

2013 RESNET[®] Annual Report

January 20, 2014

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Setting the Standards for
Home Energy Efficiency

Message from the RESNET Executive Director



I am pleased to present the 2013 RESNET Annual Report.

Across the nation the RESNET HERS Index Score is fast becoming a mainstream in the housing market. Homebuilders are having their homes energy rated and are marketing the HERS Index Score of their homes and Multiple Listing Services (MLS) are incorporating the HERS Index Scores in their listings. The number of ratings conducted in 2013 has risen to over 218,000.

RESNET hopes you are as proud as we are of all the amazing things we have accomplished together to improve the energy performance of our nation's housing stock.

2014 promises to be an even more exciting year for RESNET.

With the increased visibility of the HERS Index Score, RESNET is obligated to ensure that HERS Index Scores are as consistent as possible. A key task for RESNET in 2014 will be to make standard the procedures to enhance the consistency of HERS Index Scores.

Sincerely,

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

Steve Baden



Setting the Standards for
Home Energy Efficiency

Executive Summary

The following are the key accomplishments of RESNET in 2013:

- **In 2013 over 218,000 homes in the nation were energy rated and issued a HERS Index Score**
- **International Code Council adopted an energy rating index option to the 2015 International Energy Conservation**
- **Multiple Listing Services (MLS) in the states of Colorado, Florida, Illinois, Maine, Massachusetts, Minnesota, Nebraska, New Hampshire, Vermont, Washington and Wisconsin published the HERS Index Scores of homes in their listings**
- **Agreement that RESNET reached with the Appraisal Institute to allow RESNET to produce the organization's Residential Green and Energy Efficient Addendum to the standard appraisal form**
- **Over 150 code jurisdictions in Arkansas, Colorado, Idaho, Kansas, Massachusetts, New Mexico and New York added an energy rating index score option to their energy codes**
- **RESNET Board Adopted Policies to Enhance the Consistency of HERS Index Scores**
- **"Home Energy Efficiency and Mortgage Risks" found that homes with lower HERS Index Scores were lower mortgage default risks**
- **In 2013 RESNET undertook an aggressive mix of public relations and social media campaign to educate consumers on the importance of improving the energy performance of their homes and why they should use certified RESNET professionals**
- **Dramatic Increase in the Number of RESNET Energy Smart Builders**
- **Reorganized RESNET Quality Assurance and Accreditation Oversight**
- **Successful 2013 RESNET Building Performance Conference**
- **RESNET continued to be in sound financial shape in 2013 due to prudent financial management**



Setting the Standards for
Home Energy Efficiency

RESNET® 2013 Annual Report

I. Introduction

About RESNET

The Residential Energy Services Network (RESNET) was founded in 1995 as an independent, non-profit organization to help homeowners reduce the cost of their utility bills by making their homes more energy efficient.

RESNET is a California registered, membership, tax exempt, public purpose not-for-profit organization.

As well as developing the HERS Index, RESNET is also responsible for the national training and certification standards for Raters, which are recognized by federal government agencies such as the U.S. Department of Energy, the U.S. Environmental Protection Agency and the U.S. mortgage industry.

RESNET is an American National Standards Institute (ANSI) accredited standard development organization.

To date the energy performance of over 1.5 million homes has been determined by a rating as defined in the RESNET Standards.

RESNET Board of Directors

RESNET is guided by a Board of Directors elected by RESNET's members. .

