



2003 Annual Report

The following is the Residential Energy Services Network (RESNET) 2003 Annual Report:

Background

RESNET is a non-profit membership organization. RESNET's mission is to improve the energy efficiency of the nation's housing stock and to qualify more families for homeownership, by expanding the national availability of mortgage finance options and home energy ratings.

RESNET is guided by a Board of Directors representing the entire home energy rating industry.

Officers of the RESNET Board of Directors are:

President - David Wilson, Energy Rated Homes of Utah
Vice President – Mark Jansen, Energy Efficient Homes Midwest
Treasurer – Thomas Hamilton, California Home Energy Efficiency Rating System
Secretary – Kelly Parker, Guaranteed Watt Saver Systems
Immediate Past President – Richard Faesy, Vermont Energy Investment Corporation

Member of the RESNET Board are:

Ben Adams, MaGrann Associates
Megan Edmunds, E-Star Colorado
Philip Fairey, Florida Solar Energy Center
Tracy Fogelsong, EnerCalc
David Goldstein, Natural Resources Defense Council
Nathan Grunewald, Wisconsin Energy Conservation Center
Bruce Harley, Conservation Services Group
Michael Holtz, Architectural Energy Corporation
Kathy Howard, Energy Sense Systems
Joseph Lstiburek, Building Science Corporation
Lee O'Neal, NSpects, Ltd
Gayle Sampson, Mid-West Building Diagnostics
Douglas Walter, Kansas Building Science Institute
Daran Wastchak, D.R. Wastchak, LLC

Eric Werling, ICF Consulting

Meeting RESNET Priorities for 2003

At the 2003 RESNET Conference the governing Board of RESNET adopted the following actions as the RESNET priorities for 2003:

- Place organization on financial and organizational footing – In 2003 RESNET was put on a positive financial footing while maintaining our non-profit status. In 2003 RESNET had an income of \$357,792.50 and spent \$282,028.85 leaving a positive balance of \$75,763.65 for 2004. In 2003 RESNET was able to reduce its reliance on government grant funding for income and operating expenses to 10%. The remaining balance came from memberships, accreditations fees, the RESNET Conference and other income.

It is projected that there will be enough income generated from current accreditation fees, memberships, and grants and contracts in 2004 that consideration of increases in accreditation and membership fees are not necessary at this time. However, this will need to be reviewed again in 2005 as the impact of RESNET's national responsibilities grow and expand due to the proposed rating standard amendments take effect.

- Complete the process for amending the national HERS standards – The national HERS standards amendment drafting committee has completed the process of drafting the proposed amendments that will shortly undergo public review and comment. The amendments have been posted on RESNET's web site in early February and the public review and comment process will continue through April, 2004.
- Assist in development of workable and fiscally sound residential energy efficiency tax incentives – This was a major task for RESNET staff in 2003. An energy bill containing residential energy efficiency tax credits passed the House and Senate and a compromise passed the Energy Conference Committee and House. The bill stalled in the Senate and is currently being considered again by Congress. The verification language is purposely vague for the new homes credit, requiring additional work for us if the bill passes.
- Advocate for viable performance path to the International Energy Conservation Code (IECC) – RESNET was successful in its advocacy to the U.S. Department of Energy (DOE) in modifying its proposed changes to Chapter Four of the IECC. The IECC committee modified the DOE proposal but will require additional RESNET advocacy until the International Code Council meeting in May 2004.

- Assist in implementing the “new” Fannie Mae energy mortgage product – With funding received from Fannie Mae and the two state energy offices, RESNET has targeted a program in Minnesota and North Carolina. The efforts includes introducing the product to lenders in the two states and training raters how to explain to consumers the benefits of residential energy efficiency financing.
- Served as facilitator with EPA and the rating industry on changes to the ENERGY STAR Homes Program affecting the rating industry – This facilitation has proven to be very effective. In 2003, RESNET facilitated dialogues on EPA’s proposed changes to the Sampling Protocol and proposed ventilation standards. RESNET’s role is to e-mail EPA’s proposed changes to RESNET’s network, collect comments received and compile the results and share them with EPA decision makers.
- Develop dynamic partnerships with DOE and HUD – RESNET has developed a very effective partnership with DOE and is participating in the quarterly Building America Team Meetings through the financial assistance of the National Renewable Energy Laboratory (NREL). Steve Baden addressed HUD’s Energy Task Force in December. HUD is planning to make changes to its energy mortgage product to increase consumer demand for energy mortgages. HUD’s time line for implementing these changes is vague. It appears there will be minimal activity in 2004.
- Initiate process for developing industry standard for sampling – RESNET received funding from EPA for this activity and has recruited members for a task force that will develop recommendations to the RESNET Board. It is expected that the task force will develop its recommendations in late 2004
- Continue fostering rating business development – RESNET has developed and piloted a very effective two-day rater business development training session. This will be presented in Minnesota in 2004. If successful, RESNET staff will propose to the RESNET Board undertaking a national program in 2005.
- Enhance partnerships with EEBA and Affordable Comfort – RESNET has entered into memorandums of agreement with EEBA and Affordable Comfort that provides for co-marketing of the all 3 conferences and allowing RESNET to provide a comprehensive HERS based pre-conference track at both the EEBA and Affordable Comfort conferences. In 2003 the pre-conference sessions, while not generating any money for RESNET, were well attended and received by raters and other conference attendees who would otherwise not have been able to participate in a RESNET function.

