

# Meeting the New Home Energy Efficient Tax Credit Threshold

# A Wisconsin Analysis

2006 RESNET Building Performance Conference Gregory A. Nahn Wisconsin Energy Conservation Corporation



# Wisconsin Experience:

### **Background of Building Performance**

### **Experience with Tax Credits Qualification**

- Initial findings
- ASHRAE 62.2 interpretation
- 13 SEER minimum
- Conclusions, Questions, Concerns



Background of Building Performance Wisconsin's Climate – drives performance?

- Cold to severe cold climate
- IECC Zone 6-8
- Range state wide (max/min) HDD: 9150, 7096 CDD: 230, 616





**Typical Housing Stock** 

Wisconsin new construction\*

• Average size 3230 SF CFA 3598 SF CFA



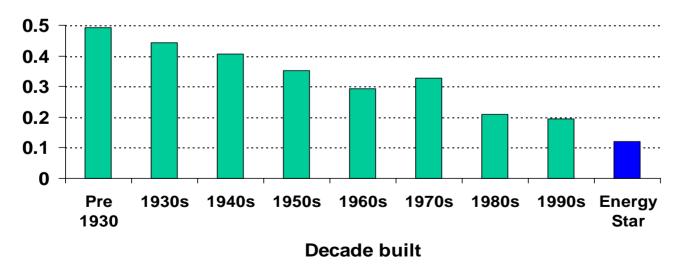
•Energy Center of Wisconsin

**Energy and Housing in Wisconsin: A Study of Single Family Owner Occupied Homes Energy Savings from the Wisconsin ENERGY STAR Homes Program** 



# **Typical Housing Stock**

#### Wisconsin housing by decade: Median air tightness



Median air changes per hour (natural)



**Typical Housing Stock** 

Wisconsin new construction

**Average Estimated Heating Energy Intensity (CFA)** 

- Housing Characterization study
  3.6 BTU/SF CFA/HDD\* (with basement)
  5.5 BTU/SF CFA/HDD (without basement)
- Wisconsin ENERGY STAR Energy Savings Analysis 2.8 BTU/SF CFA/HDD\* (with basement)

\* Total gas usage approximately = (1030 vs. 1024 therms)



# **Typical Housing Stock**

### Wisconsin new construction: Typical components

- R 38 44 Attic
- R19<sup>+</sup> wall (2x6 16oc)
- Window at .35 Uo or less
- R5 foundation conditioned basement
- R0 under slab
- 90+% AFUE furnace
- 10 SEER AC
- NG Water heater @ .58 EF



# Background of Building Performance

**Previous and on-going efforts to improve efficiency** 

- PSC and past Utility programs / rebates
- High penetration of efficient heating equipment
- Strong building code and expanded inspections
- The Wisconsin ENERGY STAR® Homes Program



# High Penetration of Efficient HVAC equipment

#### WI. market share of high efficiency for HVAC equipment

State wide - New and Existing Homes A/C market share					
SEER	2002	2003	2004	2005	
10	78.7%	67.2%	67.6%	69.5%	
11	4.5%	11.7%	11.4%	9.2%	
12	14.3%	15.8%	10.8%	8.9%	
13	2.2%	4.6%	6.7%	6.6%	
14	0.3%	0.7%	3.6%	5.9%	

State wide - New and Existing Homes - Gas Furnace				
ECM	90% + AFUE			
20.0%	84 8%			
20.076	04.0 /0			
20.0%	84.8%			
22.3%	88.1%			
	<b>ECM</b> 20.0%	ECM      90% + AFUE        20.0%      84.8%        20.0%      84.8%		



# **Progressive Building Code**

Wisconsin Uniform Dwelling Code

- Duct insulation / sealing required in un-conditioned space\*
- Mechanical ventilation required\*
  - Bath = 50 CFM intermittent, 20 CFM continuous
- Expanded inspection for all municipalities
  - New opportunities with new inspectors
  - Integration of code and building science trainings