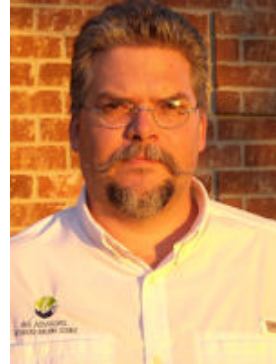
2013 RESNET Board Officers



President
Mark Jansen
Indiana



Vice President
Jim Petersen
Michigan



Secretary
Brett Dillon
Texas



Treasurer
Lee O'Neal
Virginia



Immediate Past President
David Goldstein
California

2013 Members of the RESNET Board of Directors



Ben Adams
New Jersey



Jacob Atalla
California



David Beam
North Carolina



Steve Byers
Florida



Steve Byers
Colorado



Dennis Creech
Georgia



Philip Fairey
Florida



Andy Gordon
Washington



Roy Honican
Kentucky



Nancy St. Hilaire
South Carolina



Paul Stalknecht
Virginia



Dennis Stroer
Florida



Greg Thomas
New York



Joseph Triolo
Florida



Barb Yankie
Ohio

RESNET Staff



Steve Baden
Executive Director



Kathy Spigarelli
Deputy Director



Laure Elam
Quality Assurance Manager



Stephanie DeZee
Accreditation Manager



Faye Berriman
RESNET Accountant



Rick Dixon
Standards Manager



Nancy Thornton
Membership Manager

RESNET Standing Committees

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

Standards Management Board

The RESNET ANSI Standard Management Board purpose is to oversee the maintenance of the RESNET ANSI standards and amend the standard. Committee members are:

Chairman: Philip Fairey, Florida Solar Energy Center

Members:

Wes Davis, Air Conditioning Contractors of America
Brett Dillon, IBS Advisors
David Goldstein, Natural Resources Defense Council
Jim Petersen, Pulte Group

Technical Standards Development Committee

The RESNET Technical Standards Development Committee is responsible for submitting amendments to RESNET technical standards to the Standards Management Board.

Chairman: Brett Dillon, IBS Advisors

Members:

Terry Clousing, Drysdale & Associates, Inc
Philip Fairey, Florida Solar Energy Center
Dean Gamble, U.S. Environmental Protection Agency
C.R. Herro, Meritage Homes
Kristof Irwin, Blue Heron Homes
Kelly Parker, Guaranteed Watt Savers
Jim Petersen, Pulte Group
David Roberts, National Renewable Energy Laboratory
Michael Strohecker, Fluke Corporation
Rebecca Troutfetter, CLEAResults Consulting
Iain Walker, Lawrence Berkeley National Laboratory

Enclosure Technical Standards Subcommittee

The subcommittee addresses all aspects of verification of building assemblies including, but not limited to, quality of insulation and air sealing, elevation, and non-destructive verification of installed components.

Members:

Terry Clausing, Drysdale & Associates, Inc
Brian Lieburn, DOW Chemical Company
Kelly Parker, Guaranteed Watt Savers
Michael Salonvaara, Owens Corning
Michael Strohecker, Bayer Material Science
Michael Stuart, Fluke Corporation
Brett Welch, Knauff Insulation North America

Calculations Technical Standards Subcommittee

The subcommittee addresses all aspects of calculations including, but not limited to, rating methods, software verification testing, domestic water heating calculations, swimming pool pump usage and snow melt systems.

Members:

Philip Fairey, Florida Solar Energy Center
Linda Jeng, DOW Chemical Company
Neil Leslie, Gas Technology Institute
David Roberts, National Renewable Energy Laboratory
Rob Salcido, Architectural Energy Corporation

Equipment Technical Standards Subcommittee

Members:

Dean Gamble, Environmental Protection Agency
Bruce Harley, Conservation Services Group
Kristof Irwin, Blue Heron Builders, LP
Warren Lupson, Air-Conditioning, Heating and Refrigeration Institute
Neil Moyer, Florida Solar Energy Center
Patrick Murphy, Refrigeration Service Engineers Society
Dennis Stroer, Calcs-Plus
Ian Walker, Lawrence Berkeley National Laboratory

Accreditation Committee

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

Chairman: Dave Bell, Environments for Living

Other Members:

Sandi Beck, Home Builders Association of Lexington
Kyle Compton, CertainTeed Insulation Group
Wally Conway, GoHomePro
Roy Honican, Blue Grass Energy
D'Wayne Pryor, Lennar Homes
Jerry Thatcher, Energy Diagnostics, Inc.

