

RESNET

Residential Energy Services Network

2011 RESNET® Annual Report

January 2012

Published by:

Residential Energy Services Network, Inc.

P.O. Box 4561

Oceanside, CA 92052-4561

<http://resnet.us/>

© Copyright, Residential Energy Services Network, 2012. All rights reserved.

RESNET and HERS are registered trademarks of the Residential Energy Services Network, Inc. and can not be used without written permission . Copy righted 2007. All rights reserved.

*Setting the STANDARD
for QUALITY*

P. O. Box 4561 • Oceanside, CA 92052-4561 • <http://resnet.us>



Message from the RESNET Executive Director

I am pleased to present the 2011 RESNET Annual Report.

The year 2011 witnessed significant achievements for RESNET. I am proud to report to the RESNET membership that we have achieved the following key successes:

- Expanded RESNET's coverage into the existing homes market
- Had the ten largest production builders in America commit to marketing their homes' HERS Index and over 100 local and state builders commit to having all of their homes energy rated and to marketing their homes' HERS Index
- Developed new strategic alliances with the leading insulation and HVAC contractor associations to involve raters in their retrofit programs
- Placed our association on a secure financial foundation due to sound fiscal management
- Continued to have RESNET's voice heard in Washington

The year, however, has seen its challenges. The economy has continued to affect all of us and our clients. Without the support and dedication of our members, RESNET would not have been able to maintain the progress that we have achieved during these tough times. Your support helped the building performance industry remain relevant. In 2012 RESNET is committed to return this commitment with new initiatives that are aimed to help expand your business opportunities.

RESNET has a lot planned for our members in 2012. With the guidance of our knowledgeable and dedicated Board of Directors, we have adopted an aggressive set of priorities for the year. RESNET will continue to expand its outreach to consumers, contractors and builders and will be active in Washington pressing for building performance initiatives to ensure our industry continues to grow. Rest assured that we will continue our dedication to setting the standards of quality for our industry through maintaining and enhancing our technical and quality assurance standards.

A handwritten signature in blue ink that reads "Steve Baden".

Steve Baden

RESNET 2011 RESNET® Annual Report

Introduction

The Residential Energy Services Network, Inc. (RESNET®) is a membership driven, not-for-profit corporation. RESNET's mission is to establish and maintain the standards of quality for evaluating building energy performance and increase the opportunity for ownership of high performance buildings..

RESNET supports its mission through two principle goals:

- Enhancing the credibility of ratings to consumers, lenders, the housing industry, government agencies and utilities.
- Providing the tools to help home building performance professionals succeed in becoming profitable businesses

RESNET is guided by a Board of Directors whose membership includes representatives from the entire home energy rating industry.

2011 RESNET Board Officers



President
David Goldstein
Natural Resources
Defense Council
California



Vice President
Mark Jansen
Energy Efficient Homes
Midwest
Indiana



Secretary
Daran Wastchak
D.R. Wastchak
Arizona



Treasurer
Lee O'Neal
MABTEC
Virginia

Immediate Past President
Philip Fairey
Florida Solar Energy Center
Florida

Members of the RESNET Board of Directors



Ben Adams
New Jersey

Dave Bell
Florida

Steve Byers
Colorado

Dennis Creech
Georgia



Brett Dillon
Texas

Charles Eley
California

Andy Gordon
Washington

Bill Prindle
Washington, DC



L. Javier Ruiz
Texas



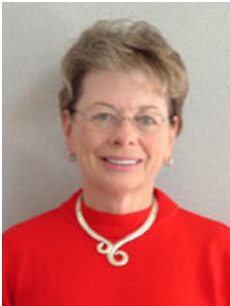
Eurihea Speciale
New York



Orlo Stitt
Arkansas



Greg Thomas
New York



Barb Yankie
Ohio

To better achieve its goal of setting the standards for quality, the RESNET Board of Directors has established standing committees. Each committee's purpose is to provide the RESNET Board with policy implementation and technical guidance. The committees are:

Accreditation Committee

The RESNET Accreditation Committee is responsible for the oversight of RESNET's accreditation application review process and accreditation procedures. Committee members are:

Chair: Andy Gordon, Washington State University Energy Program

Other Members:

Kyle Compton, CertainTeed Insulation Group

Wally Conway, GoHomePro

Roy Honican, Blue Grass Energy

D'Wayne Pryor, Lennar Homes

Susan Recken, Arkansas Economic Development Commission

Jerry Thatcher, Energy Diagnostics, Inc.

COMNET Committee

The COMNET Committee is responsible for the policy oversight of the Commercial Energy Services Network (COMNET). COMENT is a partnership of non-profit organizations that sets the quality assurance standards for the rating of a commercial building's energy performance. Committee members are:

Chair: Charles Eley, Architectural Energy Corporation

Other Members:

Martha Brook, California Energy Commission
Philip Fairey, Florida Solar Energy Center
David Goldstein, Natural Resources Defense Council
Michael Holtz, Lightlouver
Jean Lupinacci, Environmental Protection Agency
Cliff Majersik, Institute for Market Transformation
Colin McCormick, U.S. Department of Energy
Mike Opitz, U.S. Green Building Council
Bill Prindle, ICF International
Steve Taylor, ASHRAE

Ethics and Appeals Committee

The RESNET Ethics and Appeals Committee is responsible for review and determination of quality assurance appeals and ethics violations. Committee members are:

Chair: Lee O'Neal, MABTEC

Other Members:

Dondi Atwell, ATS Engineering
David Bell, Masco Home Services
Chip Henderson, Contects - Consultants & Architects
Richard Lensis, Energy Masters of Virginia, LLC

