

RESNET HERS Index Consistency
Enhanced Quality Assurance Oversight
White Paper

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Abstract

The objective of this white paper is to discuss options for improving the quality assurance oversight of the RESNET HERS industry. Options proposed by the RESNET Quality Improvement - Quality Assurance Working Group have been presented to the HERS Industry for review and public comment. It is suggested that one of these three options shall be chosen as the basis of the future quality assurance infrastructure for the HERS industry.

Although the options presented by this group are intended to reduce financial conflict of interest in the oversight of the HERS industry to promote consistency of ratings, none of the options presented sufficiently address the full scope of potential financial interest dictating rating outcomes. Furthermore, the options presented pose potential disastrous consequences for the current stability and rating quality assurance infrastructure of the industry.

There is widespread agreement that RESNET must take action to increase the consistency and quality of ratings for market confidence and consistency. However, there is no evidence that this will be achieved by selecting one of the three options presented by the RESNET Quality Improvement - Quality Assurance Working Group. What is needed is an alternative option that promotes a continuation and improvement of the current industry quality assurance provisions, with safeguards enacted to prevent financial conflict of interest at all levels.

Introduction

With the rising popularity of the RESNET HERS Index as a metric for assessing the energy efficiency of homes, there has been internal and external pressure to improve the consistency and confidence in ratings. The HERS Index is increasingly being adopted as a code compliance metric and sales tool for homeowners and builders throughout the country. Due to this, there is a belief that improvement in the accuracy of ratings is necessary.

Beginning in 2013, RESNET created a Quality Improvement (QI) Task Force and affiliated Working Groups dedicated to exploring options to improve both energy modeling software consistency and improvements in quality assurance (QA). The QI-QA Working Group has recently released 3 options to the industry for changing the manner in which QA is performed. Each option entails the existing QA structure of the industry be replaced with an entirely different structure, with the main objective of reducing potential financial conflicts of interest in the QA process.

The objective of this white paper is to demonstrate that while all three presented options by the QI-QA Working Group offer partial safeguards for reducing potential financial conflicts of interest, none of the options presented fully address or offer safeguards to prevent financial interest in dictating QA outcomes. Furthermore, this paper seeks to demonstrate that all three proposed options have the likelihood of damaging the reputation and businesses of current industry participants.

As a proposed alternative, this paper offers an option for Enhanced Quality Assurance Oversight (QAO). This option seeks to maintain the current QA infrastructure of the industry, while layering additional QAO performed by a new class of financially-distanced quality assurance implementation

organizations. While enhancing the QAO of the HERS industry, this option will pose the least disruption to the marketplace, and will deliver on the intent to improve the oversight and consistency of the HERS industry for the benefit of market confidence and transparency.

Problem

The options presented for consideration by the QI-QA Working Group have several significant issues that are not sufficiently addressed in order to instill confidence in their proposed application. These issues include:

- Failure to sufficiently address financial conflict of interest
- Cost/market stability impacts
- Impacts to current industry professionals / businesses
- Damage to industry reputation and future adoption

Financial Conflicts of Interest

The objective of the stated task of creating the proposed options was to reduce the risk of potential financial conflicts of interest in dictating QA outcomes. The presented options address only the most obvious and surface potential conflicts of interest, while failing to address more critical infrastructural conflicts that could occur.

The current HERS QA infrastructure allows rating companies who serve as their own QA Provider to perform internal QA review, as well as for third-party Providers to perform QA on independent Raters who pay them for this QA. To many, the financial relationships between Raters and QA Providers pose too significant of a potential financial conflict of interest, as QA Providers could have a business interest in dictating positive QA outcomes to allow ratings to continue being performed by their Raters.

Although this is a potential fair critique of the current QA scheme, there is no specific evidence that has been presented to substantiate the suggestion that the financial interest of QA Providers absolutely or typically predicates inaccurate or unethical QA outcomes. In fact, the opposite could just as easily be argued; the risk of loss of business through allowing inaccurate ratings to be performed and being discovered by either RESNET, code officials, or through a lawsuit could actually encourage more stringent adherence to QA standards by QA Providers.