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:

Chairman: Lee O'Neal, MABTEC

Members:

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

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:

Chairman: Ben Adams, MaGrann Associates

Members:

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
Daran Wastchak, D.R. Wastchak

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:

Chairman: Andy Gordon, Washington State University Energy Program

Other Members:

John Beldock, EcoBroker International
Scott Doyle, EnergyLogic, Inc.
Ray Ivy, Southface Energy Institute
Mark Jansen, Energy Efficient Homes Midwest
Dallas Jones, Green Training USA, LLC
Abraham Kruger, Kruger Sustainability Group
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
Bernadette Rivera, LIUNA Training and Education Fund
Nancy St. Hilaire, Home Energy Group
Dan Tempas, Dow Building Solutions CTSC
Darrel Tenter, Saturn Resource Management

II. RESNET's Priorities for 2013 Adopted by the RESNET Board of Directors

The RESNET Board of Directors adopted the following set of priorities for the organization for 2013:

- **Increase the Penetration of the RESNET HERS Index in the Housing Market**
- **Work with the Building Industry, Code Advocates, Rating Industry and Local Code Jurisdictions to Incorporate the HERS Index Score as an Option in Building Energy Code Compliance**
- **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**

III. Report on RESNET's Accomplishments in 2013

This report is divided into two parts:

- Report on achieving 2013 RESNET Board priorities
- Report on other accomplishments in 2013

A. Report on 2013 RESNET® Priorities

In 2013 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:

Increase the Penetration of the RESNET HERS Index in the Housing Market




In 2013 over 218,000 homes in the nation were energy rated and issued a HERS Index Score. This represented 35.3% of the housing starts in 2013.

The rating activity in 2013 was an increase of 70% over 2012. The percent of homes rated was a 12% increase in the percentage of housing starts being rated over 2012.

It is expected that this trend will continue as more code jurisdictions adopt a HERS Index Score option to their energy codes.

Because of the penetration of HERS Index Scores into the housing market, Multiple Listing Services (MLS) in the states of Colorado, Florida, Illinois, Maine, Massachusetts, Minnesota, Nebraska, New Hampshire, Vermont, Washington and Wisconsin include the HERS Index Scores of homes in their listings.

Including the HERS Index Score in the MLS is a significant push toward the mainstreaming of the HERS Index Score in the housing market. REALTORS® rely on the MLS to guide potential homebuyers and appraisers use the service to locate comparable properties. Having this information will make it easier for builders to market their HERS Index Scores and appraisers to calculate the market value of rated homes.

	Client File #:		Appraisal File #:	
	Residential Green and Energy Efficient Addendum			
	Client:			
	Subject Property:			
City:		State:		Zip:

Another boost to the HERS Index Score is the agreement that RESNET reached with the Appraisal Institute to allow RESNET to produce the organization's Residential Green and Energy Efficient Addendum to the standard appraisal form.

The Appraisal Institute developed the 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. The Appraisal Institute Green Addendum provides items of high performance house features including the HERS Index Score 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 to use 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.

Through the agreement with Appraisal Institute, RESNET accredited Home Energy Rating Software Programs will be able to generate the Appraisal Institute Green Addendum and auto-populate it from the data collected in the home energy rating.

With a push or a key stroke, a Home Energy Rater will be able to populate much of the Appraisal Institute Green Addendum, which will allow their builder clients to communicate the home's potential energy performance to the appraiser.

Work with the Building Industry, Code Advocates, Rating Industry and Local Code Jurisdictions to Incorporate the HERS Index Score as an Option in Building Energy Code Compliance

Across the nation there is a growing trend of local and state code jurisdictions to adopt a HERS Index Score option to their building code. Over 150 code jurisdictions in Arkansas, Colorado, Idaho, Kansas, Massachusetts, New Mexico and New York have added an energy rating index score option to their energy codes.