Quality Assurance Committee

The RESNET Quality Assurance Committee is responsible for issuing interpretations on Chapter Nine of the Mortgage Industry National Home Energy Rating Standards and oversight of RESNET's rating quality assurance program. Committee members are:

Chair: Daran Wastchak, D.R. Wastchak

Other Members:

Ben Adams, MaGrann Associates
Allison Bailes III, Energy Vanguard Energy Ratings
John Hensley, Patuxent Environmental Group

Ethan MacCormick, TREAT Ratings
Greg Nahn, Wisconsin Energy Conservation Corporation
Eric Powell, Cornerstone Energy Conservation Services
Robby Schwarz, Energy Logic
Zachary Shadid, Environmental Protection Agency
Eurihea Speciale, Building Efficiency Resources
Donald Swift, Conservation Services Group
Erin Wiggins, Cenergy, LLC

Technical Committee

The RESNET Technical Committee is responsible for interpretation of technical standards, procedures and guidelines; technical evaluation of issues and programs; and continuing maintenance of technical standards. Committee members are:

Chair: Brett Dillon, IBS Advisors

Other Members:

Michael Blasnik, M Blasnik & Associates
Chunlin Cao, Dow Chemical Company
Terry Clausing, Drysdale & Associates, Inc
Wes Davis, Air Conditioning Contractors of America
Philip Fairey, Florida Solar Energy Center
Rebecca Farrell, Frontier Associates LLC
Dean Gamble, Environmental Protection Agency
Bruce Harley, Conservation Services Group
Kristof Irwin, Blue Heron Homes
Abraham Kruger, Kruger Sustainability Group
Bill Lilly, California Living and Energy
Michael Lubliner, Washington State University Energy Program
Jerry Lyle, Home Energy Concepts Corporation
Patrick Murphy, North American Technician Excellence
Gary Nelson, Energy Conservatory
Dave Roberts, National Renewable Energy Laboratory
Robert Salcido, Architectural Energy Corporation
Paul Scheckel, Vermont Energy Investment Corporation
Dennis Stroer, Energy Calcs
Michael Stuart, Fluke Corporation
Todd Taylor, Pacific Northwest National Laboratory
Iain Walker, Lawrence Berkeley National Laboratory

Training and Education Committee

The RESNET Training and Education Committee is responsible for issuing interpretations on Chapter Two of the national rating standards, maintenance of the national rater test, approval

of all RESNET education programs, and maintenance of RESNET rater certification categories. Committee members are:

Chair: Mark Jansen, Energy Efficient Homes Midwest

Other Members:

John Beldock, EcoBroker International
Scott Doyle, EnergyLogic, Inc.
Ray Ivy, Southface Energy Institute
Dallas Jones, Green Training USA, LLC
Tei Kucharski, Energy Gauge USA
C.T. Loyd, Texas Home Energy Rating Organization
Rob Moody, Organic Think, Inc.
Amy Musser, Vandemusser Design, LLC
Kelly Parker, Guaranteed Watt Saver Systems
Tabetha Reyes, Energy Potential, Inc.
Bernadette Rivera, LIUNA Training and Education Fund
Nancy St. Hilaire, Home Energy Group
Dan Tempas, Dow Building Solutions CTSC
Darrel Tenter, Saturn Resource Management
Douglas Walter, Kansas Building Science Institute

RESNET's® Priorities for 2011 Adopted by the RESNET Board of Directors

The RESNET Board of Directors adopted the following priorities for 2011:

- **Tap the Retrofit Market**
- **Position RESNET as an Organization to Take Advantage of the Opportunities and Meet the Challenges of the Future**
- **Make the RESNET Standards Development Process Consistent with American National Standard Institute (ANSI) Protocols**
- **Enhance Quality Assurance Oversight of Rating a Building's Energy Performance**
- **Expand RESNET Members Business Opportunities**
- **Have COMNET Recognized as the Commercial Building Energy Performance Rating Standard**
- **Foster Strategic Partnerships with the Private Sector**

- **Advocate for Federal Energy, Climate Protection and Tax Incentive Legislation**
- **Influence Initiatives on Building Energy Performance Labeling, Energy Efficient Mortgages and Creative Financing**
- **Adopt Comprehensive Retrofit Energy Audit Software Standard**
- **Adopt Standard on Performance Testing**
- **Implement the RESNET National Building Registry**
- **Assist the Environmental Protection Agency in Implementing Version 3 of the ENERGY STAR for Homes Program**
- **Position Building Performance for the Emerging Global Carbon Market**

This report is divided into two parts:

- Report on achieving 2011 RESNET Board priorities
- Report on other accomplishments in 2011

Report on 2011 RESNET® Priorities

In 2011 the RESNET Board of Directors adopted a set of very ambitious priorities for the organization. Over the year great progress was achieved in meeting the priorities. Chief accomplishments include:

- Positioning RESNET's infrastructure of certified professionals and standards to tap the retrofit market
- Having the largest home builders and over 100 local builders commit to marketing their homes' HERS Index
- Developing strategic allies with key contractor trade associations and product manufacturers
- Having RESNET's voice heard on key issues in Washington
- Adopting a Building Performance Testing Standard
- Adopting a Comprehensive Retrofit Energy Audit Modeling Standard
- Submitting an application to the American National Standards Institute (ANSI) to have RESNET accredited as a Standard Development Organization
- Developing the RESNET National Building Registry

The following is the report on the progress achieved in meeting the individual 2011 RESNET Board Priorities:

- **Tap the Retrofit Market**



A major priority for RESNET in 2011 was to position our infrastructure of certified professionals and standards to tap the retrofit market. RESNET has made enormous strides in 2011 with this priority.

