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November 30, 2017

Steve Baden, Executive Director Residential Energy Services Network P.O. Box 4561 Oceanside, CA 92052 Email: <u>sbaden@resnet.us</u>

Subject: Comments on RESNET's proposed data access policy

Dear Mr. Baden,

The Home Performance Coalition appreciates the opportunity to submit comments to RESNET on its proposed data access policy for the RESNET National Buildings Registry.

The Home Performance Coalition (HPC) is a national nonprofit organization that works with leaders in the residential energy efficiency, real estate, appraisal, and lending industries to advance the accurate valuation of energy efficient homes. We do this through education, research, and the development and maintenance of several national Building Performance Institute (BPI) data standards including <u>HPXML</u> and BPI-2101-S-2013 *Standard Requirements for a Certificate of Completion for Residential Energy Efficiency Upgrades* to facilitate the automatic population ("auto-pop") of multiple listing services (MLS) with high-quality information and data about a home's energy efficiency features and performance.

While HPC generally supports policy statements defined in bullets one, five, and six, we believe that this proposed data access policy overall is too restrictive and does sufficiently or comprehensively address the industry's need for data on HERS rated homes. Therefore, instead of commenting on each point in the policy, HPC offers three general recommendations to inform the development of a more comprehensive data access policy:

Recommendation One: Data on HERS ratings, energy savings, and energy attributes should be easily obtainable by the industry groups that use this information to inform market development

HPC values and supports the work RESNET is doing to advance HERS ratings in the real estate market. Ratings are an important indicator of a home's relative energy performance, which may impact its value (see <u>Bringing on the Boom and Beating the Bust</u>). If homeowners know that the value of their home is increased by energy efficiency improvements, in the same way that it is enhanced by more visible amenities such as granite countertops, they will be much more likely to invest in those improvements. Therefore, it is crucial that realtors, appraisers, lenders, and others involved in real estate transactions are able to easily access data that demonstrates this value. Lenders and appraisers, in particular, want to see empirical studies demonstrating that an efficient home can command a higher resale price than a comparable non-efficient home, or that price is correlated with relative efficiency. This requires access to empirical data on the home's energy ratings and its attributes.

Recommendation Two: Define multiple data categories to reflect stakeholder data needs

As currently proposed, the data access policy requires executive director approval in the majority of cases in which data may be requested. In reality, the RESNET National Buildings Registry may contain hundreds of data points, some highly sensitive that cannot be released (e.g., PII data) and others not, that may be requested by various industry groups. It is important to evaluate and define stakeholder data needs to better inform the data access policy.

HPC recommends grouping data into categories that reflect major use cases for data and/or different levels of data security. As an example, RESNET may group data into these categories:

- Category I Public Use: Includes information targeted for general public use (e.g., HERS Index scores, HERS Rating Company)
- Category II Internal Use: Includes information not generally available to stakeholders outside RESNET. Public disclosure of this information would cause minimal trouble to RESNET.
- Category III Sensitive: Information is considered private and must be guarded from disclosure; unauthorized exposure of this information could have legal and/or financial consequences. Access to data in this category by NREL, for example, must be formally requested.
- Category IV Highly Sensitive: Data which must to be protected with the highest levels of security, as prescribed in contractual and/or legal specifications. Access to data in this category by MLS systems or appraisers, for example, must be formally requested.

The data categories above are examples of how data may be classified to more easily and more transparently communicate to stakeholders the types of data that can be accessed and the conditions under which data may be accessed. RESNET also must have the appropriate information technology (IT) infrastructure to protect data and support secure electronic data transfer to data users.

Recommendation Three: Define process for requesting data

There should be a well-defined process for granting access to data that is not publicly available. The phrase "approved by the RESNET Executive Director" is arbitrary and it is not clear under which conditions data access may be granted to users.

RESNET should also include in its policy information on how sensitive data is managed in the National Buildings Registry, the roles and responsibilities of RESNET (and partners) in managing and protecting data, and the expectation of data users (e.g., legal obligations).

Thank you again for considering our comments on RESNET's proposed data access policy for the RESNET National Buildings Registry. We believe that this data is valuable for creating a capital market for energy efficiency through the valuation of homes, and <u>RESNET should strive to make its data as open as possible</u>.

If you have additional questions, please feel free to contact Julie Caracino, Director of Research and Standards at jcaracino@homeperformance.org.

Sincerely,

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Keith Aldridge Chief Executive Officer