Ultimately, we simply do not know what the problems are because there has been no empirical analysis presented to suggest what the real problem is; we are attempting to correct a problem that is not clearly defined.

Furthermore, there is no empirical analysis presented to demonstrate how and why the new proposed options for QA will dictate more accurate or ethical outcomes. The lack of empirical evidence to support the need to execute the options presented alone supports an outright dismissal of these options.

Assuming there is merit to the suggestion that financial interest dictates QA outcomes, the options presented fail to address higher level financial conflicts of interest that could occur vis-à-vis one of

the proposed options being adopted. If either RESNET or their chosen QA Contractors take over execution of the entire HERS QA industry, this could entail significant financial benefit for these organizations.

- RESNET, in its own interest to promote the continued adoption and proliferation of the HERS Index, could have a role in either choosing to be strict or loose in QA enforcement, or to be strict with certain Raters/Providers and easy on others.
- RESNET's chosen QA Contractors, in their interest of protecting their stream of QA revenue which is predicated on ratings being performed, could have a role in either choosing to be strict or loose in QA enforcement, or to be strict with certain Raters/Providers and easy on others.

Additionally, in the absence of any precedent for this level of QA and discipline, the threat of litigation for fully enforcing the standards could also influence decisions made regarding the outcome of the QA process.

Proposed Options and Financial Interest

It is likely that, of the options presented, neither Options 1 nor 2 are to be chosen. Option 1 would entail RESNET itself hiring enough staff to execute QA for the entire industry for all required field and file reviews. RESNET is unlikely to undertake such an endeavor given its current and historic staffing. RESNET only has 4 current full-time employees on staff; hiring of the dozen or more new staff would be impractical and unprecedented in its history.

Option 2 would entail RESNET setting industry-wide criteria for creating a new class of QA Contractors. This would create likely the largest pool of QA Contractors to draw from, but managing the performance, oversight and direction of these actors would be much more challenging for RESNET to execute. Additionally, questions and conflicts would invariably arise as to why certain contractors are selected to perform more QA work than others.

Given this analysis, it is clear that proposed Option 3, which seeks to select regional QA Contractor firms via an RFP/RFQ process, is the most likely preferred option of RESNET as an organization. This option, while perhaps being the cleanest and easiest to manage for RESNET, poses significant problems of ethics and transparency. The potential for RESNET to create geographic territories of QA implementation and then award contracts for these territories poses two serious problems:

1. The RFP / RFQ process could lack transparency in order to ensure that it is choosing contractors solely based on true market and merit considerations. Regional contracts could be potentially awarded to organizations politically friendly to RESNET and its leadership, including those who currently are or have a history of serving on the RESNET Board of Directors, Executive Committee, task forces/working groups, etc.
2. The selection and award of contracts could be viewed and employed as a form of "command and control" by RESNET, where it has the highest degree of control to pick winners/losers, dictate costs and QA outcomes.

The scenario of Option 3 being chosen, although perhaps the most obvious choice, poses the most significant threat to the free market of the HERS industry and potential financial and political conflicts of interest dictating business and QA outcomes for the industry. For this reason, it should be summarily rejected.

By ignoring these potential, higher-level financial conflicts of interest that could occur, the options presented by the QI-QA Working Group fail to address the underlying thesis of why financial interest makes QA go wrong, which is the supposed basis of why the current QA scheme is inadequate. Both the current system and the proposed options for a new system could allow for financial interest to “poison the well” and dictate inaccurate QA outcomes.

Market and Cost Stability

Beyond failing to address the potential of continued financial conflicts of interest dictating inaccurate rating outcomes, the presented options pose significant problems for the current market and participants within the RESNET HERS industry. Principal amongst these problems are issues of pragmatics of implementation, cost, and external critique/criticism. If an option is chosen without fully considering these externalities, the market impacts could be dramatic and deleterious for the industry.

