



Overview of comments and conclusions

on the verification process for ENERGY STAR certified buildings

January 2015

I. Summary

Over 220 individuals, representing a wide range of organizations, responded to EPA's July 2014 request for input on the verification process for ENERGY STAR certified buildings. After a careful review of the comments, EPA has decided to maintain the existing policy that only individuals with government-issued licenses, specifically professional engineers and registered architects, can verify applications for ENERGY STAR certification. As EPA stated in the request for input, ensuring the integrity of ENERGY STAR certification is critical to maintaining its value and the confidence of those who rely on it. On balance, the comments convinced us that allowing non-licensed professionals to verify applications could undermine that integrity. The comments also offered a number of suggestions for streamlining and simplifying the overall application process, which EPA is evaluating as we undertake a review of the entire certification process.

II. Background

In July and August of 2014, EPA gathered input on the process of verifying applications for ENERGY STAR certification of commercial buildings. In particular, EPA sought input on the requirement that a professional engineer or registered architect ("licensed professional"), with a current government-issued license, review and stamp the application. EPA has had this requirement in place, with minor alterations, since first launching ENERGY STAR certification for buildings in 1999. With 15 years and over 23,000 certifications since that time, EPA was seeking input on whether modifications to the verification requirements could reduce the cost to applicants while maintaining the integrity of the certification process.

To generate thoughtful input, EPA prepared a [background document](#) and a survey with six questions about the verification process.¹ The questions were as follows:

1. EPA has identified cost and availability of licensed professionals as barriers to ENERGY STAR certification of commercial buildings. Do you agree that these are the right barriers, or are other barriers important instead, or in addition to *these*?
2. Would allowing additional categories of credentialed professionals to verify applications for ENERGY STAR certification help to lower the barriers to certification? Why or why not?
3. If EPA were to allow additional categories of credentialed professionals to verify ENERGY STAR applications, what impact, if any, would this have on the integrity and value of ENERGY STAR certification? Are there additional safeguards EPA could implement to limit the impact?
4. What criteria would ENERGY STAR use to determine which additional credentialed professionals could verify ENERGY STAR applications?
5. Are there other ways that EPA could lower the barriers to ENERGY STAR certification while maintaining its integrity and value?
6. Do you have any other comments?

EPA was very pleased to receive more than 220 survey responses, from a wide range of individuals and organizations.

¹ The background document outlines the verification process, explains why EPA adopted the policy of limiting verifiers to certain licensed professionals, describes the distinctions between licenses and other professional credentials, and provides other important contextual information.

Respondents included representatives of the following types of organizations, as well as others:

- Architecture and engineering
- Banking
- Commercial real estate
- Education
- Energy services
- Federal, state, and local government
- Healthcare
- Hotel
- Industrial
- Retail
- Supermarket
- Utility

The comments offered a range of opinions about the ENERGY STAR verification process, and many included suggestions that go beyond the questions EPA asked. The opinions expressed vary among respondents within as well as across each of the organizational types.

Overall, about half of the respondents indicated that allowing additional categories of credentialed professionals to verify would appropriately lower the barriers to verification. However, many of those responses also suggested that this change could impact the integrity of the program, and would need to be coupled with additional requirements, such as an EPA-administered exam or building audits. About one-third of the respondents recommended that EPA continue to require that licensed professionals verify applications, and the remainder did not express a clear opinion.

III. Discussion of Responses

Below is a discussion of the responses to each question.

QUESTION 1: *EPA has identified cost and availability of licensed professionals as barriers to ENERGY STAR certification of commercial buildings. Do you agree that these are the right barriers, or are other barriers important instead, or in addition to these?*

Many respondents indicated that cost and availability of licensed professionals are significant barriers to ENERGY STAR certification. Some noted that they do not have a

professional engineer (PE) on staff, and hiring a PE or registered architect to verify applications was a hurdle.

In contrast, many other respondents stated that they have no difficulty finding licensed professionals to verify their ENERGY STAR applications, and that cost is not a significant barrier. Several respondents said that allowing non-licensed professionals to verify would not bring down the cost much if at all, as the amount of time required would not decrease; and while the cost would be lower if in-house non-licensed professionals could verify applications, several commenters expressed concern about the potential for conflict of interest if EPA were to allow employees without government-issued professional licenses to verify applications for buildings owned by their employers. Finally, a few respondents who are PEs indicated that they had offered to verify for free to public sector organizations, but had not been asked to verify any applications.

