

# What Defines a Building Performance Standard (BPS)?



**Building performance standards (BPS)** are an innovative policy approach for building efficiency and decarbonization. A BPS is an outcome-based policy that requires, by specific deadlines, existing buildings of specified sizes and types achieve quantified standards of measured building performance across one or more metrics—such as energy use, water use, and/or greenhouse gas emissions. The policies often set long-term and interim targets to provide regulatory certainty and provide multiple compliance pathways to offer flexibility, especially for affordable housing or other priority building types.

BPS complement traditional building energy code approaches, but work quite differently. All BPS policies in North America share six key elements:

- **All existing large buildings.** BPS apply to all existing public and private buildings of specified sizes and types in a jurisdiction, while building energy codes traditionally apply to new construction, renovation, and equipment replacement activities.
- **Specific deadlines.** BPS set a schedule of specific, date-certain mandatory deadlines, whereas code compliance requirements are generally triggered by the application for a permit.
- **Outcome based.** BPS are outcome-based policies that evaluate compliance based on measured, actual performance (e.g., energy used, greenhouse gas emissions produced), and compare performance outcomes to targets specific to each building type. In contrast, building energy codes traditionally evaluate compliance based on prescriptive requirements or on comparing modeled design performance to a modeled baseline.
- **Whole building performance.** BPS apply to—and are evaluated for—the whole building, including tenant spaces. Unlike building energy codes, BPS do not specify the performance of any individual elements, giving building owners wide flexibility in how to comply. However, upgrades made to comply with the BPS may themselves trigger the building energy code and be subject to code requirements.



- **Continued improvement.** While building energy codes only apply at the time of permitting, BPS apply throughout the building life cycle, and generally require buildings to meet more ambitious performance targets over time, driving continuous, long-term improvement in the existing building stock.
- **Consequences.** BPS impose financial liabilities for non-compliance on buildings that do not either meet the required performance targets by the deadlines or select another approved compliance path.. Building codes condition permits and certificates of occupancy on compliance.

Most BPS policies include three additional elements:

- **Long term certainty.** Most BPS set long-term and interim targets for improved performance outcomes, laying out a pathway that encourages early action while providing the time and regulatory certainty needed for informed investment decisions.
- **Locally tailored.** Most BPS are tailored to the performance and needs of existing buildings within the jurisdiction, with targets that are informed by benchmarking data or other regionally appropriate references, as well as aligned with climate goals and community priorities.
- **Flexible and equitable.** Most BPS provide multiple pathways for compliance, and often improve equity through additional flexibility or resources for affordable housing and other priority building types. Additionally, BPS can regulate building performance even more holistically by including additional metrics for water use, indoor air quality, resilience, or other community priorities.

Learn more about these policies and how you can get involved at [www.imt.org/bps](http://www.imt.org/bps).



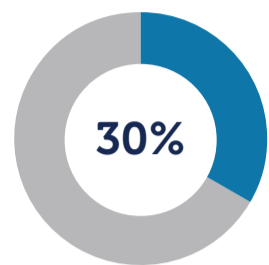
# What is a Building Performance Standard (BPS)?

Leaders across the U.S. are exploring building performance standards (BPS) as a way to reduce building energy use and carbon emissions.

A BPS requires buildings to meet carbon or energy performance targets by specific deadlines.



**More than 600** local U.S. governments have climate action plans that include greenhouse gas (GHG) reduction targets.



Reaching these goals will require addressing energy use in new and existing buildings.

Nationwide, buildings account for **almost a third** of annual GHG emissions.



In many cities, buildings contribute to an even larger percentage of GHG emissions.