A key accomplishment was entering into strategic alliances with the leading contractor associations and product manufacturers. These allies agreed to work with RESNET in educating their contractor members

and clients on the value of working with certified RESNET raters on whole house comprehensive building performance upgrades and becoming trained and certified as RESNET Energy Smart Contractors.

The following are other accomplishments:

- Developing RESNET Energy Smart Home Performance Teams. RESNET has launched RESNET Energy Smart Teams which represent a new approach to comprehensive retrofits of existing homes. The approach teams up the various facets of the contractor trades with a certified RESNET HERS Rater to offer a comprehensive solution to homeowners. Team members work together to develop a scope of work and complete home performance retrofit projects. Each Energy Smart team must have, at a minimum, a certified rater, an HVAC contractor who is recognized by the Air Conditioning Contractors of America's (ACCA) QA program and an insulation/air sealing contractor who employs at least one technician who has completed an Insulation Contractors Association of America or other insulation industry quality installation program.
- Having retrofit program sponsors recognize the RESNET Energy Smart Contractor certification. The most exciting example of this is the City of New York. On July 19, 2011, the New York City Buildings Department launched the Sustainable Contractor Designation Program, a new initiative that identifies trade licensees who demonstrate knowledge in sustainable practices through third-party certifications and agree to promote the use of green technologies to their customers. Those licensees who that Department identifies as sustainable will have an icon in the shape of a green leaf displayed next to their names in the Department's Buildings Information System (BISWeb). The New York City Buildings Department recognized the RESNET Energy Smart Contractor credential for the program's general contractor license for 1-, 2- and 3-family homes
- Working cooperatively with the Air Conditioning Contractors of America (ACCA) on developing ACCA's new ANSI Existing Home Evaluation and Performance Improvement Standard . The standard is built on the foundation of the RESNET Standard's Chapter 7 and 8 and was drafted with the participation of the RESNET Energy Smart Contractor Standard Task Force. This standard will be the first ACCA standard addressing energy audits and retrofits.

- Entered into a partnership with ACCA and NATE to develop a NATE certification for HVAC Performance Verifiers. Through this certification Home Energy Raters would be trained and certified to be certified by NATE to undertake quality assurance installation inspections. This provides new career opportunities for raters in that quality HVAC installation programs offered by ACCA, EPA and utilities can now recognize RESNET raters to undertake the needed inspections.
 - Reformatting the RESNET web site to aid consumers looking for information on improving the energy performance of their homes. This also included creating a portal for the linking of RESNET certified home energy raters and auditors and RESNET Energy Smart Contractors.
 - Partnering with the United Way of Long Island and the Clinton Foundation to pilot new entry levels credentials for the home energy retrofit industry. There is an important need for creating a career pathway so that the next generation of RESNET professionals have a way to enter into the fields of home energy rating, energy auditing and retrofit contracting. The United Way of Long Island and the Clinton Foundation will develop credentials, standards, curriculum, tests and quality assurance protocols for entry level retrofit technicians and energy auditors for Long Island, New York and Little Rock, Arkansas.
 - Adopting Dual Path policy on retrofit standards by Efficiency First. Efficiency First has adopted a policy that articulates that the organization is committed to uniting our industry and recognizing the role that the RESNET network can play in developing quality standards. The organization has adopted a dual path policy of recognizing RESNET as well as BPI standards.
 - Appointing of RESNET Executive Director Steve Baden to serve on Efficiency First's Performance Center's board of directors as part of its outreach to RESNET.
 - Reaching an agreement with the Building Performance Institute for RESNET to recognize Building Performance Institute (BPI) combustion appliance safety testing and preparing a work scope training to meeting the requirements of a Comprehensive Home Energy Rater.
 - Reaching an agreement with BPI for RESNET recognition of BPI accredited contractors to be RESNET Energy Smart Contractors.
 - Appointing of RESNET Executive Director Steve Baden to Western HVAC Performance Alliance Council of Advisors. The Western HVAC Performance Alliance is composed of the California HVAC industry and utilities to provide guidance to the California Public Utility Commission on improving the performance of HVAC systems in retrofits.
- **Position RESNET as an Organization to Take Advantage of the Opportunities and Meet the Challenges of the Future**



With the growing scope of the organization, the RESNET Board felt that a strategic positioning review of the organization was needed. This review included how the organization can best be oriented and structured to take the maximum advantage of the new opportunities. A Strategic Positioning Task Force was formed and chaired by Daran Wastchak. The task force

identified the need to modify RESNET's By-Laws to reflect its growing network of stakeholders and bring the By-Laws into compliance with current non-profit procedures and state regulations. On July 8, 2011 the working group met in Washington, DC to identify areas of the RESNET By-Laws that needed modification. Working with the advice of RESNET's General Counsel and a leading international law firm involved in corporate governance, RESNET drafted an updated set of By-Laws. At its fall 2011 Board Meeting, the RESNET Board voted to submit the revised By-Laws to a vote of the RESNET membership. The voting will be online and begin in the first quarter of 2012.

- **Make the RESNET Standards Development Process Consistent with American National Standard Institute (ANSI) Protocols**



RESNET has a goal to have its standards recognized in building energy codes. Recent updates of the International Energy Conservation Code require that homes be tested for air tightness and duct leakage. RESNET's

standards for performance testing and certification of home energy raters offer an opportunity to be referenced in building energy codes. In order to achieve this recognition, RESNET needs to have its standards recognized by ANSI.

The first step to achieve this goal was to amend RESNET's standard adoption and amendment process to comply with ANSI procedures. This has been accomplished in 2011.

