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August 14, 2005

Mr. Sam Rashkin
U.S. Environmental Protection Agency
1310 L Street NW, 9th Floor
Washington, D.C. 20005-4113



RE: Proposal changes to ENERGY STAR for Homes program

Dear Sam:

Thank you again for the opportunity in April to travel to Washington to meet with you and others from the staff at EPA regarding the proposed changes to the ENERGY STAR for Homes program. We applaud your efforts to move the ENERGY STAR for Homes program to a new level and for enduring the many challenges that such a move includes. As we approach the deadline for final comments and changes to the new program specifications, we want to reiterate our concerns over a number of currently proposed provisions and how they will impact the ENERGY STAR for Homes program's implementation, acceptance, and growth in the Phoenix market, and perhaps elsewhere in the country where similar conditions exist.

First, we want to extend our appreciation for the decision to continue the use of a performance path for meeting ENERGY STAR. With the exception of one area, we believe that the performance path, as defined in the July 27, 2005 draft specifications, strikes a very good balance between what is reasonable to expect of builders participating in the ENERGY STAR for Homes program and the implementation of new, more stringent requirements. Our exception has to do with two of the specific requirements of the Thermal Bypass Checklist. In particular, the requirement of what is generally known as "six sided air barrier" and full air sealing of all gaps, with caulking or foam, at air barrier locations.

As you are aware, in 2002 our company made a tactical decision to move beyond the basic ENERGY STAR/HERS requirements of duct and envelope leakage testing with only basic additional inspections to qualify a home as ENERGY STAR, to requiring, among other things, that all our ENERGY STAR builder clients install insulation to its fully rated R-value, i.e. careful attention to gaps, voids, and compression, as well as properly install air/pressure barrier materials. The implementation of these changes was carefully worked out with the insulation industry first, and then with each of our builder clients individually, with an implementation date of January 1, 2003 for all new communities. Despite great concern over the loss of builders in the ENERGY STAR for Homes program, every builder embraced the changes and we have continued to grow the ENERGY STAR for Homes program in the Phoenix market.

Prior to the changes implemented in 2003, little to no attention was being paid by ENERGY STAR builders to proper insulation installation, and the concept of an air barrier was completely foreign except to the select few builders also participating in the Engineered For Life or Environments

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For Living programs. For this reason, simply getting the insulation right (i.e. full cavity thickness, splitting batts around piping and wiring, etc.) and air barriers installed was a significant improvement. Had we required builders to also provide “six-sided” air barriers and to fully air seal the air barrier, we are very confident that defections from the ENERGY STAR for Homes program would have been significant because costs would have been much greater.

Fast forwarding to today, two-and-a-half years since we implemented the changes in 2003, we have a great deal of experience from which to draw upon regarding the feasibility of implementing the new ENERGY STAR for Homes Thermal Bypass Checklist. This experience tells us that, while we have seen a significant improvement, the struggle to simply get insulation installed correctly and, in particular, air barriers installed and installed correctly, remains significant. The essential reason for this struggle is insufficient recourse to builders who fail to comply with our self imposed requirement that insulation and framing be installed correctly. While builders embrace these best practices for construction and fully accept them as part of what they must do as a participant in the ENERGY STAR for Homes program in Phoenix, when push comes to shove and a particular home must move forward in order to close on time, the ENERGY STAR sticker is all they have to lose and is not worth the cost of a late closing and the headache of forcing trade contractors (already hard to schedule, over worked, and in short supply) to make corrections. The loss of quality or home performance is so disconnected and, quite frankly, rare from becoming a problem later for builders, that even these arguments have proven insufficient to cause them to act.

Having said the above, we are very excited about the new Thermal Bypass Checklist. The Checklist finally codifies the EPA’s requirements of properly installed insulation and air barriers, D.R. Wastchak, LLC is no longer standing alone requiring these items in the Phoenix market, and the playing field has been leveled. In other words, all HERS Providers/Raters must follow the same specification such that builders can no longer choose between a Rater who requires them to do more or work harder and a Rater who finds it acceptable to allow homes to be built to the lowest common denominator. As previously stated, we are less excited about the lengths to which the new Checklist goes with respect to “six sided” air barriers and air sealing.

We still believe that more time is necessary to get the basics of properly installed insulation and the installation of air barriers correct. We also feel strongly that, although a best practice which we fully embrace and agree with, little incremental benefit of six sided air barrier and full air sealing (in energy savings and/or improved comfort) can be proven to a builder or home owner to be worth the added cost. We already have feedback from Trend Homes, one of our larger and most progressive ENERGY STAR builders, that they will most likely no longer participate in the ENERGY STAR for Homes program if “six sided” air barriers and air sealing are required. Beazer Homes in Phoenix, an EPA ENERGY STAR Builder of the Year and one of our largest and longest standing ENERGY STAR clients, recently decided to discontinue participation in the Masco Environments For Living program and stick with ENERGY STAR. Beazer’s decision was predominantly based on the fact that they could not get the “six sided” air barrier and air sealing requirements of the EFL program right, and that these particular measures were ultimately too

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burdensome and expensive to include as part of their construction process. Lastly, and perhaps most importantly, we are confident that failures under the current specification we are following (the new ENERGY STAR changes, minus "six sided" air barriers and air sealing, not withstanding), coupled with the new more stringent sampling standard requirements, are already going to have a significant impact on the cost of participation in the ENERGY STAR for Homes program.

The bottom line is that we feel we can sell, and builders are willing to accept and pay for, the added costs of the new ENERGY STAR for Homes performance path as well as the increased costs for testing and inspections that will inevitably result from the new sampling standard. However, we say this not knowing exactly what the impact of the new expanded HERS score of 83 will be on specifications for ENERGY STAR labeled Homes in Phoenix and assuming that "six sided" air barriers and air sealing are removed from the requirements of the Thermal Bypass Checklist. From all the discussion we have heard, we trust that builders may have to work a little harder to meet the expanded HERS 83, but that this requirement is a modest rather than significant raising of the bar. As for the "six sided" air barriers and air sealing, we propose that this requirement, at each area where it is required, be made optional and stipulated as a "best practice." Through open dialog with the industry, which the EPA has done very well in preparation for the adoption of these latest changes to the ENERGY STAR for Homes program, we know that the EPA will be able to gauge at what point in the future "six sided" air barriers and air sealing can become a requirement of the program.

We hope that this letter has provided a clearer understanding of our concerns regarding the Thermal Bypass Checklist and that our concerns will be seriously considered as the EPA makes its final determination of the specifications for the new ENERGY STAR for Homes program. Prudent steps have been taken thus far by the EPA to strike a balance between higher levels of performance and the growth of the ENERGY STAR for Homes program. Your careful consideration of the significant impact of the proposed changes on not only the growth but longevity of the ENERGY STAR for Homes program in the Phoenix market and, we suspect, other similar markets, is very much appreciated.

If you have any questions and/or would like to discuss these issues further, please do not hesitate to contact me via phone or e-mail.

Sincerely,



Daran R. Wastchak
President