This momentum received a boost in 2013 when the International Code Council adopted an energy rating index option to the 2015 International Energy Conservation. The initiative was sponsored by the Leading Builders of America, Natural Resources Defense Council and Institute for Market Transformation. It was supported by a broad

coalition of home builders, energy efficiency service companies, manufacturers and advocacy groups.

RESNET has posted a page on its web site dedicated to the HERS Index Score and residential energy codes “The HERS Index as a Performance Path to Building Energy Codes”. The site not only explains the reasons why code jurisdictions across the nation have added a HERS Index Score option to their code but also lists the jurisdictions that have adopted it and links to the code reference to the HERS Index Score (http://www.resnet.us/professional/main/Hers_index_and_energy_codes)

Advocate for Policy and Legislation to Foster the Financing of the Improved Energy Performance of Homes



While market based initiatives will be a driving force for improving building energy performance of homes, there is a role for the federal government in hastening the transition. Through a combination of tax incentives and reform of the mortgage finance system, the federal government can play a leadership role.

For 2013 RESNET 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 Sensible Accounting To Value Energy Act – 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.

While the current grid lock in Congress prevented achievement of all of these targets, notable progress was achieved in 2013.

The federal tax credit for building energy efficient homes expired along with a large number of other important non-energy credits on December 31, 2013. The current congressional interest in reforming the federal tax code has delayed any action on extending the credits. In anticipation of the movement for tax reform, RESNET is working with a coalition of energy and environmental advocacy groups and the Leading Builders to work on a revised credit based upon the Energy Rating Index provisions of the 2015 International Energy Conservation Code.

While no formal legislation was introduced on an existing homes performance tax credit, there are a number of senators working on this legislation. RESNET has reached out to the staff of these senators with encouragement and support.

The SAVE Act is planned to be incorporated into a bipartisan comprehensive energy legislation sponsored by Senators Jeanne Shaheen (D-NH) and Rob Portman (R-OH). What has held up action of the legislation is lining up the current operational requirement of picking the support of 60 senators. The sponsors are confident that they can pick up this support in 2014.

The House and Senate in 2013 passed provisions for the rural electric cooperative on-line financing for energy improvements in their versions of the Farm Bill. Neither the House nor the Senate could agree to a compromise bill over the unrelated issue of food stamps. The U.S. Department of Agriculture, in the mean while, adopted regulations to fund the activity within the current budget for the Rural Electric Administration.

With the political gridlock in Washington, a solution needs to be found that does not require congressional action. In 2013 RESNET adopted a policy proposal to achieve this goal through the rationalization of the mortgage underwriting process and adding transparency in the sale of homes. The policy advocates that a home energy rating takes place before a mortgage is closed in the same manner as a home inspection does and includes the energy savings of a home in calculating housing costs.

The policy is posted on the RESNET web site at [www.resnet.us/about/Transparency and Rationality Policy Paper.pdf](http://www.resnet.us/about/Transparency_and_Rationality_Policy_Paper.pdf)

In 2013 The Clinton Global Initiative adopted the RESNET policy as a Commitment to Action.

Maintain RESNET's Financial Sustainability



RESNET continued to be in sound financial shape in 2013 due to prudent financial management. As of December 31, 2012, RESNET had over \$1.32 million in assets.

This will allow RESNET to invest in expanding its consumer marketing efforts and ensuring the consistency of HERS Index Scores in 2014.

B. Other Accomplishments Achieved in 2013

In addition to meeting the goals established for 2013, RESNET achieved a number of other key accomplishments. The following is a summary of these achievements.

Adoption of Policies to Enhance the Consistency of HERS Index Scores



Across the nation the RESNET HERS Index Score is fast becoming a mainstream in the housing market. Homebuilders are having their homes energy rated and are marketing the HERS Index Score of their homes, Multiple Listing Services (MLS) are incorporating the HERS Index Scores in their listings and code jurisdictions are

recognizing a HERS Index Score as a building energy code compliance option. With the increased visibility of the HERS Index Score RESNET is obligated to ensure that HERS Index Scores are as consistent as possible. This need has been made more important with the International Code Council adopting the Energy Rating Index option to the 2015 International Energy Conservation Code.