The next step is for RESNET to become accredited by ANSI as a Standard Development Organization. In 2011 RESNET completed its standard development procedures and submitted it to ANSI. ANSI accredited RESNET as a Standard Development Organization on January 3, 2012.

- **Enhance Quality Assurance Oversight of Rating a Building's Energy Performance**



RESNET staff has continued to maintain the standards of quality for the home energy rating industry through its ongoing quality assurance activities including quality assurance oversight of providers, maintaining the RESNET Standards, accreditation of providers and administration of the national rater test.

In 2011, RESNET staff completed quality assurance file reviews of every accredited rating provider. The RESNET staff monitoring included the review of the following submissions by rating providers:

- Rater Registry
- Rater Agreements
- Proof of Initial Rater Training and Provider's Rater Probationary Reviews
- Continuing Education Credits Documentation

- Proof of Provider Complaint Process and Notification of the Process to Consumers
- Documentation of Building File Reviews
- Documentation of Field Inspection Reviews
- Documentation of Company's Tracking Method for Building File and Field Reviews
- Documentation of Financial Disclosure Notices that their certified raters submitted to consumers

RESNET's quality assurance oversight in 2011 included actual field review of rating providers. In that year 20% of all providers received a field evaluation.

Rating providers are the foundation of the quality assurance oversight of home energy ratings. This oversight depends on Quality Assurance Designees. To ensure that Quality Assurance Designees remain up-to-date on developments in the field, RESNET adopted continuing education requirements that must be met each year. In 2011 RESNET provided Quality Assurance Designee continuing education opportunities at the 2011 RESNET Building Performance Conference and entered into partnerships with Affordable Comfort and the Energy and Environment Building Association to provide other continuing education opportunities.

In 2011 the following amendments were adopted by RESNET to clarify technical and program issues with the RESNET Mortgage Industry National Home Energy Rating Standards:

- Revision of RESNET's Economic Cost Effectiveness Calculations for Fannie Mae Energy Efficient Mortgages
- Lighting, Appliance and Miscellaneous Energy Usage Profile Amendment
- Chapter Eight "RESNET Standard for Performance Testing and Work Scope Enclosure and Air Distribution Leakage Testing"
- Auxiliary Electric Energy of Ground Source Heat Pumps

The RESNET Board of Directors also adopted the following formal interpretations:

- Guidance to Home Energy Raters for Domestic Hot Water Equipment That Does Not Have an Energy Factor

- **Expand RESNET Members Business Opportunities**



In 2011 RESNET made a concerted effort to provide its members with opportunities to grow their businesses. The key to this effort was to increase the RESNET web site search optimization so that an increasing number of consumers can learn of the benefits of hiring certified RESNET professionals and find one in their community.

The greatest new opportunity for RESNET members is its effort to tap the existing homes market which opens up the

opportunity to provide services to millions of existing homeowners.

This effort was boosted with the recruitment of the leading contractor and building product manufacturer and distributors to enter into alliances with RESNET to urge their contractor members and clients to team up with certified RESNET Home Energy Raters. This effort is already bearing fruit. A Home Energy Survey Professional firm in Tampa, Florida reported that, as a result of RESNET's partnership with The Home Depot, they were able to set up a table at a local store and as a result their energy audit business volume doubled in 2011.

RESNET's recruitment of builders to commit to having all of their homes energy rated and marketing the HERS Index of their homes also presents a great opportunity for raters to retain builder clients or recruit new clients.

Other achievements in 2011 were:

- The number of visitors to the web page rater member directory grew to 2,608 a month.
- Production of videos explaining to consumers why they would want to hire a certified RESNET Home Energy Rater and Energy Smart Contractor that have been posted on RESNET web site member listing and that can also be posted on RESNET members' web sites.
- The ability of RESNET members to post case studies of satisfied clients on their RESNET web site member listing.
- Information of how members can leverage online homeowner reviews through such sites as Angie's List, Yelp and the Better Business Bureau.
- RESNET conducted a webinar on June 29, 2011 on the business opportunities for home energy raters to sign up builders to market their homes' HERS Index. 190 home energy raters participated in the webinar.
- RESNET made available to its members a dynamic online lead generation tool. This was presented to RESNET Rater and Energy Smart Contractor members with an exciting opportunity to sign up for a first of its kind suite of online lead prospecting tools. The goal is to assist RESNET rater and contractor members generate new business opportunities through cost-effective and high return-on-investment lead prospect generation. All raters and contractor members will be able to take advantage of the program which will allow them to generate significant new leads through a web and mobile application accessible through the RESNET web portal. The system also takes the guess work out of identifying the complete universe of utility company, municipality, federal / state stimulus programs, tax incentives and retail rebates by matching the zip code with level requirements of the specific rebate and incentive
- Participated in a recruitment campaign with the US Green Building Council to recruit certified RESNET Home Energy Raters to be certified green raters for the LEED Homes program.

- Through partnership with EEBA, home energy raters were able to participate at no charge to the regional Houses That Work Program. This enabled raters to connect with potential new homebuilder clients.
- **COMNET Recognized as the Commercial Building Energy Performance Rating Standard**



The Commercial Energy Services Network (COMNET) began as a program of RESNET. In an effort to better draw in the support and engagement of the commercial building sector, the RESNET Board of Directors voted to re-structure COMNET as a partnership of non-profit organizations involved with the energy performance of commercial buildings.

The partnership will be guided by an Executive Committee composed of representatives of each partner organization. The New Buildings Institute has agreed to serve as the secretariat of the partnership.

The partnership will initially begin with RESNET and the New Buildings Institute. The COMNET Standing Committee is currently active in recruiting the other partners.