\*Wisconsin Uniform Dwelling Code: Comm. 22.17 & 22.18



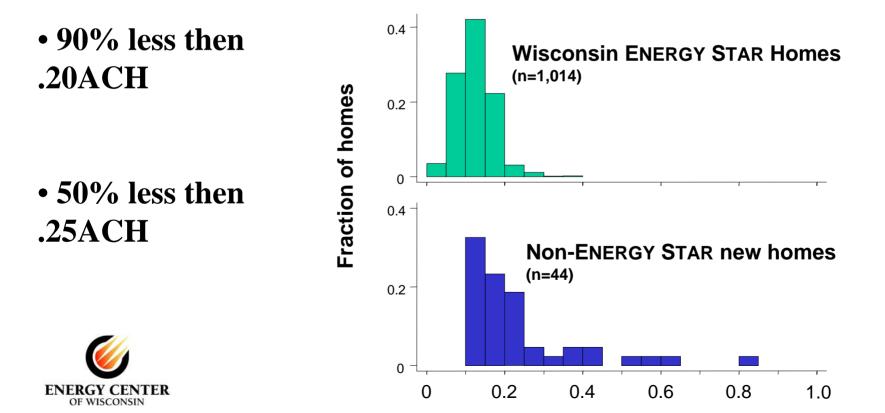
# The Wisconsin ENERGY STAR Homes program

### 5 years and 6,500 certified homes

- Addresses building performance (beyond code & efficiency)
  - Building tightness
  - Ventilation capacity
  - Safe Combustion
  - Homeowner education
  - Customer satisfaction



# The Wisconsin ENERGY STAR Homes program

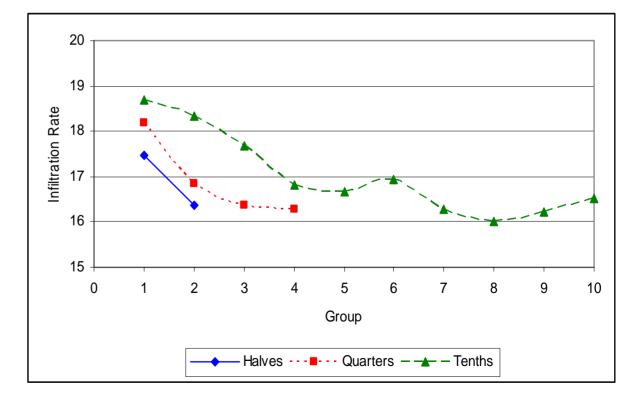




# The Wisconsin ENERGY STAR Homes program

### **Building tightness**

- Effect of Site visit #1
- Evaluation by 50 percentile 25 percentile 10 percentile





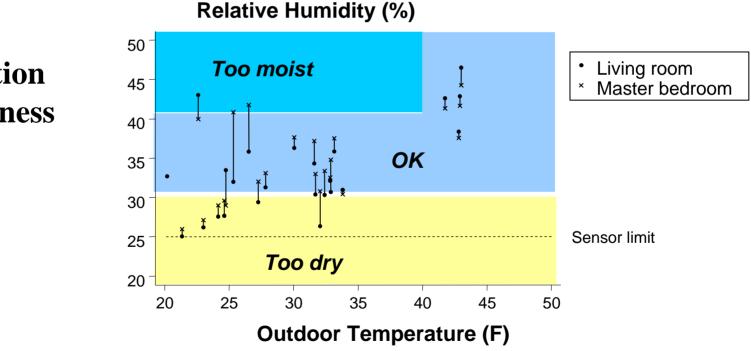
# The Wisconsin ENERGY STAR Homes program

### **Building Statistics 2005**

- Average tightness = .16 CFM@ 50 / sq. ft ext. surface area
- Average estimated natural ACH<sub>n</sub> = .14
- Average tested ventilation performance = 70% of rated flow
- Average Heating Energy Intensity
  - = 1.308 Btu/ sq. ft ext. surface area /HDD



## The Wisconsin ENERGY STAR Homes program



Ventilation effectiveness





# The Wisconsin ENERGY STAR Homes program

### **Combustion safety**

Program requires sealed, power vented, or direct vent (closed) combustion equipment.