To achieve this goal RESNET 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 were :

Home Builders

- Jacob Atalla, KB Home
- 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 mandate 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 the inconsistency of rating scores:

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

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

- Enhanced Training of Home Energy Raters

Home Energy Rating Software Program Improvements to Ensure Greater Consistency of HERS Index Scores

Based on the findings and recommendations the RESNET Board of Directors adopted the following policies:

Independence of Quality Assurance Designees

The RESNET standards should be amended to require that RESNET certified QADs shall:

- Serve as agents of RESNET
- Be affiliated with a RENSET accredited QA provider
- Have neither a financial interest nor an employee/employer relation with the entity performing the rating

Annual Review of Rater Building Files and Field Ratings

The RESNET 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.

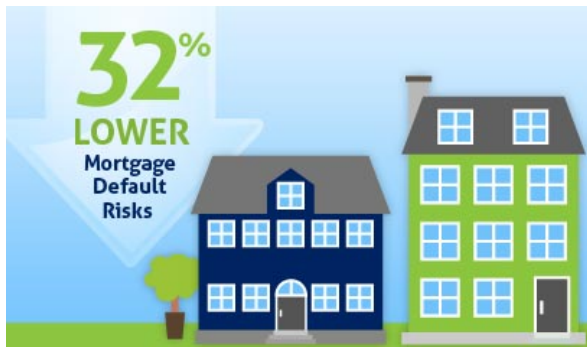
The board created a task group composed of representatives of homebuilders, rating providers, certified raters/rating companies and QADs to develop the draft amendment language.

Software tool Consistency

A task group was composed of representatives of homebuilders, rating providers, certified raters/rating companies and QADs to develop the draft amendment language that will:

- Establish limits on input variables for whole-house ventilations systems in the RESNET Standards
- Determine boundary checks that can be incorporated into software to limit or warn users when input values are beyond reasonable limits
- 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
- Modify RESNET registry XML schema to include reporting of QAD flags

Home Energy Efficiency and Mortgage Risks



It's a well-known fact that energy efficient homes save their owners money but now a new study shows that they're also better mortgage investments. The report, titled, "Home Energy Efficiency and Mortgage Risks" found that homes with lower HERS Index Scores were lower mortgage default risks, and that on average, mortgage default risks were 32 per cent lower on energy efficient homes that were rated by a certified

RESNET Home Energy Rater.

The University of North Carolina's Center for Community Capital and the Institute for Market Transformation (IMT)'s report was based on a study using a sample of 71,000 mortgage loans, compiled from across 38 states and the District of Columbia. CoreLogic, the lending industry's leading source for such information, provided the data and the sample was restricted to single-family, owner-occupied homes whose mortgages were contracted during 2002-2012. RESNET supplied both the addresses and the homes' HERS Index Scores to the University of North Carolina for the purposes of this study.

The impact of the report promises to be far-reaching, especially to consumers,

Reaching Out to Consumers



In 2013 RESNET undertook 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 campaign offered a mix of public relations and social media.

Nationally, the media has picked up on the emerging trend of HERS Index Scores. The following news outlets carried stories on the HERS Index in 2013:

National News Outlets

CBS Marketwatch
Reuters
Google News
Microsoft Bing
Yahoo News

Radio Stations

740 KVOR (Colorado Springs, CO)
Minnesota Public Radio

Newspapers

The Washington Post
Los Angeles Times
San Diego Union Tribune
Anchorage Daily News (Anchorage, AK)
Belleville News Democrat (Belleville, IL)
Bradenton Herald (Bradenton, FL)
Carlsbad Current Argus (Carlsbad, NM)
Contra Costa Times (Contra Costa, CA)
Crescent News (Defiance, OH)
Daily Herald (New York, NY)
El Paso Times (El Paso, TX)
Farmingham New Mexico Daily Times
Idaho Statesman (Boise, ID)
Inland Valley Daily Bulletin (Ontario, CA)
LA Daily News (Los Angeles, CA)
Las Cruces Sun-News (Las Cruces, NM)