RESNET's Priorities for 2004

The RESNET Board of Directors have adopted the following priorities for 2004 in rank order:

- Continue to monitor and advocate federal residential energy efficiency tax credits – Although there are serious problems with the national energy bill, the Senate will consider it again in early 2004. RESNET will continue to track this legislation, inform its membership of developments, and advocate for effective and responsible residential energy efficiency tax credits. Most the activity on this area, will take place during the rule making process, with our emphasis geared towards advocating effective and responsible residential energy efficiency tax credits.
- Develop recommendations for DOE and the Department of Treasury on the rule making for the implementation of the residential energy tax incentives – This will be particularly important when the federal residential energy efficiency passes Congress as it relates to the new homes credit. Steve Baden is on the steering committee of the Tax Incentives Assistance Project (TIAP) that is being led by the American Council for an Energy Efficient Economy (ACEEE). The TIAP is composed of the leading national energy efficiency advocacy organizations and its mission is to develop recommendations on rule making as well as working toward developing and implementing a national outreach program once the credits are passed. Mr. Baden is the co-chair of the Residential Subcommittee that will develop the recommendations on rule making on the residential tax credits. TIAP will receive funding for its activities from the Energy Foundation, DOE, and the California Energy Commission.
- Complete the rating standards amendment process – This is an ongoing priority for RESNET. Currently the timeline for 2004 are:

February – Post amendments on RESNET web site
March 3 - Forum at RESNET Conference
March/April – Public review and comment process
July – Adoption of amendments
- Develop and Implement National Rater Core Test – Beginning in 2004 RESNET will administer the national core test for rater candidates on-line. A contract has been entered into with RESNET's web master, (R.L. Martin Associates) to develop the on-line testing system. The RESNET Rating Training Provider Accreditation Committee has developed the national core questions. Kathy Spigarelli is the RESNET lead staff on this project. It is expected that the on-line test will be developed, tested and ready to go on-line by the 2004 RESNET Conference in March.

- Develop Software Verification Test Suite for the IECC – RESNET has been funded by DOE through NREL to develop a software test suite to be used as a means of verifying a home's energy efficiency performance level related to the tax credits and the performance compliance method of the IECC.
- Develop recommendations to the RESNET Board for an industry standard for sampling providers – EPA's revised sampling protocol recognizes a RESNET accreditation standard for sampling providers. RESNET has received funding from EPA to convene a rating industry task force to make recommendations to the RESNET Board for a sampling provider accreditation standard. The process to develop these recommendations will begin during the 2004 RESNET Conference.
- Develop Rating Standard Practices – In 2003 the RESNET Board adopted a rating code of ethics and a standard rating financial interest disclosure form. The remaining element that is needed is a “standard of practices” that clearly states what a rating does and does not cover. The home inspection industry found such a standard effective in reducing insurance costs for inspectors. It is proposed that a committee be appointed to draft a set of standards of practice for the Board's consideration. We recommend that the home inspection industry's standards of practice serve as the foundation for the rating industry.
- Continue to serve as facilitator to EPA, DOE and HUD on issues affecting the rating industry
- Complete North Carolina Project
- Implement Minnesota Project – RESNET received funding from the Minnesota State Energy Office to develop a dynamic partnership with Fannie Mae, the state's housing industry, and the state's raters to promote energy efficient mortgages. Claudia Ahrens will be the RESNET lead staff on this project.
- Educate rating industry on the business development opportunities presented by the tax credits of residential energy efficiency if enacted – The proposed tax credits create many business opportunities for raters both on the residential and commercial level. RESNET is poised to take the lead in educating its members and the HERS industry as a whole of these opportunities and how to take advantage of them. It is expected that this activity and funding would take place through the umbrella of the TAIP.

- Successfully host the 2004 RESNET Conference and Begin Coordination of the 2005 RESNET Conference that will take place in San Antonio, Texas