Device	Average Pressure to Outside
Baseline (no fans operating)	-0.9
Kitchen exhaust fan	-5.0
Bath exhaust fan(s)	-8.6
Clothes dryer	-9.3
Air handler	-7.6
HRV/ERV	-8.3
Water Heater	-11.0
Other	-10.9



# The Wisconsin ENERGY STAR Homes program

### **Homeowner education**

- Homeowner's manual
- Satisfaction follow-up survey
- Informed decisions = good decisions
- Links homeowner responsibility to home performance

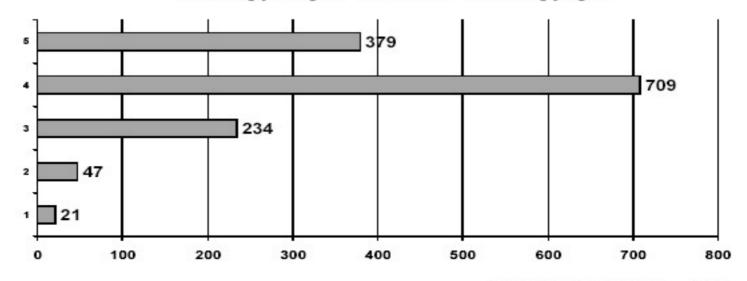


# The Wisconsin ENERGY STAR Homes program Homeowner education

Q18b. The packet provided useful information about my home.

1 = Strongly Disagree 3 = Ne



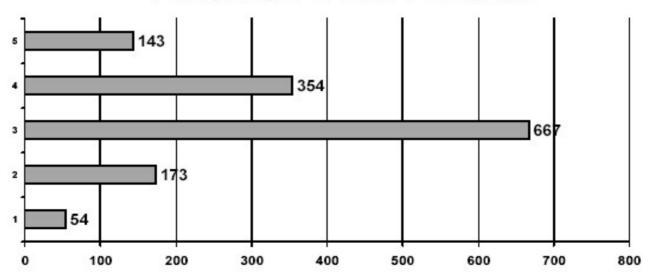


Number of Responses: 1390



# The Wisconsin ENERGY STAR Homes program Homeowner education

Q18c. I will use my ventilation equipment differently because of something I learned from the packet.

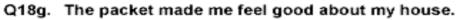


1 = Strongly Disagree 3 = Neutral 5 = Strongly Agree



# The Wisconsin ENERGY STAR Homes program

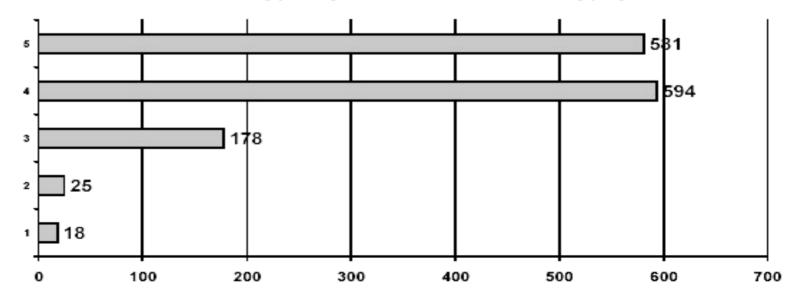
#### **Customer satisfaction**



1 = Strongly Disagree

ee 3 = Neutral 5

5 = Strongly Agree

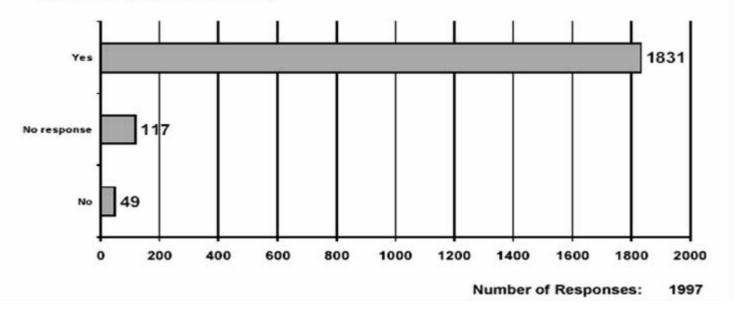




# The Wisconsin ENERGY STAR Homes program

#### **Customer satisfaction**

Q20. Would you recommend the Wisconsin ENERGY STAR Homes program to others building a new home? (Circle one answer)





# Wisconsin's Experience with Tax Credits

October 2005

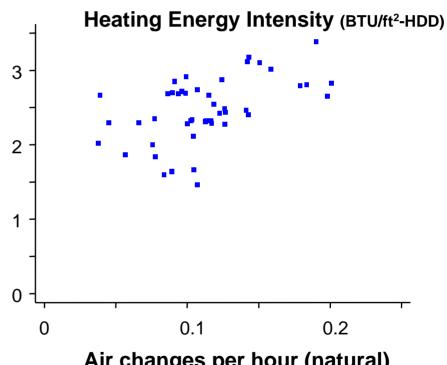
### 24 of 25 certified homes exceeded threshold