At an essential level, this industry has grown vis-à-vis the relationships between builders, Raters and Providers and their ability to work cooperatively and effectively to deliver a HERS rating as a product. In addition to promoting growth in adoption of HERS ratings, these relationships have helped facilitate QA to occur.

It is a well-known phenomenon in the new construction industry that timing is essential to completing ratings, as well as QA oversight. In a prosperous market, home construction schedules are fast-moving, and move-in/closing schedules are tight. The ability of ratings and subsequent QA to be performed in a manner that disrupts this process as little as possible is absolutely crucial to the stability and continued growth of the HERS industry. The current QA scheme encourages relationships between builders, Raters, and Providers that help facilitate QA being performed in real-time. Occasionally, QA review of occupied homes is unavoidable, and further education of builders and homeowners to understand and accept this reality is probably needed.

However, in the instance of RESNET or its QA Contractors performing 100% of all QA activity for the entire industry, this would entail a significant shake-up in how QA is performed and scheduled. QA implementers under any of the proposed schemes will, by design, lack personal relationships with builders, Raters and Providers. The lack of personal relationships, potential proximity issues, and the complex nature of managing QA over large geographic spaces with several participants will invariably cause QA delivery to be more burdensome on builders, homeowners, Raters, and Providers.

There is also a significant concern as to whether RESNET QA administration staff and/or selected QA contractors are prepared to oversee and deliver such a level of service to the industry in an organized, consistent, and high quality manner. Simply stated, a system such as proposed has no direct precedent or correlative. Therefore, there is no evidence to suggest that it will be effective in delivering a higher level of consistent, unbiased QA to the industry.

Additionally, QA delivery to the industry is currently able to be delivered in a cost-effective manner, as Providers are allowed to factor the cost of QA into their rating fees, rating QA fees, rater membership fees, etc. A “QA only” business model as proposed would not benefit through these

additional streams of income. Due to this, the cost for delivering this QA will be by necessity significantly more expensive than the current method of QA delivery.

Furthermore, this type of “QA only” business model only exists in the current marketplace on a micro-scale. These sorts of businesses are typically employed as an additional, lower volume quality oversight or quality control mechanism for state, regional, or utility programs. Due to their delivery being executed on behalf of utilities or state/regional programs, fees for services rendered typically are billed at a premium, and are funded by tax dollars or rate payer money. This allows for the compensation for these business models who are not allowed to generate revenue from relationships with builders or Raters in delivering ratings.

Without additional streams of revenue associated with ratings being generated, a “QA only” business model cannot be successful unless:

1. It is significantly more expensive to the marketplace;
2. The quality / time spent in delivering the QA is reduced significantly.

Due to pragmatics of scheduling and increased cost of QA delivery, the options presented to the industry are unacceptable to maintain the current marketplace. Adding significant extra layers of scheduling administration and cost to Providers for QA will cause market disruption, and possibly cause a market shift away from participation in HERS.

Although the RESNET HERS Index is a popular method for assessing and labeling homes, it is by no means the only possible method or system. RESNET cannot run the risk of adding significant added levels of bureaucracy and cost without anticipating significant market retraction and pushback. This is especially true of options for QA delivery that are entirely new and unproven with no evidence to support why they will ensure more accurate and ethical outcomes.

Impacts to Current Professionals and Business Models

Perhaps the most critical cause for concern with the QI-QA options, as proposed, is that they pose potentially devastating impacts to the businesses and livelihoods of current industry participants. Our industry is mainly comprised of professional, dedicated and savvy individuals who care deeply about promoting energy efficiency and growing the adoption of HERS.

These individuals who have participated in delivering and growing the HERS system – Providers, QADs, QADDs, Raters – deserve to be viewed as innocent until proven guilty, and to be able to continue performing their current duties without excessive and unproven regulations. Unfortunately, the proposed options treat all participants as being guilty in improper management and delivery of HERS consistency, and undermines their professionalism and ability to make a living in a free market.

