



August 19, 2005

Comments on the update to Energy Star (2006 version)

Thanks you for the opportunity to comment on the updates to Energy Star and we appreciate the fact that the proposal's format is easy to understand (simple is good). Please find our comments below and we reserve the right as the voice of the nation's housing industry to provide additional comments after EPA's deadline.

Prescriptive vs. Performance

The stringencies in the prescriptive path and the performance path should match, to create ease of implementation for builders who have to deal with a myriad of confusing EPA revisions to the Energy Star program. Why should a builder have to build to a higher level of efficiency (and more costly) if he or she chooses to go the prescriptive route? NAHB also questions where else the "2006 RESNET/HERS Reference Home" language is used in the marketplace. It is our understanding that not even RESNET uses this language. If it is the case that this language is widely used, then a definition needs to be placed in the EPA document for builder reference as to its requirements.

One HERS score throughout the U.S. would simplify the builder's usage of Energy Star and eliminate builder and consumer confusion. We understand that this is also RESNET's responsibility, and have made our member's wishes known to that organization. NAHB is nevertheless compelled to bring the issue up here, so the EPA understands the building industry's feelings that a moving target metric does no one any good, and hurts the Energy Star brand.

Arbitrary Dates

Why the move to a hard date of July 1, 2006 after which no homes can be labeled as Energy Star that do not meet the new requirements? This seems contrary to what NAHB thought existed prior to the latest 7-27-05 draft, which more or less allowed no new communities to start as Energy Star under the old requirements after July 1, 2006 and allowed no homes to be labeled as Energy Star under the old requirements after January 1, 2007. Builders need time to digest the changes and decide if it is economically feasible to maintain their commitment to Energy Star. One would think that EPA would like to give them this opportunity, as opposed to setting an arbitrary date for implementation that hurts the builder. NAHB thinks the original 01/07 date makes a more reasonable period for grandfathering in homes under the old requirements.

Conventional Construction vs. Manufactured Housing

NAHB asserts that there is nothing fundamentally different between manufactured housing and site-built housing. For both buildings, the primary energy efficiency features

likely to be used are improved windows, thicker insulation (to a much lesser extent), and more efficient equipment. All of these are produced in national markets that do not distinguish in any fundamental way between manufactured homes and site-built homes. The problem of an unwarranted distinction between manufactured housing and site-built housing has come to a head with the passage last week of the Energy Policy Act of 2005. This act provides incentives for manufactured homes that save 30% of their heating and cooling energy with respect to the International Energy Conservation code (IECC), but also deems Energy Star-compliant manufactured homes as having met this 30% savings threshold. With the current Energy Star specification for manufactured housing, this presumption is incorrect. Even if current Energy Star manufactured housing saves 30% compared to the IECC, the savings will be dramatically lower after the SEER 13 standard goes into effect in January 2006.

Unless EPA updates its Energy Star specification for manufactured housing, hundreds of thousands of manufactured homes are likely to apply for and obtain a \$1,000 federal tax credit for doing almost nothing but complying with the HUD code. Thus, it is in EPA's interest in defending brand equity in Energy Star to modify the Energy Star specification for manufactured housing.

Lighting

The only reason NAHB can see to justify the EPA's limitation on credit for CFLs is the possibility that home builders could trade off envelope improvements for shorter-lived improvements. However, it is very important to point out that Energy Star is a beyond-code program and that almost all builders who qualify start with minimum envelope efficiencies and improve from that point. Therefore, it is highly unlikely that a builder or consumer would trade envelope efficiency features against equipment or lighting features.

Insulation (2004 IECC Compliant Insulation)

NAHB is strongly opposed to this language, as it reflects egregious modifications made to the R-values as proposed by DOE in the '04 RICC. The rating reference home is based upon U-values contained in the 2004 IECC Supplement. Why make the requirement based on the erroneous R-values, when the rating is based on u-factors? This will engender strong opposition from NAHB's builders, who are currently engaged in a dispute over the issues of envelope R-values. It is our understanding that this requirement was posted by mistake and will be removed.