- Increased air tightness = energy savings = less MMBtu
- Window area (<<18%)
- High heating efficiency resource efficient



# Building Tight / Vent Right:

- **Cold climate priority for** • comfort, durability, IAQ, and energy efficiency
- **Tighter homes = lower bills**





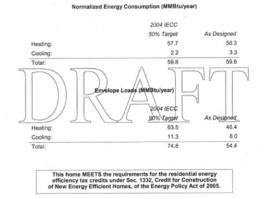




### 16-0070#1: Typical Ranch

- 3260 CFA / 27,340 vol.
- 90% AFUE / 10 SEER
- •.88 duct distribution
- R44 attic / R19 walls / R5 Fnd
- ACHn = .15
- Spot vent =40 cfm @ 8/24

2005 ENERGY POLICY ACT RESIDENTIAL TAX CREDIT				
Date:	February 24, 2006	Rating No.:	16-0070	
Building Name:	Spec Home - Ranch	Rating Org .:	Home Building Technology Svcs	
Owner's Name:		Phone No.:	920-766-7578	
Property	826 S. Mill Street	Rater's Name:	Joe Nagan	
Address:	Hortonville, WI 54944	Rater's No .:	16	
Builder's Name:	John Andrew Builders			
Weather Site:	Hancock, WI	Rating Type:	Based On Plans	
File Name:	16-0070 #1.blg	Rating Date:	January 6 2003	



NOTE: This report is based upon the draft report titled "Draft Interim Procedures for Implementation of Residential Energy Efficiency Tax Credits" dated August 12, 2005. DOE has not finalized the rule for the Energy Policy Act tax credits. This report should be used judiciously.

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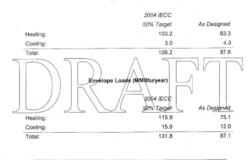


#### 16-0022#1: Typical 2 story

- 4512 CFA / 37,193 vol.
- 94% AFUE / 12 SEER
- •.88 duct distribution
- R38 attic / R19 walls / R5 Fnd
- ACHn = .11
- HRV = 100 CFM @ 8/24

2005 ENERGY POLICY ACT RESIDENTIAL TAX CREDIT				
Date:	February 24, 2006	Rating No.:	16-0022	
Building Name:	Two Story	Rating Org .:	Home Building Technologies	
Owner's Name:	Jeff & Julie Braun	Phone No.:	(920) 766-7578	
Property	6015 Strawflower Drive	Rater's Name:	Joe Nagan	
Address:	Appleton, WI 54915	Rater's No.:	16	
Builder's Name:	Schmidt Bro Custom Homes			
Weather Site:	Hancock, WI	Rating Type:	Site Visit	
File Name:	16-0022 #1.blg	Rating Date:	08-04-01	

Normalized Energy Consumption (MMBtu/year)



This home MEETS the requirements for the residential energy efficiency tax credits under Sec. 1332, Credit for Construction of New Energy Efficient Homes, of the Energy Policy Act of 2005.

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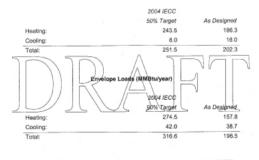


#### 16-0108#1: Custom

- 12,032 CFA / 108,485 vol.
- 94% 85 % AFUE / 10 SEER
- .88 duct distribution
- R44 attic / R20 walls/ R5 Fnd
- ACHn = .06
- HRV = 227 CFM @ 24/7

2005 ENERGY POLICY ACT RESIDENTIAL TAX CREDIT				
Date:	February 24, 2006	Rating No.:	Hoeming	
Building Name:	Custom Home	Rating Org .:	Home Building Technology SVCS	
Owner's Name:	Hoeming	Phone No.:	920-766-7578	
Property		Rater's Name:	Joe Nagan	
Address:		Rater's No.:	16	
Builder's Name:	Dale Romenesko Builders			
Weather Site:	Hancock, WI	Rating Type:	Based On Plans	
File Name:	16-0108 #1.blg	Rating Date:	June 17,2004	

Normalized Energy Consumption (MMBtu/year)



This home MEETS the requirements for the residential energy efficiency tax credits under Sec. 1332, Credit for Construction of New Energy Efficient Homes, of the Energy Policy Act of 2005.