Providers appear to be the body most under attack under the new proposed options. There are three types of Providers in the industry:

1. Rater-Providers: Rating companies that have in-house QADs and perform QA on their own ratings work.
2. Third-party Providers: Providers that work primarily with independent Raters and perform QA on their ratings work for a fee.

3. Hybrid Providers: Providers that both perform ratings/QA in-house and perform QA on affiliated independent Raters members.

The proposed options suggest that Providers no longer are allowed to perform QA, but yet must continue to perform all other administrative functions as required by Providers including maintaining the RESNET Registry, rater certifications, providing rater support, and perform discipline on Raters. The removal of QA responsibilities is a significant blow to the stability and financial security of all types of Providers.

For Third-Party and Hybrid Providers, without the ongoing stream of revenue from performing rating file and field QA, the essence and stability of their business model is entirely undermined. These types of Providers simply cannot make a living managing databases, certifications for Raters, and answering technical questions from Raters. These types of Providers will likely be required to discontinue doing business with independent Raters, orphaning 50-75% of the Raters in the industry (Source: RESNET Rater Registry).

For Rater-Providers, the removal of QA functions and responsibilities from what a Provider is required to perform will remove a significant barrier from other rating companies to become their own Provider. If a rating company only has to pay a check to RESNET to be a Provider and is not required to have a QAD or other specific qualified staff involved in their organization, nearly every rating company with an annual volume of 40 or more ratings will become their own Provider. This, along with the dissolution of Third-Party Providers who will be likely to start doing ratings themselves, will cause a massive influx of new competing Provider organizations with a lower bar of admission than ever before.

If Providers no longer are required to perform QA, then dozens of current Quality Assurance Designees (QADs) and Quality Assurance Designee Delegates (QADDs) will most likely find themselves out of work. Providers who are no longer allowed to perform QA may choose to keep some of these professionals on staff either as Raters or as internal QC managers, but without the formal requirement to perform QA, there will simply be no need or role for all of these professionals working for Providers. Even if there was a role and/or need, the cost would be too much for most companies to bear without having a revenue source to cover the additional payroll.

The current corps of QADs and QADDs within our industry represents the lifeblood and breadth of experience in delivering the QA scheme that has helped to promote RESNET as a leading home energy efficiency labeling system. Jeopardizing the employment of these professionals in their ability to work for RESNET Rating QA Providers will cause the industry to lose 16 years of institutional knowledge and experience in performing QA from dozens of individuals.

The best scenario for these professionals under the proposed options is that RESNET or its chosen QA Contractors will choose to employ some of them. However, more likely, the vast majority of these professionals will not be hired to participate in the “new system” and the value of their knowledge and experience will be lost. Most of these professionals will be disenfranchised in any outcome and will not be interested in working in this new capacity, being placed in a position of being forced from their jobs and having to work with a new entity they have no relationship with.

Raters themselves will also likely suffer under the proposed options for a “new system”. The vast majority of Raters are small, independent businesses and professionals who are working with Third-

Party and Hybrid Providers. If the business models of Third-Party and Hybrid Providers are jeopardized and these businesses discontinue offering services to independent Raters, Raters will no longer have a Provider to turn to for mentorship, technical support, program support, and ongoing informal professional development.

The result of the likely estrangement between independent Raters and their Providers will be a dramatic setback in professionalism and front-line oversight for the industry. First and foremost, RESNET will have a serious issue with the maintenance of certifications of hundreds of independent Raters. Secondly, the ongoing support, mentorship and enhanced QA/QC that Providers perform over Raters' work will likely disappear as well.

These unintended externalities of a significant market destabilization of the businesses of Providers will likely cause a decrease in rating consistency and constituent dissatisfaction within the industry. Independent Raters, by and large, appreciate having a knowledgeable and proactive Provider who they can turn to for technical support, standards interpretation, and on-going informal professional development. Without the financial relationship of Raters submitting ratings to their Provider for QA review, Providers will stop answering these calls and emails.

