

March 18, 2024

Dear Chair Acomb & Members of the House Climate & Energy Committee:

We are writing to urge your support of House File 4423 (Stephenson), a bill to accelerate deployment of thermal energy network pilot projects.

Minnesota is transitioning to a more equitable clean energy future. It's a future we can all be part of. For both renters and owners, from multifamily buildings to manufactured homes, **every Minnesotan should have a clean, comfortable, and affordable place to live.**

However, we have our work cut out for us. Minnesota has over 1.6 million owner-occupied homes and over 600,000 rented homes. And, according to the Minnesota Pollution Control Agency's most recent biennial report on greenhouse gas emissions, **pollution from residential buildings is trending in the wrong direction, increasing 14% between 2005 and 2020.** To reverse that, we'll need to innovate and scale our solutions, creating more and easier opportunities for homeowners to opt-in to cleaner heating and cooling.

The good news is **there are solutions, such as Thermal Energy Networks**, or TENs, which can deliver carbon-free heating and cooling efficiently and affordably for many Minnesotans. Thermal Energy Networks are systems that use a shared network of water pipes to transfer heat in & out of nearby buildings. This heat energy can be exchanged and stored between sources like the stable underground temperature of the earth, lakes & rivers, wastewater systems, or between the buildings themselves.

To figure out what works best where and for whom, we'll need to continue to innovate and learn together. House File 4423 would help us do that, building on Minnesota's Natural Gas Innovation Act (NGIA) in the following ways:

1. **Increasing investment in Thermal Energy Network pilots** by ensuring that at least 15% of subsequent NGIA budgets at large natural gas utilities be invested in TENs.
2. **Studying site suitability for TENs** by providing support to the Department of Commerce to produce a statewide report on the ideal locations for thermal energy networks.

We urge your support for House File 4423. It's one way we can help ensure all Minnesotans get to participate in our transition to a more equitable clean energy future.

Signed,

**100%**  
**ISAIAH**  
**Unidos**  
**Fresh Energy**

**Geoexchange**  
**Conservation Minnesota**  
**Resilient Cities and Communities**  
**Climate Generation**  
**Green Committee, Oak Grove Presbyterian Church**  
**Minnesota Interfaith Power and Light**  
**Cool Planet**  
**Former Senator Ellen Anderson**  
**Institute for Local Self-Reliance**  
**Sierra Club North Star Chapter**  
**Vote Solar**  
**City of Minneapolis**



March 19, 2024

Representative Zack Stephenson  
449 State Office Building  
St. Paul, MN 55155

Re: Support for HF 4423 – Thermal energy network pilots

Dear Representative Stephenson,

Thank you for carrying HF 4423 to advance thermal energy networks in the state of Minnesota.

The Citizens Utility Board of Minnesota (CUB) is a 501(c)(3) nonprofit advocate for Minnesota's residential utility consumers. As part of our efforts, CUB is focused on decarbonizing Minnesota's heating sector in a way that is affordable, fair, and accessible for all Minnesotans.

Thermal energy networks are a very promising technology to provide heating and cooling to homes and businesses. Powered by clean heating sources like geothermal facilities or waste heat recovered from wastewater systems, thermal energy networks have the potential to efficiently decarbonize heating needs. Thermal energy networks also promise good job opportunities for construction trades workers, and a centralized asset that might be constructed, owned, and operated by an experienced utility company. Minnesota already has substantial experience with thermal energy networks, including the long-standing district systems in downtown St. Paul and Minneapolis. CUB is very interested in seeing thermal energy networks further piloted, studied, and hopefully expanded at a larger scale in Minnesota.

We appreciate the willingness of advocates to consider our questions and suggestions on this bill, and we are committed to working with them and with you as the legislation advances.

Thank you very much for your work on this important topic.

Sincerely,

Annie Levenson-Falk  
Executive Director

cc: Chair Acomb; Republican Lead Swedzinski; and members, Climate and Energy Finance and Policy Committee  
Mike Molzahn, Committee Administrator  
Joe Birkholz, Office of Governor Tim Walz