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# ASHRAE 62.2 Standard – RESNET interpretation

- Ventilation to equal 62.2 mechanical requirement -24/7 or equilvant
  - minus 1/2 CFM per 1 CFM over estimated ACHn floor
  - plus 1/2 CFM per 1 CFM under estimated ACHn floor
- Floor for estimated ACHn approximately = .15ACHn = 2 CFM est. natural ventilation/infiltration per 100 CFA



#### 16-0108#1: Custom

# Air leakage report for 62.2 compliance

- 150 cfm at 24/7
- 301 cfm at 12/24

AIR LEAKAGE REPORT				
Date:	February 24, 2006	Rating No.:	Hoeming	
Building Name:	Custom Home	Rating Org.:	Home Building Technology SVCS	
Owner's Name:	Hoeming	Phone No.:	920-766-7578	
Property		Rater's Name:	Joe Nagan	
Address:	7 3	Rater's No.:	16	
Builder's Name:	Dale Romenesko Builders			
Weather Site:	Hancock, WI	Rating Type:	Based On Plans	
File Name:	16-0108 #1.blg	Rating Date:	June 17,2004	

Whole House Infiltration

	Blower door test	
	Heating	Cooling
Natural ACH:	0.06	0.04
ACH @ 50 Pascals:	0.91	0.91
CFM @ 25 Pascals:	1044	1044
CFM @ 50 Pascals:	1638	1638
Eff. Leakage Area:	89.9	89.9
Specific Leakage Area:	0.00005	0.00005
ELA/100 sf shell:	0.45	0.45

Total Duct Leakage

CFM @ 25 Pascals:	N/A
CFM25 / CFMfan:	N/A
CFM25 / CFA:	N/A
CFM per Std 152:	N/A
CFM @ 50 Pascals:	N/A
Eff. Leakage Area:	N/A
Thermal Efficiency:	88.00

Ventilation

Mechanical:	Balanced
Sensible Recovery Eff. (%):	78.0
Total Recovery Eff. (%):	0.0
Rate (cfm):	227
Hours/Day:	24.0
Fan Watts:	190.0
Cooling Ventilation:	No Ventilation

ASHRAE 62.2 - 2003 Ventilation Requirements

For this home to comply with ASHRAE Standard 62.2 - 2003 Ventilation and Acceptable Indoor Air Quality in Low-Rise Residential Buildings, a minimum of 150 cfm of mechanical ventilation must be provided continuously, 24 hours per day. Alternatively, an intermittenty operating mechanical ventilation system may be used if the ventilation rate is adjusted accordingly. For example, a 301 cfm mechanical ventilation system would need to operate 12 hours per day, so long as the system operates at least once every three hours.

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# ASHRAE 62.2 Standard Energy Center of Wisconsin Ventilation Study

**Big homes + few people = high cfm per actual occupant Requirement for typical new home** 

- 65 cfm mechanical ventilation 24/7

2 bath fans running continuously

Central system at 50% duty cycle

~20 cfm per occupant

2.6 times current WI commercial code requirement

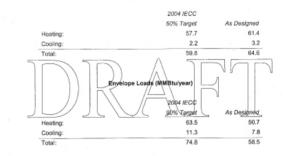


#### 16-0070#2: Ranch

- Modified to meet R62.2
- 10 SEER
- Added 1192 CFM @ 24/7
- +5 / +4.1 MMBtu
- Annual cost est. = \$55-9\*

2005 ENERGY POLICY ACT RESIDENTIAL TAX CREDIT					
Date:	February 24, 2006		Rating No.:	16-0070	
Building Name:	Spec Home		Rating Org .:	Home Building Technology Svcs	
Owner's Name:			Phone No.:	920-766-7578	
Property	826 S. Mill Street		Rater's Name:	Joe Nagan	
Address:	Hortonville, WI 54944		Rater's No.:	16	
Builder's Name:	John Andrew Builders				
Weather Site:	Hancock, WI		Rating Type:	Based On Plans	
File Name:	16-0070 #2.blg		Rating Date:	January 6 2003	

Normalized Energy Consumption (MMBtu/year)



This home DOES NOT meet the requirements for the residential energy efficiency tax credits under Sec. 1332, Credit for Construction of New Energy Efficient Homes, of the Energy Policy Act of 2005.