The dissolution of these relationships and mentorship that has been predicated on the Provider-Rater financial relationship will hurt rating and program compliance consistency. Most Providers perform greater than 10% QA review of ratings files to promote consistency, and the ongoing feedback Providers give to their Raters is a learning tool Raters use to get better at doing ratings. Field QA performed by the Provider helps to reinforce best practices and go beyond the formal classroom training experience to ensure more consistent rating outcomes and enhanced professional practices. This is not just the case for independent Raters working with Third Party and Hybrid Providers either; the role and scope of formalized QA obligations by Rater-Providers ensures that they are properly and consistently performing internal Rater training and review to promote consistency as well.

Finally, vested outside parties and programs who count on the work and oversight of Providers will potentially suffer under the new proposed system as well. The EPA ENERGY STAR New Homes program, DOE Zero Energy Ready Home program, and others count on pro-bono interpretation, support, and oversight by Providers to ensure these programs are successful. If Providers no longer offer these services to independent Raters, then either the questions will not be answered or the organizations themselves will need to begin offering enhanced support and oversight for these programs. Software manufacturers will also suffer from a significantly larger volume of technical support requests previously handled by Providers.

All in all, these externalities will significantly and inherently damage the business and professionalism of Providers and Raters. This in turn will have deleterious effects on the quality and consistency of HERS ratings. Given that this is the entire stated purpose of this exercise – to improve the consistency and quality of ratings and the Raters who perform them – the QI-QA options presented will undermine the very essence of the stated goal.

Summarized, the ability for RESNET and/or its selected QA Contractors to deliver a QA scheme that is transparent, market based, free of financial entanglements at the highest levels, and promotes a higher degree of consistency for the industry is entirely unproven. RESNET and its constituents

would be making a serious leap of faith that the “new system” will deliver higher quality, when there is substantially more evidence to support the idea that it will undermine quality.

Completely destroying everything the industry has collectively worked for and built in good faith over the past 16 years will hurt the credibility of RESNET and its constituents in a very serious manner. Tearing down and replacing the very foundation of the QA infrastructure of the industry would be a concession of abject failure to build and deliver a system of quality, and will be used by RESNET’s critics and detractors to further discredit our industry and its effectiveness. RESNET cannot risk such a serious transition based on the evidence provided.

Solution

Despite the proposed QI-QA options failing to present a substantiated case for why and how the proposed “new system” will promote a higher degree of consistency and quality than the existing QA scheme, the very fact that the industry is even considering such a dramatic turn of events should indicate that the industry inherently believes QA oversight of the industry must improve. It is almost universally accepted that the QA system that has persisted for nearly two decades needs additional checks and balances to ensure inconsistency and malfeasance is abated.

Despite the widespread agreement that we must do something, it is not universally accepted that the proposed “new system” is going to fix the problems. As evinced above, there are many reasons to question that such a system will achieve greater transparency and quality. Given this reality, how do we move forward in enhancing QA oversight of the industry without undermining and destroying everything previously built and achieved?

The solution that this paper seeks to propose is a system of **Enhanced Quality Assurance Oversight (QAO)**. This solution does not suggest that a complete teardown and rebuild of the existing QA infrastructure will be required. To the contrary, under this proposed system:

1. The existing infrastructure of QA Providers performing QA on Raters and ratings continues;
2. It improves QA by layering a more manageable level of financially-distanced QAO on top of the existing system;
3. It requires additional safeguards to ensure QA administration and direction by RESNET, its staff, and QAO implementers is fair, unbiased and transparent;
4. It provides the most pragmatic model to achieve enhanced consistency for the industry that will cause the least disruption and cost to the market and negatively affect the least amount of businesses and professionals.

Rating QA Providers

Under the proposed Enhanced QAO system, QA Providers will continue to perform ongoing 10% QA rating file review and 1% QA field review. They will also perform all other current functions that are required of them per the RESNET Standards, such as RESNET Registry maintenance, Rater certification management, Rater discipline, etc. Additional requirements for technical support and mentorship of Raters within their providership will be formalized.