The COMNET Standing Committee has adopted the following mission and vision statements for the partnership:

COMNET Vision

The COMNET quality assurance program will be widely used and accepted as the credible and reliable procedure for evaluating nonresidential building energy performance, as required for code compliance, green building ratings, reach standards and asset ratings.

COMNET Mission

COMNET's mission is to build consensus among software developers, rating authorities and energy modelers, and through this process, develop and maintain a quality assurance program for evaluating the energy performance of new and existing nonresidential buildings.

- **Foster Strategic Partnerships with the Private Sector**

In 2011 RESNET was very successful in striking alliances with the private sector. These alliances are divided into two sectors – home builders and contractors and product manufacturers.

Homebuilders



Nationally there is a market trend for builders to commit to having their homes energy rated and marketing the HERS Index of their homes. To be designated by RESNET as a RESNET Energy Smart Builder a builder must enter into a Memorandum of Understanding (MOU) with RESNET in which they commit to have a HERS Index score on all of their homes and market the HERS Index to their buyers.

Led by the ten largest production builders, 26 of the 100 largest builders have joined the alliance to market the HERS Index.

These builders built over 97,000 homes in 2010. The following large production builders have entered into the HERS Index commitment MOU with RESNET:

- D.R. Horton
- Pulte Homes
- Centex Homes
- Del Webb Communities
- Lennar
- KB Home
- Ryland Homes
- Beezer Homes
- Meritage Homes
- K. Hovnanian Homes
- MHI Homebuilders
- Perry Homes
- Ashton Woods
- Drees Homes
- Richmond American Homes
- Ryan Homes
- Mungo Homes
- Highland Homes
- Home Creations
- Caviness & Cates
- Heartland Homes
- Allen Edwin Homes
- Essex Homes
- Chesmar Homes
- Granite Ridge Builders
- Ideal Homes
- Craftmark Homes
- Jaque Homes

Following this national leadership over 100 local builders have committed to having all of their homes rated and marketing their homes' HERS Index.

The intent of these agreements is to raise consumers' knowledge of new home energy performance by using the RESNET HERS Index. This will clearly differentiate homes built by these leading builders and put competitive pressure on the new home industry to follow suit. It is expected that these agreements will serve as a model to other local, regional and national builders that will have positive outcomes for consumers, RESNET and the new home industry.

Nationally, the media has picked up on this emerging trend. Led by articles in the Associated Press and USA Today, builders marketing their HERS Index scores have been covered by the Wall Street Journal, the Los Angeles Times and Fox News.

Contractors and Product Manufacturers



A key to tapping the market for upgrading the energy performance of existing homes is to engage the traditional contractor trades into being certified and teaming with certified raters to offer whole house energy improvements. To achieve this, RESNET has reached out to the leading contractor associations and manufacturers.

A number of contractor trade groups and product manufacturers have teamed up with RESNET to encourage homeowners to improve the energy performance of their homes. The following have entered into MOUs to ally their contractor members and clients to work with certified RESNET raters and to become certified as RESNET Energy Smart Contractors.

To date the following contractor associations have entered into alliances with RESNET:

- Air Condition Conditioning Contractors of America
- Association of Pool & Spa Professionals
- Blow-In-Blanket Contractors Association
- Insulate America
- Insulation Contractors Association of America
- Masco Contractor Services
- National Association of the Remodeling Industry
- National Insulation Contractors Exchange (NICE)
- NATE - North American Technician Excellence
- Reflective Insulation Manufacturers Association International
- Spray Polyurethane Foam Alliance
- Structural Insulated Panel Association

In 2011 the following manufacturers and suppliers entered into alliances with RESNET to spur the improvement of existing homes' energy performance:

- Bayer MaterialScience
- CertainTeed
- Dow Building Solutions
- GAF
- Icynene, Inc.
- Lennox Industries
- Service Partners
- The Home Depot

In 2011 RESNET representatives were invited to exhibit and present RESNET's Energy Smart Contractor program to the following industry conferences:

- Air Conditioning Contractors of America (San Antonio, TX)
- Insulate America (Long Beach, CA)
- Insulation Contractors Association of America (Orlando, FL)
- Spray Polyurethane Foam Alliance (Reno, NV)
- Structural Insulated Panel Association (Greenville, SC)

In addition RESNET entered into MOUs with the American Society of Home Inspectors and the International Association of Certified Home Inspectors to have their home inspector members to be trained and certified as Home Energy Survey Professionals.

- **Advocate for Federal Energy, Climate Protection and Tax Incentive Legislation**



In 2011 RESNET was highly effective in making its voice heard in Washington. Key accomplishments included adopting a set of legislative priorities, developing a broad coalition to jointly advocate for the priorities and introducing legislation to implement the priorities.

RESNET has adopted the following Congressional priorities:

- Extension of the federal residential energy efficiency tax credits
- Introduction of a performance based tax credit for homeowners to improve the energy performance of their homes
- Introduction of legislation to reform the mortgage finance industry to properly account for the energy performance of a home (the Save Act)
- Introduction of legislation to allow for the financing of comprehensive upgrades of the energy performance of rural electric cooperative member homes through on-bill financing.

RESNET teamed with its strategic allies in working with staff of the Senate Finance Committee and the Senate Natural Resources and Energy Committee on these issues.

