

March 6, 2023

The Honorable Patty Acomb
Chair, Minnesota House Climate and Energy Finance and Policy Committee
593 State Office Building
100 Rev. Dr. Martin Luther King, Jr. Boulevard
St. Paul, MN 55155

Chair Acomb and Committee Members,

Span, Inc (SPAN) appreciates the opportunity to provide written testimony in general support of House File 849 (Hollins). SPAN is a manufacturer of smart panels for single-family homes. Smart panels, such as the one developed by SPAN, serve as a one-for-one replacement of the traditional residential electrical breaker box. Intelligent hardware is included in smart panels that can enable whole-home electrification, including the installation of rooftop solar, backup battery, heat pump HVAC, hot water heaters, induction cooking, and EV charging without the need for expensive service upgrades. Specifically, smart panels can support the same level of electrification that would normally require 200 amperes of service from a traditional panel.

SPAN supports House File 849 with one minor proposed modification. **To accurately reflect the capabilities of smart panels, we recommend that House File 849 include clarifying language that an “upgrade” can also be defined as installing a smart panel.**

SPAN supports this bill because it would provide much-needed assistance to income-eligible households by enabling them to upgrade their panel in order to safely electrify and operate appliances within their home. And by promoting home electrification, Minnesota will be best-positioned to achieve the goals of the 2007 Next Generation Act and the 2022 Climate Action Framework.

Supporting income-eligible households with rebates towards electrification upgrades is particularly important given how communities with above-average levels of income-eligible households are disproportionately impacted by climate change. Several of these impacts are described in the 2022 Climate Action Framework, including that lower-income communities tend to have older buildings and a lack of resources to upgrade them, the portion of income spent on energy in lower-income communities is disproportionately higher, and lower-income communities face unequal exposure to pollution. Combined, these impacts make it even more challenging for these communities to invest in building electrification technology despite being the ones that need it the most.

Without the incentives proposed in this bill, eligible households are much less likely to undertake electrification projects due to the initial costs. Although Rewiring America has found that households can save an average of \$2,500 per year by fully electrifying,¹ to do so requires installing electric appliances. Installing these appliances, in turn, is likely to require a panel upgrade to support the increased electricity demand. Unfortunately, households without the ability to invest in this hardware upfront – including panel upgrades – are then unable to reap the long-term benefits of electrification. Even with the forthcoming incentives established by the Inflation Reduction Act, it is highly likely that these incentives will not cover enough of the cost necessary for all households in Minnesota to take advantage.

By passing House File 849, Minnesota will meaningfully catalyze the move towards electrification, and move closer to achieving its climate objectives. For these reasons, SPAN supports House File 849, and thanks the Committee for thoughtful consideration of its comments.

Sincerely,

Hannah Bascom
Vice President, Regulated Business
SPAN

¹ See April 16, 2021 “49 Million Homes Are in the Money. Is Yours?”, available at <https://www.rewiringamerica.org/newsletter/49-million-homes-are-in-the-money-is-yours>.