**41%** Los Angeles

**58%** Columbus

**64%** Atlanta

**70%** New York City

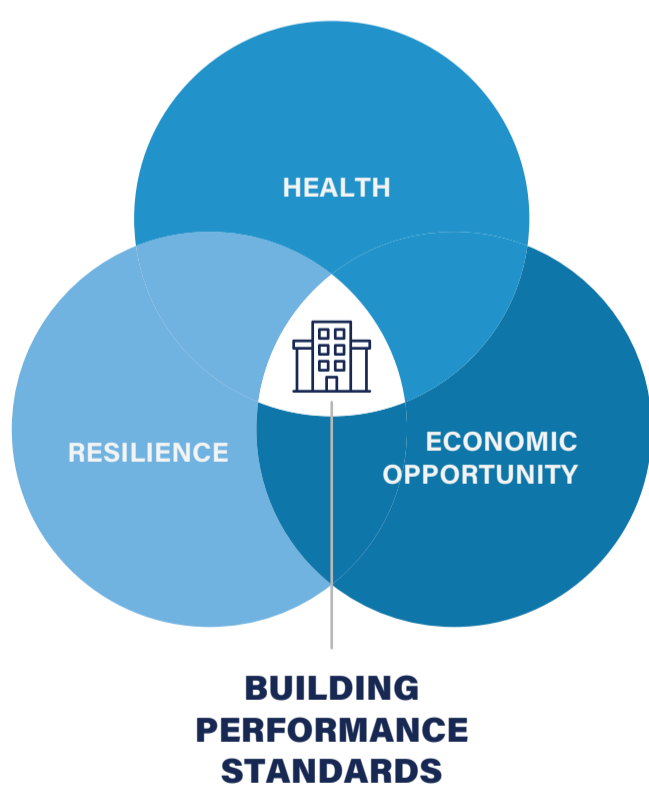
**74%** Salt Lake City

**80%** St. Louis

## Benefits of BPS

### Improving Communities

A BPS can be used to address a range of community priorities, including building energy use, carbon emissions, public health, resilience, and economic opportunity.



### Boosting Climate Resilience

Improving how a building uses energy can also help protect occupants against growing climate threats, such as:



Heatwaves



Storms



Power outages



Air pollution



### Lower Bills, Better Air Quality

Owners can improve a building's heating, cooling, and ventilation systems to use less energy, provide healthier air, increase comfort, and lower energy bills.

### Creating Jobs

Local contractors benefit from new job opportunities and an inclusively designed BPS can ensure these jobs are available to all community members.





**BUILDING  
DECARBONIZATION  
COALITION**

April 7, 2026

**Co-Chairs Patty Acomb and Chris Swedzinski  
Energy Finance and Policy Committee**

Dear Co-Chair Acomb, Co-Chair Swedzinski, and Committee Members,

The Building Decarbonization Coalition (“BDC”) respectfully submits this letter of support for HF 3179 as introduced, which establishes building energy performance standards for certain large buildings in Minnesota.

This legislation represents a thoughtful and forward-looking step toward achieving Minnesota’s energy efficiency and climate goals. By setting clear, long-term performance standards for covered buildings, paired with interim benchmarks and reporting requirements, HF 3179 provides a structured and predictable pathway for improving building efficiency over time.

Buildings are a significant source of energy use and greenhouse gas emissions in Minnesota. Policies that focus on measurable performance outcomes, rather than prescriptive technology requirements, offer flexibility for building owners while still ensuring progress toward statewide goals. HF 3179 strikes that balance by providing owners the opportunity to determine which strategies best suit their needs and cost-effectiveness considerations to meet established standards.

BDC applauds the attention to program design for HF 3179 and is looking forward to continued conversation around this proposal this session.

Sincerely,

**Noah Cordoba**  
**Minnesota State Manager**  
noah@buildingdecarb.org



**April 6, 2026**

**LMC Concerns with HF 3179--Certain buildings required to meet energy performance standards, reports required, and money appropriated**

Dear Chair Acomb, Chair Swedzinski and Members of the Energy Finance and Policy Committee,

On behalf of our 842 member cities, the League of Minnesota Cities thanks you for the opportunity to provide testimony about the impacts HF 3179 and must, respectfully, oppose this legislation.