RESNET organized two face-to-face briefings of Congressional staff on its priorities. Members of RESNET strategic alliance that participated in the meetings included:

- Air Conditioning Contractors of America
- Blow-In-Blanket Contractors Association
- Icynene, Inc.
- Insulation Contractors Association of America
- International Association of Certified Home Inspectors
- Leading Builders of America
- National Association of the Remodeling Industry
- National Insulation Contractors Exchange (NICE)
- Natural Resources Defense Council
- PulteGroup
- Service Partners
- Spray Polyurethane Foam Alliance
- Structured Insulation Panel Association
- The Home Depot

In June RESNET held a Legislative Call to Action webinar for RESNET members on how to have their voice heard in Washington. The webinar was attended by 108 RESNET members. The webinar was recorded and can be viewed at <http://www.resnet.us/about/legislative-call-to-action>

As a follow-up to the webinar, RESNET posted a Legislative Call to Action page on its web site. The page contains resources for RESNET members to be effective in communicating with their Congressional delegation. The page includes a directory of legislative staff and talking points for communicating with legislative staff.

RESNET staff worked with a coalition of groups led by the Leading Builders of America in crafting legislation that would change the procedures for appraisals and mortgage underwriting to properly account for the energy performance of the home. This effort resulted in the introduction of the Sensible Accounting to Value Energy (SAVE) Act by Senators Michael Bennet (D-CO) and Johnny Isakson (R-GA). The legislation recognizes the RESNET Rating Standards for calculating the energy savings.

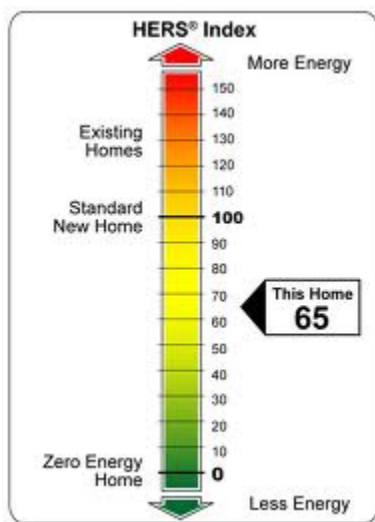
At the request of Senator Olympia Snowe (R-ME), RESNET joined with the Alliance to Save Energy, The American Council for an Energy Efficient Economy, Efficiency First and the Natural Resources Defense Council in developing a consensus on the provisions for a performance based federal tax credit for improving home energy performance. This effort led to a remarkable consensus on the provisions of the legislation. The language resulted in the introduction of the "Cut Energy Bills at Home Act" by Senators Olympia Snowe (R-ME), Diane Feinstein (D-CA) and Jeff Bingaman (D-NM) on November 18, 2011. The legislation recognizes certified RESNET Home Energy Raters, RESNET Energy Smart Contractors and requires that energy modeling programs must be accredited by RESNET in accordance with RESNET publication 2006-001.

On December 6, 2011, RESNET Executive Director Steve Baden along with representatives of American Council for an Energy Efficient Economy, Efficiency First and the Natural Resources Defense Council led an Efficiency First Webinar on the "Cut Energy Bills at Home Act" that had over 1,000 attendees.

RESNET staff worked with the National Rural Electric Cooperative Association in developing legislative language to put through the Rural Electrification Administration financing of comprehensive retrofit of rural electric cooperatives member homes through on-bill financing. This effort resulted in the introduction of the "Energy Savings and Industrial Competitiveness Act of 2011" by Senators Jeanne Shaheen (D-NH) and Rob Portman (R-OH) on May 12, 2011.

Due to the partisan gridlock in Congress none of these efforts were successful in 2011. It is expected that these issues will be addressed when Congress returns to session in 2012.

- **Influence Initiatives on Building Energy Performance Labeling, Energy Efficient Mortgages and Creative Financing**



RESNET's focus on building energy performance labeling in 2011 centered on the market place. This effort's goal was to create the RESNET HERS Index as the market recognized indicator of a home's energy performance in the same fashion as the miles per gallon (MPG) sticker on automobiles.

This effort was very successful. In 2011 RESNET was able to report that over 120,000 homes were energy rated and received a HERS Index score. This represented 42% of all the new homes sold in the U.S. in 2010.

Another accomplishment in the effort to have the HERS Index recognized as the market based label of a home's energy performance was having the nation's largest 26 homebuilders and over 100 local builders enter into formal commitments with RESNET to have all of their homes energy rated and to market their homes' HERS Index.

This market success has led to municipalities from New Mexico to New York to tie their local building energy codes to the HERS Index. In 2011 the following local building codes were tied to the RESNET HERS Index:

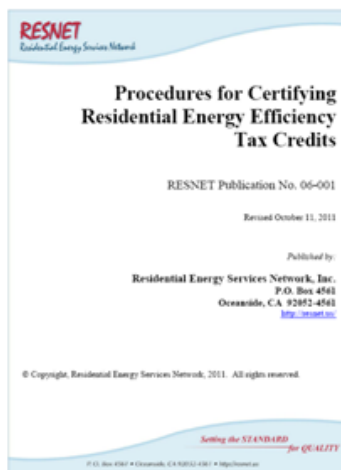
- The City of Boulder, Colorado
- The County of Boulder Colorado
- All of the local governments on Long Island, New York
- The City of Santa Fe, New Mexico

- The Town of Taos, Mexico
- The State of Massachusetts “Stretch Energy Code”
- The City of Omaha, Nebraska recognizing the inspections and performance testing of certified RESNET Home Energy Raters for demonstrating compliance to the City’s energy code.

RESNET’s efforts on Energy Efficient Mortgages and creative financing for whole house energy retrofits focused on the introduction of the following legislation in the U.S. Senate:

- Introduction of legislation to reform the mortgage finance industry to properly account for the energy performance of a home (the Save Act)
- Introduction of legislation to allow the financing of comprehensive upgrades of the energy performance of rural electric cooperative member homes through on-bill financing.