Additionally, a new classification of Provider Quality Assurance Manager (PQAM) shall be created. Each Provider will be required to have a PQAM on staff. PQAMs will be professionals that are certified not solely based on technical knowledge and experience, but also their knowledge of administering a Rating QA Provider per the expectations of the RESNET Standards. This additional designation and requirement will ensure that each RESNET Rating QA Provider has a fully-qualified and knowledgeable person on staff to interact with RESNET Quality Assurance staff and QAO implementers.

RESNET Quality Assurance Oversight Implementation Contractors

The industry will create a new category of financially independent QAO implementation contractors. These QAO implementers would either be RESNET staff or organizations that are independent of providing Rater or Provider services.

QAO implementers will be directed by the RESNET QA Director to perform QAO on Rating QA Providers. The proposed level and rate of QAO is as follows:

- Office review
 - 10% of “10% QAs” and “1% QAs” for all Raters under each QA Provider annually
 - 1% randomized review of all registered ratings per QA Provider annually
- Field review
 - 5% of total “1% QAs” performed by QA Providers annually
 - 0.1% randomized review of all registered ratings per QA Provider annually

Additional specific focus on review and documentation of sample sets shall be performed for any RESNET Sampling Providers who are performing Sampling projects in order to ensure that the RESNET Chapter 6 standards are executed properly.

The review of QAOs will go beyond a simple administrative review of QA completion and instead will emphasize review of documentation and physical evidence of how, where and by whom QA was performed by the QA Provider. Specific requirements for documenting the QA process with photos or video shall be codified in the RESNET QA Standards, and may include stipulations for date and time stamping, or real-time uploading/processing of QA documentation via the RESNET Rating Registry.

QAO will report results to RESNET QA Director. At no point in this process will QA Providers be allowed to choose which QAO implementation contractor performs the QAO review of their work.

QAOs will be entirely financially independent of QA Providers, Raters, and builders. They will not be paid for their QAO services by the QA Provider. Rather, RESNET will develop a QAO implementation fund that is financed through RESNET’s ongoing QA Provider membership. Any additional funding required for this system beyond RESNET’s current budget for QA will be funded through an additional nominal per rating fee paid by the Provider.

The rate and levels of additional oversight performed by QAO implementers should be balanced with considerations of added incremental cost per rating to the Provider. Simply stated, the industry

cannot and does not need to absorb massive levies in order to add an additional layer of effective oversight.

RESNET Quality Assurance Director

To manage relationships and accreditation of RESNET QA Providers and oversee and direct the work of QAO implementation contractors, RESNET shall appoint a QA Director. The QA Director shall focus specifically on the management, oversight and direction of the RESNET QA system in order to ensure its effectiveness and impartiality.

The RESNET QA Director will, in combination with the RESNET Registry, manage the delivery and execution of QAO by implementation contractors. QAO contractors will report the results of their office and field reviews over QA Providers directly to the RESNET QA Director. The QA Director will be responsible for:

- Managing the feedback from QAO contractors
- Giving feedback to QA Providers
- Disciplining and managing corrective action of QA Providers

The QA Director will also be tasked to support QA Providers in their management and discipline of Raters. This additional responsibility is necessary in order to ensure that QA Providers have the support of RESNET in managing discipline of Raters in the most effective, sensitive and legally responsible fashion. This will ensure that QA Providers have support and consultation in making tough decisions that could significantly affect their business or the business of their Raters.

Disputes, Arbitration, Transparency, and Accountability

QA Providers shall report disputes over QAO and other QA Provider disciplinary findings to the RESNET QA Director. Ideally, communicating directly and productively with the QA Director will facilitate resolution of any disputes or conflicts.

In the case that disputes between QA Providers and RESNET over QAO disciplinary findings cannot be resolved between the RESNET QA Director and the QA Provider, the Provider shall have the right to have their case arbitrated by an impartial Arbitration Resolution Committee (ARC). This committee shall be comprised of individuals who are:

- Technically savvy, experienced and knowledgeable in the principles of energy efficiency, building science, and the RESNET Standards
- Financially independent of Raters, QA Providers, QAO implementation contractors and RESNET;
- Nominated and elected by QA Providers and QAO contractors, not RESNET Board of Directors, Executive Committee, Standards Management Committees, etc.