The League participated in multi-year discussions to develop updated energy performance standards for new construction of large commercial and multifamily residential structures and supported those changes being made. HF 3179, however, applies to existing infrastructure and sets structural retrofits of large local government buildings as the top priority, regardless of local priorities and financial capacity, and with no assurance of financial support to do work that could amount to millions of dollars on large buildings. It fines local governments for noncompliance, even if no state support is available to meet this sweeping unfunded mandate.

Many cities across the state are busy planning and implementing local priorities related to state energy goals, changing climate impacts on infrastructure, local energy efficiency, greenhouse gas emission reductions, renewable energy plans, infrastructure upgrades needed to replace aging structures, and heightened state and federal requirements. These are done with careful local attention to financial capacity and the full scope of community needs.

The League of Minnesota Cities is happy to have continued discussions on how to best support improved energy efficiency in public buildings, but cannot support this proposal. Please allow local governments to move forward on these issues in the manner that best matches planned building usage and replacement, as well as other competing demands for extremely scarce community resources.

Sincerely,

A handwritten signature in black ink that reads "Craig A. Johnson". The signature is written in a cursive style with a large, prominent "C" and "J".

Craig A. Johnson  
Senior Intergovernmental Relations Representative  
League of Minnesota Cities

April 6, 2026

Chairs Acomb and Swedzinski and members of the House Energy Finance and Policy Committee:

On behalf of the 14,000 members of the Laborers' International Union of North America (LIUNA) Minnesota and North Dakota, I am writing to express concerns regarding HF 3179, which would require owners of existing buildings covered by the law to achieve an average 90% reductions in greenhouse gas emissions associated with building energy use.

We want to say at the outset, that we appreciate the outreach and opportunity to discuss the bill with the author. LIUNA supports efforts to improve building energy efficiency and to reduce greenhouse gas emissions, and we look forward to continued conversations with the author toward that end. In its current form, however, we believe that the bill could impose unsustainable burdens on building owners, and create unnecessary risk and uncertainty without delivering equivalent cost savings or climate benefits.

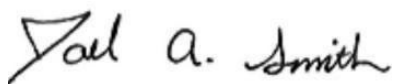
While we have questions regarding the feasibility of requiring existing buildings to achieve similar efficiency targets to those established for new buildings under Minnesota's energy code, we are especially concerned by the linkage between Energy use intensity (EUI) and a mandate to achieve 90% greenhouse gas emissions across covered buildings. Building owners can seek to implement efficiency measures in order to lower EUI, but they have limited control over the greenhouse gas profile of the energy supplied to them by electric and gas utilities.

Individual building owners may be unable to achieve 90% emissions reductions without replacing entire energy systems, even after making substantial investments in efficiency. Further, at a portfolio level it is difficult to see how compliance with the 90% mandate could be assured without requiring most or all covered building owners to replace all natural gas- and propane-fueled appliances with electric appliances – a costly undertaking that would also strain the electric grid. Depending on how the 90% is measured, building owners could also be required to invest in expensive onsite electric generation.

LIUNA has backed efforts to reduce emissions related to energy use, including Minnesota's 100% by 2040 standard, the Natural Gas Innovation Act and the Energy Conservation and Optimization Act (ECO), and we believe that these laws provide the best framework for achieving cost-effective reductions in emissions associated with energy use. If the legislature wishes to complement recent energy code changes with policy designed to accelerate energy efficiency investments in existing buildings, we recommend an approach that focuses on incentivizing use of ECO and other programs, and does not put undue burden on building owners.

We thank Committee members for your consideration and welcome further discussion with the author.