NOTE: This report is based upon the draft report tilled "Draft Interim Procedures for Implementation of Residential Energy Efficiency Tax Credits" dated August 12, 2005. DCE has not finalized the rule for the Energy Policy Act tax credits. This report should be used judiciously.

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#### 16-0070#2a: Ranch

- 13 SEER / 62.2 compliant
- Action report
  - Foundation walls
  - Ag walls
  - Ventilation
  - Ducts

ACTION REPORT				
Date:	February 24, 2006		Rating No.:	16-0070
Building Name:	Spec Home		Rating Org .:	Home Building Technology Svcs
Owner's Name:			Phone No.:	920-766-7578
Property	826 S. Mill Street		Rater's Name:	Joe Nagan
Address:	Hortonville, WI 54944		Rater's No .:	16
Builder's Name:	John Andrew Builders			
Weather Site:	Hancock, WI		Rating Type:	Based On Plans
File Name:	16-0070 #2a.blg		Rating Date:	January 6 2003

The following table identifies and ranks energy use and cost by building component. A maximum of six components are

snown. Current mechanical equipment is assumed for this analysis. To determine the impact of varying the equipment efficiency, change

the equipment specified in the building file and perform the energy calculations again.

ANNUAL ENERGY PROFILE

Energy End-Use	Component	Consumption		Cost
		(MMBtu/yr)		(\$/yr)
HEATING	Foundation Walls	.21.6	s	222
	Above Grade Walls	15.3	s	157
	Mechanical Ventilation	14.0	\$	143
	Ducts	7.8	\$	80
	Ceilings/Roofs	7.4	s	76
	Windows/Skylights	6.9	ŝ	71
	Other	-8.3	s	-85
			•	-00
	Total	64.7	s	664
COOLING	Internal Gains	4.8	s	126
	Windows/Skylights	1.4	\$	36
	Ducts	0.5	\$	12
	Other	-2.7	s	-72
	Total	3.9	s	103
WATER HEATING	Water Heater	17.1	\$	170
LIGHTS & APPLIANCES	Lights & Appliances	37.3	\$	984

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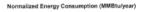
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#### 16-0022#2: 2 Story

- Modified to meet 62.2
- 12 SEER
- Added 1648 CFM @ 24/7
- +4.2 / +3.7 MMBtu
- Annual cost est. = \$45-4\*

	2005 ENERGY POLICY ACT RESIDENTIAL TAX CREDIT				
Date:	February 24, 2006		Rating No.:	16-0070	
Building Name:	Spec Home		Rating Org .:	Home Building Technology Svcs	
Owner's Name:			Phone No.:	920-766-7578	
Property	826 S. Mill Street		Rater's Name:	Joe Nagan	
Address:	Hortonville, WI 54944		Rater's No.:	16	
Builder's Name:	John Andrew Builders				
Weather Site:	Hanoock, WI		Rating Type:	Based On Plans	
File Name:	16-0070 #2.blg		Rating Date:	January 6 2003	





efficiency tax credits under Sec. 1322, Credit for Construction of New Energy Efficient Homes, of the Energy Policy Act of 2005.

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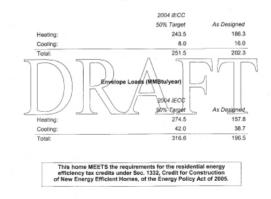
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#### 16-0108#2: Custom

- Modified to meet 62.2
- 10 SEER
- Added 4540 CFM @ 24/7
- +7.1 / +5.8 MMBtu
- Annual cost est. = \$77-9\*

2005 ENERGY POLICY ACT RESIDENTIAL TAX CREDIT			
Date:	February 24, 2006	Rating No.:	Hoeming
Building Name:	Custom Home	Rating Org.:	Home Building Technology SVCS
Owner's Name:	Hoeming	Phone No.:	920-766-7578
Property		Rater's Name:	Joe Nagan
Address:	1	Rater's No.:	16
Builder's Name:	Dale Romenesko Builders		
Weather Site:	Hancock, WI	Rating Type:	Based On Plans
File Name:	16-0108 #2.blg	Rating Date:	June 17,2004



#### Normalized Energy Consumption (MMBtu/year)

NOTE: This report is based upon the draft report titled "Draft Interim Procedures for Implementation of Residential Energy Efficiency Tax Credits" dated August 12, 2005. DOE has not finalized the rule for the Energy Policy Act text credits. This roport should be used judiciously.

