

***“Time Has Come Today”***  
**What the Rating Industry Has  
Accomplished & Where It Is  
Heading On Its 20<sup>th</sup> Anniversary**

**2004 RESNET Conference  
March 1, 2004**

**Steve Baden  
Executive Director  
RESNET**

# Then: 1984

## Home Energy Rating Industry Born

- **National Shelter Industry Energy Advisory Council**
  - Sets goal of establishing a measurement system which factored the energy efficient features of a home into the mortgage loan
- **Energy Rated Homes of America Formed**
  - Statewide Program in Alaska
  - Pilot Program in Pacific Northwest
- **Democratic and Republican National Conventions Adopts Platform Planks Endorsing Home Energy Ratings and Energy Efficient Mortgages**

# Now: 2004

## Robust National Energy Rating Industry

- Accredited Rating Providers in Every State of the Union
- Over 4,000 Raters Certified
- National Home Energy Rating Standards
  - Rating Provider Administration
  - Technical Guidelines
  - Rater Training and Certification

# Opportunity: The Time Has Come Today

Energy will be in National Focus This Year

- **Natural Gas Supply/Price Issues**
  - DOE Warning to Governors
  - Alan Greenspan Warning
- **National Energy Policy Legislation**
- **Proposed Federal Tax Credits for Residential Energy Efficiency**
- **National Security Concerns**

# **Opportunity: The Time Has Come Today**

**The Public Concerned Over High Energy Bills  
This Year. Opportune Time to Introduce the  
Benefits of:**

- **High Performance Energy Efficient Homes**
- **Home Energy Ratings**
- **Energy Efficient Mortgages**

# Thinking About Tomorrow: Bringing Ratings Into The 21<sup>st</sup> Century

- **Updating the National Energy Rating Standards**
  - Reference Home
  - Rating Quality Assurance
  - Expanding the Rating Score
  - Insulation Inspection Procedures
- **Modification of IECC – More Robust Performance Compliance Method**

# RESNET'S Priorities for 2004

- Advocate for Workable Federal Residential Energy Efficiency Tax Credits
- Complete Standards Amendment Process
- Implement National Rater Core Test
- Develop Software Verification Tests
  - Rating Tools
  - Federal Tax Credit Compliance
  - IECC Compliance
- Develop Industry Standards for Sampling
- Develop Rating Standards of Practice

# Time is Right to Take a New Look at Energy Mortgages

## Refinance Boom is Ending

***“The end of the refinancing boom is spurring both small lenders and the biggest players to attract new customers ... Lenders are having to court new customers. They are now willing to take the time to help credit challenged buyers”***

***66% of all mortgage activities in 2003 were refinances. Will drop to 28% in 2004.***

**Los Angeles Times, November 2, 2003**



# Emerging Trend For the Future

## Carbon Reduction Trading

- **European Union**
- **State of Texas**
- **Fannie Mae**

# European Union

## Directive on Energy Performance of Buildings

January 4, 2003

- **Establish Uniform Framework of for Calculation of Energy Performance of Buildings (Ratings)**
- **Set Minimum Levels of Performance of New and Existing Buildings**
- **Ratings of All Buildings in Member Nations**

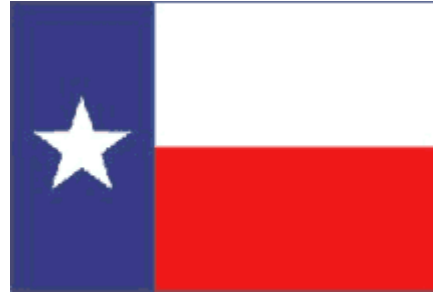
**Mandated by EU law for EU member countries by 1/4/06**

# State of Texas

- **Application to Environmental Protection Agency That Home Energy Ratings Be Credited in Meeting Clean Air Mitigation Requirements.**

# Fannie Mae

- **Pilot Program of Aggregating Residential Energy Savings as Commodity in International Carbon Reduction Trading Market**



**2005 RESNET Conference**

**San Antonio, Texas**