RESNET®
RESIDENTIAL ENERGY SERVICES NETWORK

2 MILLION
HERS-Rated Homes and Counting!

Setting the **Standards** for
Home Energy Efficiency

TO: U.S. Environment Protection Agency

FROM: RESNET®

DATE: November 16, 2018

RE: Request for Information: ISO/IEC 17065 Verification Oversight for the ENERGY STAR Certified Homes Program

RESNET Opening Statement:

Since 2008, RESNET has provided the third party verification for the ENERGY STAR Certified Homes Program with huge success which has benefited consumers, builders, EPA and the RESNET community. This has been a seamless process for builders, raters and consumers. Builders are willing to pay once for a HERS® rating that comes with an ENERGY STAR certification for their homes.

Builders are a big concern for RESNET. They pay the cost for this certification process, yet it is unlikely they will respond to this request for information. Their engagement with this process is the most important.

RESNET is concerned that the timeline leaves out three very important factors:

1. Internal research conducted by EPA to answer most of these questions. EPA has provided no cost estimates on what it would cost to achieve the ISO accreditation. In the past EPA investigated and provided estimates of costs to implement changes to the program. EPA should follow this precedent on this issue.

2. Engagement with builders on this issue. EPA should undertake a targeted effort to its builder partners explaining the proposed changes, the estimated costs and seek their specific input. Not doing this basic work could further jeopardize the program if builders decide that the new requirements add too much cost and complexity to the process and leave the program. Remember that the original requirements of version of ENERGY STAR 3.0 had significant push back from builders

3. Development of the scheme for ENERGY STAR certification if you decide to proceed down this path

RESNET urges that EPA carefully and thoroughly research and consider what is being proposed. The current system has worked well for over two decades with no accusations of fraud nor maleficence. RESNET and EPA have worked well together on quality assurance and compliance complaint issues. We urge you to consider the old adage of "if it is not broke don't fix it".

With the current uncertainties in the housing market and economy, this is not the time to consider taking steps that could confuse builders and other players in the housing market.

RESNET provides the following answers in response to the specific questions included in the RFI:

- Is earning and maintaining ISO/IEC 17065 accreditation an appropriate demonstration that an organization meets the eligibility criteria for Demonstration of Impartial Governance required for recognition as a Verification Oversight Organization?

  While it is conceivable that ISO/IEC 17065 may have sufficient provisions to meet the eligibility criteria for the demonstration of impartial governance required for recognition as a VOO, too much is unknown at this time.

  The background states that an Accreditation Body confirms that the certification body operates correctly. In this case, is EPA assuming that RESNET Accredited Rating Providers will operate as certification bodies without any knowledge of the amount of documentation that will be required in addition to their responsibilities to RESNET? The background cites as an example a product in a factory—a very controlled environment dealing with a single item—which cannot relate directly to how homes are built.

- What are the potential benefits or drawbacks to expanding the eligibility criteria for recognition as a Verification Oversight Organization to include ISO/IEC 17065 accredited organizations (such as impacts on consistency/reliability of ratings, or barriers to entry related to cost of accreditation)?

  RESNET does not believe any benefit will come from expanding the eligibility criteria for VOO's to include ISO/IEC 17065 accredited organizations. Since the current VOO policy cites the RESNET technical standards and protocols for software approval related to verification of homes built to the ENERGY STAR specifications, it's unlikely that a decision to allow ISO/IEC 17065 accredited organizations to operate as VOO's would have any impact on improving the consistency or reliability of ratings.

  On the contrary, such a decision may serve to decrease consistency and reliability because each additional VOO would be responsible for creating their

own criteria for verifiers and the training, certification, quality assurance and oversight, and software of those verifiers. In addition, if EPA moves forward with this alternative path for becoming a VOO and many more organizations become VOOs, it will lead to a significant fragmentation in where ENERGY STAR new home certification data is stored; and will require additional resources for EPA to oversee multiple VOOs.

- What are the potential benefits or negative impacts to builders, verifiers, and homebuyers resulting from an ISO/IEC 17065-based approach to verification oversight (such as cost, certification time, and/or rating consistency and reliability)? What information is available to validate these benefits or concerns?

  RESNET believes there are huge potential negative impacts to builders, verifiers and homebuyers that would result from an ISO/IEC 17065-based approach to verification oversight without any added benefits over the current system.

  The number one unknown is cost to all stakeholders. Increasing the cost of verification is too important to leave to a "let the chips fall where they may" attitude. Builders would be asked to pay for a HERS Rating in addition to the VOO oversight. Even if the same Provider does both, they will have increased paperwork and fees for the builder. And all will be passed on to the homebuyer. Again, EPA has provided no analysis or projected costs for this. This is unlike previous proposed changes to the program.

