

Carbon Trading

The Role of Building Energy Performance

Tuesday 8am – 10am / Nautilus 2

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**”What does CARBON TRADING have to do with RESNET?
Ultimately how does this affect my business of rating homes?”**

RESNET is the entity who owns the Standards for verification of energy consumption for residential homes. Period.

We are aligning ourselves to ultimately house the Standards for verification for the Multi-Family Sector and possibly the Commercial Sector.

RESNET needs to strive to become a retail carbon offset provider. To do this we need Standards (**certified by ANSI** - to establish international credibility).

RESNET then proceeds to validate our Standards with a reputable international third party...such as the CCX (for those who haven't read ..Chicago Climate Exchange).

RESNET then develops a **CDM (Clean Development Mechanism)** which is the methodology used to create the offset... in other words-the process... i.e. A rater rates the house based on certified software

*(our software needs to be validated to confirm predicted consumption vs. actual consumption...**RESNET** is working with DOE on this project).*

Provider/Rater then aggregates the individual offsets.

The rater (and the owner of the credits) trades the offsets for real money (I would assume the rater will split some of this with the builder/homeowner).

There will have to be some validating of the data (actual utility bills will be required to then compare against initial software analysis and some diagnostic testing done during the **10 year trading period..).**

This is why it is important **RESNET** continue strengthening its QA process with the ultimate goal of validating the data needed for achieving a **Gold Standard CDM for carbon offset trading**

(carbon is only one of the emissions we quantify).

Now what this does for you as a provider/rater- this gives an income stream to do what you are already doing and getting paid for now. This also gives you the ability to work with builders to maximize their offset.

Some have recently said...carbon trading in the US is almost non existent and doesn't amount to much and will not help me rate houses.

My answer-You have a short sighted view of your business income.

Analysis-The article states the average **ton of carbon is trading for \$10/ton.**

A typical Energy Star house for example saves about 3-4 tons of carbon.

This means \$30-\$40/year of traded carbon credits per house
(now realize this is just Carbon, we can internationally trade SOX and NOX).

If we develop our CDM to trade offsets based on a 10 year compilation
(which has already been done for others) then this is **\$300-\$400/house**.

Now some providers are doing several thousand houses/year.

2,000 houses x \$300/house = **a lot of money**.

Now as you work with builders/ homeowners to achieve Federal Tax Credits you could have other incentives to offer that are market based and not utility based.

Texas has shown that utility incentives of as little as \$250.00/house motivates builders to reach a little higher and do the ratings on their homes.

RESNET is situated to capitalize on this process. There is a lot of work to do but achieving a GOLD Standard CDM should be our goal in the near term.

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QUESTIONS?