- **Adopt Comprehensive Retrofit Energy Audit Software Standard**



There has emerged a need for a process to accredit modeling software that can be used to calculate savings for an existing home without producing a HERS Index score. Such a standard could be used for tax credits and other incentives for comprehensive upgrades to existing homes.

The RESNET Board of Directors created a RESNET Energy Audit Software Task Force whose mission was to come up with a suite of software tests for comprehensive energy audits of existing homes that does not involve the production of a HERS Index number. It is RESNET’s goal to expand the publication to cover tax credits for performance based tax credits for existing homes.

The task force was chaired by Greg Thomas of Performance Systems Development. Members of the task force are:

- Philip Fairey, Florida Solar Energy Center
- Jerone Gagliano, TREAT Software Program
- Dean Gamble, ICF International
- Joel Gilbert, APOGEE Software Program
- John Jones, Building Performance Institute (BPI)
- Mick Rickwood, Conservation Services Group
- Dave Roberts, National Renewable Energy Laboratory
- Rob Salcido, REM/Rate Software Program
- Iain Walker, Lawrence Berkeley Laboratory

Using the base of RESNET Publication 06-001, the task force developed a new test “RESNET HERS BESTEST L125A Test Case”.

On October 11, 2011, the RESNET Board adopted the revised RESNET Publication 2006-001 as recommended by the RESNET Energy Audit Software Task Force.

The response to the standard has been immediate. The proposed Cut Energy Bills at Home Act that was introduced in the U.S. Senate requires modeling of projected energy savings based on the new RESNET standard. The Building Performance Institute’s (BPI) BPI-2400-S-2011 Consensus Document November 30, 2011-Version 2 also refers to this new standard.

- **Adopt Standard on Performance Testing**



In August, 2011 the RESNET Board of Directors adopted Chapter 8 “RESNET Standard for Performance Testing and Work Scope: Enclosure and Air Distribution Leakage Testing” of the RESNET national home energy rating standards. The new chapter sets the requirements for performance testing, combustion appliance testing and work orders. The new chapter was proposed by the RESNET Technical Committee and underwent the RESNET standards amendment public review and comment process.

The new chapter will improve the accuracy of the testing procedures for building infiltration and duct leakage and provide standardized methods for measuring ventilation airflows which are a requirement under the new version of ENERGY STAR. The chapter also rolls in the RESNET guidelines for combustion appliance testing and developing work scope for improving the energy performance of existing homes.

The newest RESNET standard is already being recognized by other programs. It is a key foundation of the Air Conditioning Contractors of America’s (ACCA) proposed ANSI Existing Home Evaluation and Performance Improvement Standard. The State of California is considering referring to the standard in its Title 24 requirements for air and duct leakage testing.

It is the goal of RESNET in 2012 to have the provisions of Chapter 8 adopted as an ANSI standard. It is the goal that as an ANSI standard, building energy code bodies can refer to the standard for compliance to the new air leakage and duct testing requirements of the International Energy Conservation Code.

- **Implement the RESNET National Building Registry**



There has been no national repository of information on homes that have been rated or assessed following the protocols contained in the RESNET standards or qualified for the federal tax credits. To fill this vacuum, RESNET in 2011 developed the RESNET National Building Registry.

The registry is an electronic database where accredited providers will upload basic information on homes rated, assessed, or otherwise inspected and tested to meet any program guidelines requiring RESNET quality assurance oversight. The U.S. Department of Energy and the Environmental Protection Agency have agreed to use the national building registry for the National Builders Challenge and the ENERGY STAR for Homes Program.

The registry went through a beta testing with the accredited RESNET rating software developers to test each program's ability to upload their building rating fields into the registry. Beginning on February 15, 2012, accredited rating providers will be asked to begin uploading their building files into the system on a voluntary basis. On June 1, 2012, rating providers will be required to upload their building files.

- **Assist the Environmental Protection Agency in Implementing Version 3 of the ENERGY STAR for Homes Program**



In 2012 the Environmental Protection Agency (EPA) will implement Version 3 of the ENERGY STAR for Homes Program. This new version significantly changes the role of a certified RESNET Home Energy Rater in the verification of a home to be designated as ENERGY STAR. In 2011 RESNET worked hard with EPA to prepare the home energy raters to meet the new requirements.

Activities included:

- EPA required that all certified Home Energy Raters must attend Version 3 training presented by a RESNET accredited Home Energy Rater Training Provider. RESNET assisted EPA in the recruitment of rating providers to be trained to offer the Version 3 rater training. This support included marketing the training to raters, creating an on-line map of Version 3 training offerings and the recognition of the Version 3 rater training to meet RESNET's rater professional development requirement.
- Working with EPA and ACCA is involving raters in the quality assurance oversight of the HVAC provisions of Version 3 of ENERGY STAR. To provide the necessary training for the HVAC industry in this new quality assurance role for raters, RESNET and ACCA are working with NATE to develop a NATE training and certification for HVAC Performance Verification.
- RESNET dedicated a special track at the 2011 RESNET Building Performance Conference to Version 3 to allow raters and builders to hear first hand from EPA on the new requirements. There was an overflow of attendance at these sessions.

The importance that EPA sees in RESNET and its network of raters has been demonstrated by EPA formally recognizing RESNET as a Verification Oversight

Organization for the ENERGY STAR for New Homes Program. While previously having ad hoc recognition by EPA, RESNET has now been formally recognized in writing.