  At this point, we have no idea of how stringent certification would be under an ISO/IEC 17065-based approach to verification oversight. What if most homes fail? Builders will leave the program if they have to pay more and homes fail.

  Once again, we must state that if more VOO's are approved through this new pathway it could lead to confusion among verifiers. For example, RESNET has exclusive ownership of HERS Ratings and all confirmed HERS ratings must be completed by RESNET Certified HERS Raters and uploaded to the RESNET National Buildings Registry. If a HERS Rater was working under a different VOO for ENERGY STAR, they would have to submit the ENERGY STAR new home certification information to that VOO, but also separately submit the HERS rating information to RESNET. This would present a problem to EPA since almost a quarter of all new homes built in the U.S. are HERS rated. It may force a builder to decide only to go with a HERS Rating or ENERGY STAR.

- Are there examples of other programs similar to the ENERGY STAR Certified Homes Program (other than ENERGY STAR Labeled Products, as identified above)

that have relied on ISO/IEC 17065 accreditation? What has been the result of requiring accreditation for these programs and what lessons have been learned that could help to inform EPA's decision?

RESNET is not aware of any programs similar to the ENERGY STAR Certified Homes Program that are relying on the ISO/IEC 17065 accreditation. A review of the International Accreditation Service (IAS) website for organizations accredited under ISO/IEC 17065 does not appear to include any organizations operating in the energy rating or whole-home certification space. Although the Housing Innovation Center acts as an "ISO-like" body in its oversight of its Green Building program, it is RESNET's understanding that it has not been certified by an ISO Governing Body.

This issue needs more research by EPA before any decisions are made.

- Is earning and maintaining ISO/IEC 17020 accreditation (or being a sub-contractor to an ISO/IEC 17020 accredited inspection body) an appropriate requirement for verifiers of ENERGY STAR certified homes?

  This question is premature since the EPA has yet to develop the scheme that organizations will need to be certified for. The ISO/IEC 17020 accreditation may be appropriate for demonstrating that an organization has the appropriate policies, procedures and management structure in place to conduct a wide variety of inspection activities. However, the ISO/IEC 17020 accreditation should not automatically qualify an organization to verify ENERGY STAR certified homes because EPA has requirements that go beyond ISO/IEC 17020 accreditation. For example, ISO/IEC 17020 requires an inspection body to have a process to maintain records, but the current ENERGY STAR VOO requires that a database of certified homes be maintained.

- Is ISO/IEC 17020 accreditation (or becoming a sub-contractor to an accredited organization) feasible/reasonable for the types of companies that are currently delivering energy ratings in the marketplace today?

  RESNET believes that most of its Providers and rating companies could qualify for ISO/IEC 17020 accreditation. However, RESNET believes the ISO/IEC 17020 accreditation is more suited for a manufacturing/industrial setting and not the current home building industry. Existing RESNET standards and the current VOO accreditation criteria for training, professional development, certification, quality assurance, ethics, complaints and appeals are appropriate for ENERGY STAR new homes certification and the home building and energy rating industry. This path would also add onerous record keeping on the part of Providers and their Raters.

- What are the potential benefits or drawbacks to requiring ISO/IEC 17020 accreditation or becoming a sub-contractor to an accredited organization (such as impacts on consistency/reliability of ratings, or barriers to entry related to cost of accreditation or sub-contracting relationships)?

  Many of RESNET's accredited raters and providers operate as small businesses and could be disproportionately impacted by any requirement to obtain ISO/IEC 17020 accreditation.

  Again, since we do not know the amount of record keeping that would be required or the cost based on the scheme that as yet needs to be written, it is impossible to answer at this time. This area requires more research by EPA.

- What are the potential benefits or negative impacts to builders and homebuyers resulting from an ISO/IEC 17020 –based approach to conducting inspection surveillance activities and verification assessments of homes (such as cost, certification time, and/or rating consistency and reliability)? What information is available to validate these benefits or concerns?

  Similar to our answers above, we see this path as having negative impacts in terms of cost, confusion in the market place, complete lack of consistency in oversight and a loss of builders participating in the ENERGY STAR program. We are concerned that the added bureaucracy and increased time could cause builders to react as they did to Version 3 and leave the program.

- Are there examples of other programs similar to the ENERGY STAR Certified Homes Program that have relied on ISO/IEC 17020 inspection bodies? What has been the result of requiring accreditation for these programs and what lessons have been learned that could help to inform EPA's decision?

  We are not aware of any examples.

  We urge EPA to complete and share this research on this prior to making any decision.

cc: RESNET Board of Directors