The ARC will review the findings from RESNET, their QAO contractors, and any supporting evidence or documentation from the QA Provider. Record of arbitration shall be made available to the public at the request of the QA Provider in either event, and at the discretion of the RESNET QA Director in the event the ARC rules in favor of supporting the RESNET QA Director.

This additional level of impartial arbitration will ensure that QA Providers are permitted to have their disciplinary cases heard by a panel of industry experts that have no financial interest in rating outcomes. This further supports the transparency, fairness and due process within the industry.

The capstone requirement of the Enhanced Quality Assurance Oversight (QAO) proposal for redefining and improving the consistency and quality of the HERS industry is for RESNET to submit to an independent audit of its direction of the QA process. This independent audit shall be conducted by an Organizational Ombudsman that is certified by the [International Ombudsman Association](#).

The independent review and audit by Organizational Ombudsman shall serve as the pinnacle level of oversight and transparency for the RESNET Quality Assurance process, and the keystone validation that RESNET, its staff, Board of Directors, affiliated constituents and QA Standards are independently validated as ethical and unbiased. The result of this annual review will be made public for all, including all industry constituents, program managers, and the general public.

The RESNET QA Director and Executive Director are ultimately responsible for ensuring a level playing field and complete transparency of the execution of the QA provisions of the RESNET Mortgage Industry Home Energy Rating Standards. Given the critical nature of QA to the confidence and consistency of HERS ratings, these actors must ensure that the independent review of the QA system for our industry is found to be consistent, fair and transparent.

Additional Considerations

The solution presented through the Enhanced Quality Assurance Oversight scheme described in this document represents the most comprehensive, transparent and market-supportive option that has been presented for the industry to consider. It is unsurpassed in its level of accountability, thoroughness and adherence to the intent of the QA Provisions of the RESNET Standards.

However, this solution alone is not enough to ensure that the industry is moderated and its participants remain confident in its results. The industry must take additional supportive action to ensure that our goals are successfully achieved.

Additional steps that must be taken:

1. The RESNET Registry shall be further refined and coded to help support enhanced QAO and help the RESNET QA Director successfully implement the enhanced QAO system.
2. The RESNET Standards must clearly define the roles and responsibilities of all actors participating in the QA system, including
3. The RESNET Standards must clearly define the explicit expectation of deliverables for 1% QAs, 10% QAs, and the review processes of QAO implementation contractors.
4. The RESNET Standards must clearly define the explicit rules and metrics for judging the quality and consistency of Raters by QA Providers, as well as QA Providers by QAOs and the RESNET QA Director.
5. The RESNET Standards must clearly define the explicit expectations for Rater discipline by Providers, and QA Provider discipline by the RESNET QA Director. All requirements must

clearly demonstrate respect for and understanding of potential legal disputes that could occur based on these actions.

6. RESNET shall improve the RESNET Ratings Registry so it is more transparent and accessible to vested third-parties in the rating process, such as utilities that count on rating data to justify savings.
7. The RESNET Standard Disclosure shall be updated to reflect that the end user of a rated home shall receive the Disclosure and be permitted to review documentation of who participated in the rating and QA oversight of the home and any potential conflicts of interest of these parties. It is recommended that this take place by labeling all rated homes with a sticker on the electrical panel of the home with a QR code that links to page for the rated home on the RESNET Ratings Registry.

Summary

The RESNET HERS industry is dedicated to improving the QA oversight and consistency of ratings. This has been evinced by the call to investigate and reform our existing system that has been put into motion by RESNET Executive Director, Steve Baden, and the RESNET Board of Directors. It cannot be expressed enough how critical this call to action was, and I personally applaud all of these leaders, as well as the individuals who have participated as members of the HERS Quality Improvement Task Force and affiliated Working Groups.