Lexington Herald-Leader (Lexington, KY)
Mercury News (San Jose, CA)
Metro West Daily News (Framington, MA)
News and Observer (Raleigh, NC)
Oakland Tribune (Oakland, CA)
Pasadena Star-News (Pasadena, CA)
Press Telegram (Long Beach, CA)
Press-Enterprise (Riverside, CA)
Redlands Daily Facts (Redlands, CA)
Ruidoso News (Ruidoso, CA)
San Bernardino Sun (San Bernardino, CA)
San Gabriel Valley Tribune (San Gabriel, CA)
San Mateo Daily Journal (San Mateo, CA)
Santa Cruz Sentinel (Santa Cruz, CA)
Silver City Sun-News (Silver City, NV)
Star Telegram (Fort Worth, TX)
Star Tribune (Minneapolis, MN)
The Buffalo News (Buffalo, NY)
The Columbus Ledger Enquirer (Columbus, OH)
The Daily Breeze (Torrance, CA)
The Daily Record (Morris County, NJ)
The Olympian (Olympia, WA)
The Sacramento Bee (Sacramento, CA)
The State Journal (Springfield, IL)
The Sun News (Myrtle Beach, SC)
Whittier Daily News (Whittier, CA)
Wichita Eagle (Wichita, KS)



A key element in communications today is social media. Such avenues as Facebook and Twitter are relied upon by members of a community to keep up-to-date. RESNET communication via social media is targeted to industry professionals and consumers.

There are 3,619 building performance professionals linked in with RESNET on its LinkedIn page. This is a 62% increase over 2012. Approximately 1,185 members of the

home performance industry follow RESNET on Twitter and 1,316 members of the community "like" RESNET on Facebook.

RESNET has also launched social media outlets to consumers. In 2013 these outlets included Facebook and Twitter. In January 2013 RESNET launched its consumer Facebook. Already the page has 3,116 likes. The RESNET consumer Twitter has 1,433 followers.



Monday, November 18th, 2013

A Lower Score Saves You More!

One thing the housing industry still suffers from is a lack of transparency. Unlike the automotive and appliance manufacturing sectors where consumers can compare products by MPG or EnergyGuide labels, it's more difficult for homebuyers to compare homes by energy performance. Now, thanks to the HERS Index that's all changing.

In this issue of the RESNET SmartHome Newsletter, you can read about what a HERS Index Score is, how a homeowner can get one, and why a lower score is better. And, we've also created an interactive version of the HERS Index that lets you scroll through the numbers and see why a lower score is better!

So, as chilly November winds head your way, make yourself a cup of hot chocolate and learn about how you can comparison-shop for homes using HERS Index scores!

HERS Index Scores - the Lower, the Better



The HERS Index is revolutionizing the way Americans are buying homes. It's no longer a secret that the biggest cost of homeownership outside of the mortgage loan is energy. That's why more homebuyers are thinking twice about buying a home before understanding what its potential energy costs could be. How are they doing that? By asking for its HERS Index Score.



In 2013 RESNET launched an electronic monthly homeowner newsletter, the "RESNET Smart Home Newsletter". In each issue, subscribers are kept updated on the latest home energy news, provided an energy saving Tip-of-the-Month and informed about energy saving solutions that can help improve the comfort of a home. The newsletter is sent to consumers who have signed up on the RESNET web site. In 2013 there were 1,748 subscribers to the RESNET newsletter.

RESNET has also taken an aggressive Search Engine Optimization of its web site. As a result of this effort the web site now received over 27,000 individual visits a month.