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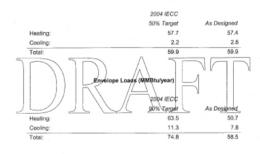
### 16-0070#3: Ranch

13 SEER / 62.2 compliant with:

- 94% AFUE upgrade
- .96 duct distribution efficiency
- R11 interior (w/R5)
- HRV?

	2005 ENERGY POLICY ACT RESIDENTIAL TAX CREDIT			
Date:	February 24, 2006	Rating No.:	16-0070	
Building Name:	Spec Home	Rating Org .:	Home Building Technology Svcs	
Owner's Name:		Phone No.:	920-766-7578	
Property	826 S. Mill Street	Rater's Name:	Joe Nagan	
Address:	Hortonville, WI 54944	Rater's No.:	16	
Builder's Name:	John Andrew Builders			
Weather Site:	Hancock, WI	Rating Type:	Based On Plans	
File Name:	16-0070 #3.blg	Rating Date:	January 6 2003	

Normalized Energy Consumption (MMBtu/year)



This home MEETS the requirements for the residential energy efficiency tax credits under Sec. 1332, Credit for Construction of New Energy Efficient Homes, of the Energy Policy Act of 2005.

NOTE: This report is based upon the draft report tilled "Draft Interim Procedures for Implementation of Residential Energy Efficiency Tax Credits" deted August 12, 2005. DOE has not finalized the rule for the Energy Policy Act tax credits. This report should be used judicausly.

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#### 16-0022#3: 2 story

- 13 SEER / 62.2 compliant
- Annual savings est. = -\$11\*
- -0.3MMBtu

2005 ENERGY POLICY ACT RESIDENTIAL TAX CREDIT			
Date:	February 24, 2006	Rating No.:	16-0022
Building Name:		Rating Org.:	Home Building Technologies
Owner's Name:	Jeff & Julie Braun	Phone No.:	(920) 766-7578
Property	6015 Strawflower Drive	Rater's Name:	Joe Nagan
Address:	Appleton, WI 54915	Rater's No.:	16
Builder's Name:	Schmidt Bro Custom Homes		
Weather Site:	Hancock, WI	Rating Type:	Site Visit
File Name:	16-0022 #3.blg	Rating Date:	08-04-01

Normalized Energy Consumption (MMBtu/year)



NOTE: This report is based upon the draft report tilled "Draft Interim Procedures for Implementation of Residential Energy Efficiency Tax Credits" dated August 12, 2005. DOE has not finalized the rule for the Energy Policy Act tax credits. This report should be used judiciously.

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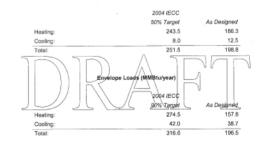


#### 16-0108#3: Custom

- 13 SEER / 62.2 compliant
- Annual savings est. = -\$169\*
- -3.5 MMBtu

2005 ENERGY POLICY ACT RESIDENTIAL TAX CREDIT			
Date:	February 24, 2006	Rating No.:	Heerning
Building Name:	Custom Home	Rating Org.:	Home Building Technology SVCS
Owner's Name:	Hoeming	Phone No.:	920-766-7578
Property		Rater's Name:	Joe Nagan
Address:		Rater's No.:	16
Builder's Name:	Dale Romenesko Builders		
Weather Site:	Hancock, WI	Rating Type:	Based On Plans
File Name:	16-0108 #3.blg	Rating Date:	June 17,2004

Normalized Energy Consumption (MMBtu/year)



This home MEETS the requirements for the residential energy efficiency tax credits under Sec. 1332, Credit for Construction of New Energy Efficient Homes, of the Energy Policy Act of 2005.

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# Conclusions, Questions, Concerns

- Climates may drive markets and performance
- Building performance takes time (& multiple market channels)
- Site visits work!!
- Invest in infrastructure rater/consultants
- Small changes can have big impacts (and vice versa)



# Questions, Concerns

- ASHRAE 62.2 interpretation benefit?
- Duct tightness vs. leakage right test?
- Energy penalty of ducts in conditioned space?
- Testing options for verification and compliance?
  - Ducts
  - Multi-unit condos



# Concerns

- Credibility
  - Rater, Provider, and RESNET
- Standards
  - Effective, Objective, Achievable
- Opportunities (and challenges) the future brings