The action, dedication and professionalism displayed throughout this process cannot be diminished or dismissed. This is part of what makes the RESNET industry so special; there are so many dedicated participants who have sacrificed their own personal time, money and effort in order to see a better, more efficient and higher quality system emerge.

This white paper and its statements and conclusions do not support any of the options as presented by the QI-QA Working Group and offered to the RESNET HERS industry for review. That is not to say that the individuals who participated in creating these options should not be respected or lauded for their efforts. To the contrary, I have personally been in contact with almost all of these individuals to express my beliefs and concerns, and I strongly believe that these individuals have taken my suggestions and opinions seriously. I respect all of the individuals who contributed to this Working Group. However, the conclusions they have arrived at and options presented to the industry are insufficient and, if executed, will have disastrous effects on the HERS industry.

These options, as discussed above, allow for inconsistencies in executing the intent of the QA system enhancement mandate as they do not address potential financial conflicts of interest at the highest level. Without addressing the potential of RESNET staff, Board of Directors, committee members, or other similar actors to financially benefit and dictate QA outcomes for the industry, the QI-QA options fail to recognize the lynchpin of the efficacy and transparency of a QA system – how it functions and directed from top-down. Unless the all actors within this system, including the highest level Directors and administrators executing the system, are accountable for their actions and potential financial conflicts of interest, then there is simply no evidence that a credible, transparent and consistent system of QA oversight will prevail.

The alternative option presented in this paper – the creation of a level of Enhanced Quality Assurance Oversight for the HERS industry – achieves the end goal of ensuring that all participants are held accountable, the system is fully audited and transparent from the top-down, and no level of political or economic cronyism or favoritism can continue to exist or be tolerated. If what our industry desires is a consistent process that promotes trust and confidence in its results, taking this step will demonstrate to the entire industry that RESNET is for real.

This proposed system of Enhanced QAO, although being a level of additional oversight that is smaller in scale and disruption to the current marketplace than what is proposed by the QI-QA Working Group options, is an even larger vote of confidence for the quality and consistency of our system. Through this option, we are not tearing everything down we've worked for 16 years in collaboration to build and improve upon. Instead we are encouraging continued growth in the businesses and professionals who have helped deliver an exceptional, although imperfect, system for nearly two decades.

The proposed system will be ready to implement and add onto the existing system when RESNET is ready to add that additional layer. It does not require a dramatic teardown, rebuild and reformulation of all existing QA processes and procedures in a mere 16 months. It will demonstrate to the general public and external vested interested parties that RESNET is serious about quality assurance – so serious, in fact, that it wants to execute an important step forward in quality and consistency in the most responsible and least disruptive manner possible for the marketplace.

This is the responsible path. This is the moderate path. This is the path that harmonizes what the QI-QA Working Group has proposed, but also gives credibility and respect to what we have all been doing to support and promote consistency in this industry. This path does not demonize, persecute, or necessarily put any professional or business out of a job. However, from the top down, the Enhanced Quality Assurance Oversight solution that is being promoted by this document does more to ensure that our industry is consistent, ethical and transparent than other option currently proposed.

This path will require diligence, oversight and accountability to be successful. It will also require additional time and money in order to execute properly. Yet, it is the plan that does the most to ensure consistency with the least cost, complication and stress to the still budding market acceptance of the HERS Index and the supporting industry.

Overall, I appreciate your consideration of the positions, critique and solutions I have presented in this document. None of this is going to be easy, but the Enhanced Quality Assurance Oversight solution presented as the central thesis and alternative in this document can work and be adopted. However, to make it so, we need your support.

Action

Our industry has an absolutely critical decision to make, and we have to make it quick. You must personally give feedback to RESNET about your position by no later than Friday August 29, 2014.

The link to make your comments is here:

<http://www1.resnet.us/comments/qa/comment.aspx>

If you agree with the commentary and positions in this paper, please sign a vote of support by clicking here:

<http://www.theber.com/EnhancedQAO.php>

Regardless, make your own voice heard to RESNET. The future of your career and RESNET as a whole may depend on it.