Dramatic Increase in the Number of RESNET Energy Smart Builders



RESNET has created a designation for energy efficient home builders, RESNET Energy Smart Builder. 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.

In 2013 the following builders entered into an agreement with RESNET to have all of their homes energy rated and market their homes HERS Index Score:

- Amos Martin Construction Co. (Kentucky)
- Arthur Rutenberg Homes (Florida)
- Ashkettle Home Builder, LLC (Kentucky)
- Blankenship Custom Homes (South Carolina)
- Bliss Building Inc. (Minnesota)
- Building Alternatives Inc (New Hampshire)
- Cagle Construction (Oklahoma)
- Capital Home Builders (Georgia)
- Carrington Homes (Kentucky)
- Craftsman Homes & Design (Colorado)
- Desert Star Construction, Inc. (Arizona)
- DIVINE Custom Homes (Texas)
- EcoCraft Homes (Pennsylvania)
- Eco Custom Homes (Georgia)
- ECOterra, LLC (New Mexico)
- Eirecon (Kentucky)
- Endura Performance Homes (Michigan)
- Envision Homes (Massachusetts)
- Ezell-Morgan Construction (Kansas)
- Falls Creek Building Co. (Kentucky)
- Finish Werks Custom Builders (Maryland)
- First Construction Company (Iowa)
- Garbett Homes (Utah)
- Giddens Homes (Texas)
- Great Southern Homes (South Carolina)
- Greencraft, Inc. (North Carolina)
- Halsey Home Corporation (Virginia)

- Harmony HB, LLC (Kentucky)
- Haynes Custom Homes (Oklahoma)
- Herndon Construction (Oklahoma)
- Hibbs Homes, LLC (Missouri)
- Hogan Homes (Texas)
- Hunter Quinn Homes, LLC (South Carolina)
- Javic Homes (Florida)
- Kentucky Capital Partners (Kentucky)
- Kimbel Construction (Kentucky)
- Landmark Homes (North Carolina)
- Living Stone Construction (North Carolina)
- Mandalay Homes (Arizona)
- Michael Borruto General Contractor, Inc. (New York)
- Michael D. Childers Builder, LLC (Kentucky)
- NeighborWorks Toledo (Ohio)
- New Look Realty & Construction, Inc. (Kentucky)
- Newport Builders LLC (Alabama)
- Northeast Green Building (New York)
- Novel Homes (Kentucky)
- ParkView Homes (Kansas)
- Provident Homes Corp (Pennsylvania)
- Quality Building & Remodeling (New Jersey)
- Quinn Construction (Maryland)
- R&R Homes (Colorado)
- Ravenna Homes (Texas)
- Scott Homes (Washington)
- Sierra Homes (Texas)
- Simcoe Green Homes (California)
- Solid Green Structures (Texas)
- Southern Tier Housing Corp. (Kentucky)
- Stencil Homes (South Dakota)
- Stephan and Son Builders, Inc. (Kentucky)
- Structures Design Build LLC (Virginia)
- Terry Covey Custom Homes (Oklahoma)
- The Drake Group (Illinois)
- The Kevin Roy Building Company (Maine)
- Turning Leaf Construction (Florida)
- Union Hill Builders L.P (Texas)
- United Way of Long Island (New York)
- Wynn Homes (North Carolina)
- Youngfield Homes Inc (Minnesota)
- Zimmerman & Hardy LLC (Oklahoma)

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.

Public Review and Comment Process of Adopting RESNET ANSI Standards

RESNET has been accredited as an American National Standards Institute (ANSI) as a standards development organization. In 2013 RESNET submitted its draft ANSI standard, "Standard for the Calculation and Labeling of the Energy Performance of Low-Rise Residential Buildings using the HERS Index (PDS 301-01)" for the ANSI public review and comment process. The draft has undergone all of the required public review and appeals process and has been submitted to ANSI for final approval.