QUESTIONS 2-4:

2. *Would allowing additional categories of credentialed professionals to verify applications for ENERGY STAR certification help to lower the barriers to certification? Why or why not?*
3. *If EPA were to allow additional categories of credentialed professionals to verify ENERGY STAR applications, what impact, if any, would this have on the integrity and value of ENERGY STAR certification? Are there additional safeguards EPA could implement to limit the impact?*
4. *What criteria would ENERGY STAR use to determine which additional credentialed professionals could verify ENERGY STAR applications?*

EPA asked this series of questions about the verification process to help inform the decision of whether to allow more types of credentialed professionals to verify ENERGY STAR applications. The responses varied, with no clear consensus recommendation on how EPA should proceed. Many commenters recommended that EPA continue to restrict verification to licensed professionals, while many others recommended that we expand the pool of verifiers. As discussed below, the reasoning for each type of response tended to focus on a different aspect of the verification process.

A. Comments Recommending EPA Continue Limiting Verification Eligibility to Licensed Professionals

The respondents who recommended that EPA continue to restrict verification to licensed professionals focused on the role that this requirement plays in ensuring the overall integrity of ENERGY STAR. They tended to argue that the integrity of the ENERGY STAR would be impacted if the pool of verifiers is expanded, and that requiring verifiers to be licensed provides EPA with the necessary credibility and recourse to protect the integrity.

Below are some examples of the comments recommending EPA continue to allow only licensed professionals to verify:

- Commercial Real Estate Companies: “Allowing non-licensed engineers, or other professionals, is a bad idea as it will diminish the credibility of the entire Energy Star program.” “It might reduce ‘perceived’ barriers but it would weaken the brand. I believe that credentialed professionals who are subject by a Code of Professional conduct that is enforced by a governmental agency is the highest level of integrity.”
- Hospital: “EPA should continue to allow ONLY Licensed Professionals... Licensing exists to PROTECT THE PUBLIC.”
- Retail Organizations: “I believe that if other entities are allowed to verify the applications, it will make the program less valuable.” “I do think allowing additional categories of professionals to verify Energy Star applications will lower the perceived value... Energy Star for buildings has a great reputation so be careful not to reduce validity of program in an attempt to expand participation.”
- Manufacturer: “In my opinion it would degrade the integrity of the system. Professional Engineers put their License on the line ... If it ain't broke, don't fix it.”
- State Agency: “It would help to get more buildings certified but it takes away the accountability factor. If a professional is putting his or her license on the line to certify a building more times than not that professional will make sure they have done due diligence to ensure the certification process.”

B. Comments Recommending EPA Expand Verification Eligibility to Certified Professionals

Respondents who recommended that EPA expand the pool of eligible verifiers tended to focus on the qualifications of

certified professionals to review the data. These respondents asserted that many non-licensed professionals have the skills required to review the data and go through the checklist, and in fact some may have better training for these tasks than licensed professionals. The professional credential they mentioned most often as having the necessary skills is the Certified Energy Manager. Many also believe that allowing more types of credentials would lower costs.

These respondents generally were not concerned that expanding the list of eligible verifiers would impact the integrity of ENERGY STAR, or they suggested that any such impact would be minor and worth the benefits of lowering barriers to certification.

Below are some examples of the comments recommending that EPA expand the list of eligible verifiers:

- School Districts: “I believe that while the quality may suffer slightly, there would not be an impact on integrity and value. I believe the requirements for certification are too stringent to begin with, given that certification is completely voluntary and that there are no true incentives to pursue certifications.” “As a Facility Manager, myself, I believe that I could verify the application that I filled out and had a Professional Engineer verify, in the past.”
- Bank: “Requiring a professional engineer is a barrier, as we do not have one on staff... The maintenance supervisor/chief engineer along with the property manager/real estate manager provides integrity for the process.”
- Service Provider: “It is not necessary to have a PE or RA license to verify the accuracy of an ENERGY STAR account. Often, consultants and property managers understand the details and rules of ENERGY STAR Portfolio manager better than the certifying professional PE or RA.”
- Hospital: “There is nothing so highly technical that a non-licensed professional could not verify the application. It would streamline the whole process and save money.”
- Supermarket: “I'm sure there would be some impact to the quality but likely it would be minimal – any certified professional putting their name to something will be likely to check the inputs carefully.”

