.

Once the market share of new energy efficient homes is at least 15%, the target HERS index would drop to an even lower number. The new language would make 45L more performance based, and more appealing to legislative staff, as well as potential consumers.

SAVE Act-

Sensible Accounting to Value Energy Act of 2013 (S.1106). Sponsors are: Senator Michael Bennet (D-CO) and Senator Johnny Isakson (R-GA). The co-sponsors are Senator Mark Begich (D-AK), Senator Barbara Boxer (D-CA), and Senator Mark Udall (D-CO)

The SAVE Act is a mortgage bill that promotes energy efficiency. It was introduced in June 2013 and referred to the Senate Banking Committee. It was later put forth as an amendment to the Energy Savings and Industrial Competitiveness Act, also known as Shaheen-Portman.

When the SAVE Act was first introduced, it faced significant opposition from the National Association of Realtors. Due to improvements to the bill, the Realtors have joined a large coalition of supporters, including: the Leading Builders of America, the National Association of Homebuilders, the American Chemistry Council, US Chamber of Commerce, the Alliance to Save Energy and the National Resources Defense Council, in addition to RESNET and Efficiency First.

25E Tax Credit -

25E is a proposed performance-based tax credit, introduced in the last Congress. It will need to be re-introduced. Senator Ben Cardin (D-MD), a member of the Finance Committee, has emerged as a new champion and has been working with Senator Feinstein on an updated bill.

25E provides a homeowner with a \$2000 credit for a 20% reduction in energy usage. For every additional 5% reduction, the homeowner may claim an additional \$500. The credit is capped at \$5000. House version is the HOMES Act which will be a rebate similar to Homestar, \$2000 for 20-24% reduction; \$3000 for 24-29% reduction; scales up an additional \$1000 for each 5% bracket capped at \$8000 for a 50% or greater reduction.

As of October 2013, Senator Feinstein plans to reintroduce 25E as part of a larger energy efficiency package. The package would include: an extension of 179D, a tax deduction for energy efficient commercial and multi-family buildings; and a series of tax incentives aimed at reducing energy and water usage in the industrial sector. Senator Feinstein hopes to have the bill ready to be reintroduced sometime during the first half of 2014.

Review of RESNET Strategic Plan

Steve Baden reviewed the proposed 2014 RESNET Strategic Plan (attachment E). Changes requested to the goals are indicated in red below.

4. Continue to Maintain RESNET's Financial Sustainability Through 2018

While the U.S. economy is improving the housing market is nowhere at the level it was in 2006. There is currently a depression in the nation's housing market. The number of new homes being built continues to decrease each year. This trend is expected to continue for the foreseeable future. In addition, the federal government is facing a critical deficit. This means that there is little hope for appropriations to support home energy performance. These conditions present a challenge for RESNET to maintain its current services and position itself to meet the new opportunities.

5. By 2018 Ten Home Energy Performance Program Sponsors Incorporate Certified RESNET Home Energy Raters and RESNET EnergySmart Contractors Home Performance Teams Into Their Programs

RESNET's business model for home performance is that contractors and raters will join together to form home performance teams. The rater's role in this team is to do the initial inspection and testing and produce a work scope at the beginning of the process and test out and provide a quality control review at the completion of the project. RESNET's model is already recognized in current legislation to support whole house home performance being considered by Congress. The attraction of the home performance team model will grow as program sponsors seek to reduce overhead costs and expand their program's market share.

Roy Honican made a motion to adopt the changes to the strategic plan and Dennis Stroer seconded the motion. The motion was unanimously accepted

Adoption of RESNET 2014 Priorities

Steve Baden reviewed RESNET's proposed priorities for 2014 (attachment F).

- Ensure the National Consistency of HERS Index Scores

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

Lee O'Neal made a motion to accept the proposed priorities and Dave Bell seconded the motion.

Discussed ensued

Motion passed. Brett Dillon abstained due to the changes of priorities having lack of overall direction.

Adoption of RESNET 2014 Budget

Lee O'Neal showed projected income and expenses in the 2014 budget request. (attachment G)

Steve Byers made a motion to lift cap of \$200 on member fees. Brett Dillon seconded the motion. There was a friendly amendment that the executive committee would consider and approve alternative on member fees. Motion passed unanimously.

Paul Stalknecht requested that the annual incomes from previous years be reported to the board along with the expenses. It was also noted to have orientation for new board members. An orientation is being developed and an orientation meeting will be held at the 2014 conference for new and current board members.

Andy Gordon made a motion to approve the projected 2014 budget, Brett Dillon seconded the motion. Paul Stalknecht abstained. Motion passed.

Steve Baden reviewed the capital budget requests:

- \$120,000- Development of Simulation Based RESNET Practical Test
- \$50,000- Vision House at Innovation, Disney World GBM
- \$50,000- Advocacy Support on Sales to Adopt Home Energy Rating Score Provision of 2015 IECC
- \$25,000- Consulting Support of Appraisal of the Market Value of RENSET Building Registry Data/Development of pricing schedule

Philip Fairey made a motion to amend the Advocacy Support on Sales to Adopt Home Energy Rating Score Provision of 2015 IECC with a \$100,000 cap, Andy Gordon seconded the motion.

The motion passed unanimously.

Lee O'Neal made a motion to approve #1, Jim Petersen seconded the motion. Motion passed unanimously.

Lee O'Neal made a motion to approve #2, Brett Dillon seconded the motion. Motion passed unanimously.

Lee O'Neal made a motion to approve #4, Barb Yankie seconded the motion. Motion passed unanimously.

Report of the RESNET Industry Advisory Committee

David Kaiserman of Lennar gave the report on the RESNET Industry Advisory Committee. He reported on a Title 1 HUD program which has been on the books forever. It is a HUD insured loan, the limit is \$25,000 with 100% financing, a 20 year term and an interest rate 6-8%. Anyone can qualify no matter house size or credit rate and can be used for any home projects. The program does 40-50 million in loans each year. The idea is that the underwriting can go into REMrate to be able to show energy savings and have a "ready to go" loan for existing homes to be rated and have an energy retrofit. There is already one bank that is actively doing the loans, Admirals Bank. RESNET can also make additional rules for the loans or benchmarks for energy savings.

Discussion ensued.

Sense of the board 10 people thought it was a good idea and that David Kaiserman should pursue this further with HUD.

2014 – 2015 - 2016 RESNET Building Performance Conference Update

Laurel Elam reported that attendance is on track for the 2014 conference in Atlanta and that she would be sending out board scholarship information soon. The 2015 conference will take place in San Diego and there are discussions with ACCA and IAQA about partnering in 2016.

Andy Gordon made a motion to adjourn. The meeting was adjourned at 3:00 p.m.