- **Position Building Performance for the Emerging Global Carbon Market**

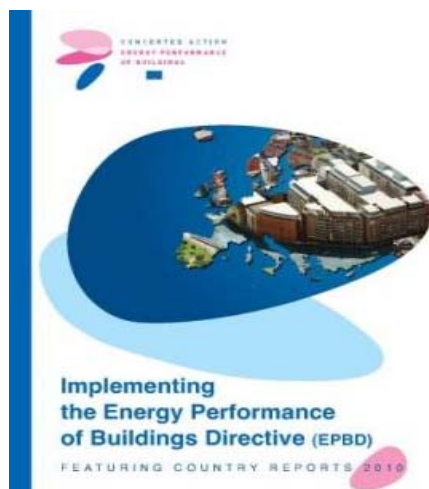
In anticipation of an emerging global carbon market, RESNET has been active on the international scene to harmonize the rating of building energy performance. It is essential for harmonizing the way of energy use in buildings is rated if the savings from improving the energy performance of building in monetized in carbon trading. In 2011 RESNET's international efforts focused on the United Nations Sustainable Buildings Climate Initiative and the European Union's Energy Performance of Buildings Directive

United Nations Sustainable Buildings Climate Initiative (SBIC)



The United Nations Environmental Program created the SBIC to involve the private sector in the effort to incorporate building energy performance in any international climate treaty. RESNET is a member of SBIC. In 2011 Executive Director Steve Baden was selected by the United

Nations to serve as the vice chairman of the Sustainable Building Index Steering Committee. The steering committee is responsible for developing the United Nation's Sustainable Building Index. The index will provide a globally consistent protocol to understand, measure, report and verify building energy and carbon performance. The index is envisioned as a tool for generating an annual report on the progress made by jurisdictions on improving the sustainability of their building stock.



The European Union has adopted the Energy Performance of Buildings Directive (EPBD) which requires all buildings in Europe to be energy rated at the time of sale or change of occupancy. For the past five years RESNET has been in active dialog with the EPBD in an effort to harmonize the ways buildings are rated for their energy performance. The chairman of the EPBD Directive, Eduardo Maldonado, was a featured speaker at the 2011 RESNET Building Performance Conference. In 2011 the EPBD Concerted Action released a report entitled "Implementing the EPBD – Featuring Country Reports 2010" which contains reports from each nation on the status of the implementation and challenges and

progress the directive is facing. The publication cited RESNET as "a residential certification scheme that could very well fit into the group of best practice examples in an EPBD environment."

Other Accomplishments Achieved in 2011

In addition to meeting the goals established for 2010, RESNET staff achieved a number of other key accomplishments. The following is a summary of these achievements.

A. Enhanced RESNET Financial Stability

Despite the current difficult economic times, RESNET continued to be in sound financial shape in 2011 due to prudent financial management. As of December 31, 2011, RESNET had over \$1.4 million in assets. Despite a significant investment in expanding RESNET's services in marketing and advocacy in Washington, RESNET revenues exceeded its expenditures in 2011.

B. Expand RESNET's Membership and Network Base

The biggest accomplishment was the recruitment of homebuilders, contractor associations, product manufacturers and product distributors. In 2011 RESNET recruited 26 of the nation's largest builders and over 100 local builders to join RESNET's network. At the same time 13 of the nation's leading contractor associations and product manufacturers and distributors joined RESNET's network.

In 2011 there were 1,094 members of RESNET. The biggest increase in members in 2011 were in accredited Rating Providers (now 111 members) and accredited Rater Training Providers (now 67 members).

The economic benefit to our members is borne out by the fact that an average of 4,380 visitors per month entered the "Find a Professional" page for RESNET professional members in 2011.

C. Reaching Out to Consumers

RESNET is undertaking an aggressive campaign to educate consumers on the importance of improving the energy performance of their homes and why they should use certified RESNET professionals.

The foundation to this effort is a new consumer page on RESNET's web site. The new site is cleaner and more consumer oriented look. The revised site makes it easier to find a RESNET professional member. It also features prominent links to information on the HERS Index, how to find a RESNET professional, how to get certified as a RESNET professional, consumer energy saving tips, and case studies



A key new feature of the new site is an interactive house that presents tips to improve a home's energy performance. The interactive house divides the house into the attic, basement, bathroom, bedroom, dining room, kitchen, living room and office.



Below is an example of the living room:



The consumer response to the updated RESNET web site has been outstanding. In 2011 the web site received 22,580 individual visits a month (up from 13,500 in 2010). A remarkable

83% of visitors were directed to the RESNET web site from search engines such as Google or referrals from other sites (up from 48% in 2010). This means the site is drawing in new visitors.

RESNET's social media presence has skyrocketed in 2011. RESNET staff now sends out daily feeds to Twitter, Facebook and LinkedIn. At the end of the year RESNET was followed by 829 followers on Twitter (more than double the number of followers in 2010), had 1,144 friends on Facebook (up from 774 in 2010) and 1,561 members on LinkedIn (more than double the number in 2010).

D. Successful 2011 RESNET Building Performance Conference

The 2011 RESNET Building Performance Conference was a huge success. The conference featured more sessions and exhibitors than any previous session. The conference also attracted 1,020 (up from 911 attendees in 2010), the most that any RESNET Conference drew in the past. The conference was also a financial success, drawing in more income than any previous conference. RESNET conducted an online evaluation of the conference. A significant 78.3% of the respondents rated the conference as good or excellent

E. 2011 RESNET Leadership Awards

To recognize leadership in the rating industry, the RESNET Board of Directors established the Rating Industry Leadership Awards. At the 2011 RESNET Building Performance Conference, the following awards were presented:

- Market Transformation Award – Advanced Energy
- RESNET Program Leadership Award– Southface Energy Institute