QUESTIONS 5-6: OTHER SUGGESTIONS

5. *Are there other ways that EPA could lower the barriers to ENERGY STAR certification while maintaining its integrity and value?*
6. *Do you have any other comments?*

In response to these questions, many commenters suggested ways that EPA could improve the certification process, regardless of who verifies. These include:

- Require verification of applications every few years, rather than every year.
- Allow electronic signatures.
- Provide clearer guidance for the indoor air quality verification.
- Increase awareness about free verification services. Several licensed professionals offer free verification of ENERGY STAR applications for public buildings, including schools and government offices.
- Develop an EPA ENERGY STAR verifier credential.
- Simplify the certification process. Respondents offered a variety of suggestions to make the process easier, including reducing the amount of required information, allowing applicants to complete the entire process online, and fixing technical glitches.

IV. Conclusions

The comments provided EPA with valuable insight into the certification process, and an understanding of some of the challenges applicants face in certifying their buildings. We present key conclusions below.

A. Importance of Licensed Professionals to the Integrity of ENERGY STAR Certification

The comments make clear that there are many types of professionals who have the technical capability to review and check the accuracy of applications for ENERGY STAR certification. As EPA stated in the background paper, however, the overriding objective of the verification process is to protect the integrity of ENERGY STAR. Based on the comments, we are concerned that broadening verification beyond licensed professionals could harm the integrity of the program. This concern outweighs the potential for increased applications. Moreover, it is not clear how much expanding to other credentialed professionals would lower barriers to

certification, as several commenters asserted that the time required to assess a building's physical attributes and operating characteristics would remain the same such that, other than reducing possible travel costs, there would be little cost reduction achieved by expanding the pool of verifiers to non-licensed professionals.

Given the concern about potential impacts to the integrity of ENERGY STAR, EPA has decided to continue the current practice of requiring licensed professionals to verify applications for ENERGY STAR certification.

We appreciate that several stakeholders (through this process and through other channels) have recommended that EPA develop its own ENERGY STAR verifier credential. While EPA offers training for licensed professionals and others to make sure verifiers understand what is required, we do not have the resources or expertise to develop and administer a professional certification program. Instead, we believe that we can continue to successfully tap into the existing licensed professional infrastructure to ensure that the integrity of the program remains strong.

B. Value of Annual Verification

EPA awards the ENERGY STAR certification for a particular year, based on a building's energy performance in that year². While EPA does not require applicants to recertify their buildings each year, building owners and managers often choose to do so (about 40% of ENERGY STAR certifications each year are awarded to buildings that have been previously certified). Nevertheless, several commenters suggested that EPA could significantly increase recertification by requiring verification of applications every few years, rather than every year. EPA was very intrigued by this suggestion, and carefully considered the options for implementing it. At this time, we have decided that instituting different requirements depending on if and when a building had already been certified could add substantial complication to the certification system, both for EPA and for applicants. For example, applicants would have to know in advance of submitting an application what was required in a particular year, or could end up spending time and money reviewing and submitting an application with the wrong type of verification. Furthermore, building owners and

² The certification date is the year in which EPA received the application. The application must include 12 consecutive months of energy data, ending within 120 days prior to the submittal.

managers can already choose to re-certify their buildings less frequently than every year (though we certainly hope they find value in annual certification!).

C. Intent of Indoor Environment Assessment

EPA's intention in requiring the verifier to address the indoor environment is to make sure that indoor environmental conditions have not been compromised in pursuit of energy reductions. EPA is reviewing the current guidance for licensed professionals to make sure it aligns with this intent.

V. Next Steps

The conclusions presented above do not represent the end of the review process. With the insights gained from the over 220 comments, EPA is undertaking a thorough review of each step of the certification process to identify opportunities to streamline, without sacrificing integrity. We will let our stakeholders know as we make changes to improve the process.