



Leading the
Path to Net Zero
Energy Homes

June 14, 2022

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street N.E.
Washington, D.C. 20549

Re: File No. S7-10-22: The Enhancement and Standardization of Climate-Related Disclosures for Investors

Dear Ms. Countryman,

RESNET welcomes the opportunity to respond on File No. S7-10-22: The Enhancement and Standardization of Climate-Related Disclosures for Investors (“Proposed Rule”). We commend the Commission for its Proposed Rule aimed at providing investors with climate-related financial information from issuers of public securities.

The Residential Energy Services Network (RESNET) is a non-profit organization, founded in 1995 with the purpose of developing a market for energy efficient homes through home energy ratings and energy efficient mortgages. RESNET is an ANSI-accredited Standards Development Organization, creating standards for rating the energy and water efficiency and carbon emissions of residential structures. In addition to setting the standards for rating homes, RESNET also sets the standards for the accreditation of organizations and certification of professionals involved with home energy ratings.

RESNET’s flagship program, the HERS Index, has been used to rate the energy efficiency of more than 3 million homes, and has been used by all 19 publicly traded homebuilding companies. A HERS Rating provides third-party verification of a home’s energy efficiency and allows home builders to capture important environmental attributes of a home like estimated energy usage and carbon emissions. HERS Rating data is captured in RESNET’s National Buildings Registry and is used regularly by publicly traded builders for environmental and sustainability reporting purposes. RESNET also launched a whole-house water efficiency rating, HERS_{H2O}® in 2020. HERS_{H2O} can be used to rate the water efficiency of one- and two-family dwellings and allows home builders to achieve the U.S. Environmental Protection Agency’s WaterSense Label for Homes. This is an additional program that allows builders to demonstrate how their development activities are limiting their impact on the environment.

The HERS Index and WaterSense are both referenced in the *Home Builders Sustainability Accounting Standard* produced by the Sustainability Accounting Standards Board (SASB) which is now part of the Value Reporting Foundation. The SASB Standard asks home builders to report the number of homes that have received a HERS Index score and their average score. The Standard also asks for the percentage of installed fixtures that were certified to the WaterSense specifications. More builders are beginning to use this Standard for their sustainability reporting. The SASB Standard also includes requirements for reporting on climate change exposure risks and strategies for mitigating risks. As the most pertinent reporting framework for the homebuilding industry,

RESNET encourages the Commission to utilize market-based approaches for home builders to report and document their carbon mitigation efforts. We also recommend the final rule recognize the SASB Home Builders Standard.

Thank you for your efforts and our team would be interested in meeting with the SEC staff to provide further background on both of the metrics mentioned in our public comments. I can be reached via e-mail at sbaden@resnet.us.

Sincerely,

A handwritten signature in blue ink that reads "Steve Baden". The signature is written in a cursive, flowing style.

Steve Baden
Executive Director