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Subject Energy conservation in buildings**Authors** Jones**Analyst** Bob Eleff**Date** April 7, 2026

Overview

House File 3179, as amended by the H3179A1 amendment, establishes a program in the department of commerce that requires owners of buildings of 50,000 square feet or more in the 7-county metropolitan area and in cities outside it with 50,000 or more inhabitants to reduce energy use on a schedule designed to cut greenhouse gas emissions from these buildings by 90 percent by 2045.

Summary

Section	Description
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| 1 | <p>[216C.332] Building energy performance standards.</p> <p>Subd. 1. Definitions. Defines terms.</p> <p>Subd. 2. Establishment. Requires the commissioner of commerce to establish a building energy performance program to reduce space heating and cooling costs and greenhouse gas emissions.</p> <p>Subd. 3. Classification of buildings. Establishes four classes of covered buildings defined by square footage and public/private ownership.</p> <p>Subd. 4. Final EUI standards; establishment. Requires the commissioner to establish final energy use intensity standards (energy use per square foot) for all covered buildings by January 1, 2027, so that aggregated greenhouse gas emissions from covered buildings is reduced by 90 percent (on a 2005 base) by 2045. Establishes dates when this standard must be met for each building class.</p> <p>Subd. 5. Interim standards; establishment. Requires the commissioner to establish interim energy use intensity standards that covered buildings must meet every five years before the final 2045 standard must be met.</p> <p>Subd. 6. EUI standards; extensions; exemptions; adjustments. Authorizes a building owner to request from the commissioner an extension, exemption, or adjustment to</p> |
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Section	Description
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an interim or final EUI standard, and determinations the commissioner must make in order to grant the request, based on the building's financial stress.

Subd. 7. Interface with utility conservation programs. Specifies that nothing in this section limits a utility's ability to offer energy conservation programs to buildings and to claim energy savings resulting from those programs.

Subd. 8. Public buildings; portfolio options. Allows an owner of multiple buildings, with the commissioner's approval, to achieve EUI reductions across all owned buildings on an aggregated basis, rather than meeting the same standard in each building.

Subd. 9. Building Performance Advisory Committee. Requires the commissioner to establish and appoint members from specified interests to an advisory committee to advise the commissioner on operating this section.

Subd. 10 Penalties. Requires owners of buildings who fail to meet an interim or final EUI standard to make compliance payments to the commissioner on a [blank amount] per 1,000 BTUs above the standard basis. An owner may, with the commissioner's approval, be excused from paying a penalty. In determining penalty amounts, the commissioner must consider the degree of shortfall from the standard, the length of time over which the failure has occurred, and the building's assessed value.

Subd. 11. Technical and financial assistance hub. Requires the department to contract with a nonprofit organization to operate a building performance technical and financial assistance hub to assist building owners to comply with this section.

Subd. 12. Program implementation. Authorizes the commissioner to contract with an independent third party to implement some or all of the department's duties under this section.

Subd. 13. Account established. Establishes the building energy performance standards program account, to be managed by the commissioner. Money in the account that is not collected from penalties must be used only to reimburse the department's reasonable implementation expenses. Penalty monies may be used only to award grants under subdivision 14.

Subd. 14. Building energy performance improvement grants. Owners may apply for a grant under this department program designed to assist them in complying with this section. Priority must be given to owners of multifamily affordable housing or those who achieve EUI reductions that exceed the standards or achieve them earlier than is required.

Section	Description
2	Appropriation. [Blank] is appropriated to the commissioner from the general fund to reimburse the department's implementation costs, to award grants under subdivision 14, and to finance the technical and financial assistance fund established under subdivision 11.