The next ANSI standard that RESNET will be developing is an ANSI standard on Standard for Testing Enclosure and Air Distribution Leakage. This will create the first national standard on the testing procedures for measuring the envelope and duct leakage.

Reorganizing RESNET Quality Assurance and Accreditation Oversight



The responsibility of quality assurance oversight of raters lays with the RESNET accredited Rating Providers that have certified them. RESNET's role is to provide oversight to ensure the providers are meeting their responsibilities, reviewing accreditation applications and resolving compliance complaints.

Previously RESNET employed one person to manage RESNET's quality assurance, accreditation and consumer complaint process. It was found that the task was too great for one person. In 2013 RESNET reorganized the management of these functions. Laurel Elam was named the manager of RESNET's quality assurance functions in addition to her duties as the RESNET Conference coordinator. Stephanie DeZee was named as the RESNET Accreditation Manager. Kathy Spigarelli assumed the duties of managing consumer complaints. This action not only added new perspectives to the tasks but also allowed RESNET to promote within the organization.

In 2013 RESNET staff reviewed all RESNET accredited rating provider quality assurance submittals as well as undertook quality assurance audits of 25 Rating Providers. These oversight activities discovered a number of occasions of Rating Providers failing to meet their quality assurance responsibilities and resulted in 25 providers being placed on administrative probation, two having their accreditation suspended and five providers having their accreditation revoked.

To create greater transparency on RESNET's quality assurance oversight, RESNET has posted a web page that lists Rating Providers whose accreditation has been suspended or revoked. The page is posted at http://www.resnet.us/professional/programs/suspended_and_revoked_rating_providers

Disney World Vision House/Green Builder Education Project

In 2013 RESNET partnered with Green Builder Media for a HERS Index Score presence at the Vision House exhibit at the Innovations of Epcot at Disney World and coverage of the HERS Index Score in Green Builder magazine. Through this partnership RESNET has a presence at the Vision House display at the Innovations at the Epcot in Disney World. This presence includes a projected HERS Index Score, a mention of RESNET and the HERS Index Score in the guided tour, and information in the Kiosk. In 2013 a total of 92,800 persons visited the exhibit and 25,527 interacted with the kiosk.



In addition Green Builder magazine ran a monthly full page color announcement on the HERS Index. The September 2013 issue of the magazine featured an eight

page article "HERS – The MPG Equivalent for New Homes" and focused on David Weekley Homes, KB Home, Lennar, M/I Homes, Meritage Homes and Pulte Group use of the HERS Index.

Expanded Base of Accredited RESNET Providers



As demand has grown for home energy ratings the number of organizations that have been accredited as providers has as increased. In 2013 RESNET accredited the following new providers:

Rating Providers

- Active Energies, Inc.
- Best Energy Rating LLC
- BSPT
- EcoTerra Enterprises
- Energy Diagnostics
- Everblue
- Populus

Rating Sampling Providers

- Building Knowledge
- Comfort Systems USA Energy Services, Inc.

- EIC/Comfort Home
- Green Insight

Rater Training Providers

- Building Performance Standards
- Green Building Consulting

Home Energy Rating Software Programs

- Ekotrope

Enhancement of RESNET Standards

In 2013 RESNET adopted the following updates to the RESNET standards:

- Revisions to RESNET Training and Certification Standard
- Revision of Gas Leakage Testing Standard
- Incorporation of RESNET National Building Registry
- Revision of RESNET Discipline and Appeals Procedures
- Revision of RESNET National Building Registry
- Revision to RESNET Quality Assurance Standards

Successful 2013 RESNET Building Performance Conference



The 2013 RESNET Building Performance Conference was a huge success. The 2013 conference took place in conjunction with the Air Conditioning Contractors and America and Indoor Air Quality conferences. The conference featured more sessions and exhibitors than any previous session. The conference also attracted 965 attendees. 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 84.3% of the respondents rated the conference as good or excellent