Respectfully,



Joel Smith  
President and Business Manager



## MINNESOTA GROCERS ASSOCIATION

1360 Energy Park Drive, Suite 110 • St. Paul, MN 55108 • 651-228-0973 • 1-800-966-8352 • [mga@mngrocers.com](mailto:mga@mngrocers.com)

April 7, 2026

Chair Acomb, Chair Swedzinski, and members of the House Energy Finance and Policy Committee:

The Minnesota Grocers Association (MGA) appreciates the opportunity to share our concerns regarding HF3179, which would establish impractical building energy performance standards. While we support the goal of improving energy efficiency and reducing greenhouse gas emissions, we are deeply concerned about the feasibility, cost, and unintended consequences of this proposal for Minnesota's grocery industry and the consumers we serve.

Minnesota is home to a vibrant network of independent, locally owned, and multi-generational grocers and convenience stores. The MGA has proudly represented Minnesota's food industry for over 125 years. Today, our members include more than 250 companies operating over 1,300 locations statewide, supporting more than 150,000 jobs and ensuring access to food in communities across Minnesota.

Under HF3179, most supermarkets would be classified as "covered buildings" due to their size. Grocery stores are uniquely energy-intensive operations. Their walls are lined with refrigeration and freezer systems that must run continuously to maintain food safety and quality. In addition, stores must maintain climate-controlled environments to preserve shelf-stable goods and ensure a safe and comfortable shopping experience for customers.

Grocers are already investing in energy efficiency where feasible, including transitioning to lower-emission refrigerants and upgrading equipment as stores are built or renovated. However, the scale of reductions required under HF3179 present significant challenges, particularly for existing stores, as retrofitting refrigeration systems is especially costly.

In 2025, one MGA member received a quote of **\$6-10 million per store** to install a new ultra-low global warming potential (GWP) carbon dioxide refrigeration system. This estimate applied to refrigeration alone and did not include other building energy systems such as heating, cooling, or lighting. For operators with multiple locations, these costs multiply quickly and become untenable.

Independent grocery retailers operate on extremely thin margins - **approximately 1.7 percent in 2024**. At those levels, even modest increases in operating costs can have significant impacts.

We are also concerned that the bill will disproportionately impact independent grocers compared to large national chains that have greater access to capital. In many cases, it would likely force smaller, independent grocers to exit the market entirely. This would only accelerate consolidation in the grocery sector, reduce competition, and contribute to the

growth of food deserts - particularly in rural and underserved communities where independent grocers are already struggling.

We recognize and appreciate the importance of lowering emissions and improving building efficiency. However, we respectfully urge the committee to consider a more flexible and achievable approach that reflects the operational realities of energy-intensive industries like grocery retail and avoids unintended harm to Minnesota consumers and communities.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Steve Barthel". The signature is written in a cursive, flowing style.

Steve Barthel  
Director of Government Relations  
Minnesota Grocers Association

April 6, 2026

Energy Finance and Policy Committee  
123 State Capitol  
St. Paul, MN

**RE: HF3179 – Certain buildings required to meet energy performance standards, reports required, and money appropriated**

Dear Chair Acomb, Chair Swedzinski, Rep. Jones, and members of the committee,

We appreciate the opportunity to provide comments on H.F. 3179 and look forward to continued engagement on this topic. We have several concerns about the proposed legislation and believe additional stakeholder outreach is needed to understand building performance standard impacts, and the existing benchmarking statute (compliance was at 60% in 2025),<sup>1</sup> which this legislation builds upon through financial compliance.

**Building Performance Standards Metrics based on GHG, not energy efficiency (Subd. 4)**

This bill pivots from the agreed upon energy use intensity (EUI) metric in the existing Benchmarking Statute (216C.331) passed in 2023 from “*total annual energy consumed in a building divided by the building's total floor area*” to greenhouse gas emission (GHG) at line 2.27 and via the ‘Final EUI standards’ starting at line 3.8. This is a significant change from statute, stakeholder group discussions, and changes benchmarking from an energy efficiency focus to GHG standard for existing buildings. Previous feedback and stakeholder discussions consistently preferred energy efficiency focus, which is also consistent with energy codes.

**Building Performance Advisory Committee (Subd. 9)**

We appreciate the inclusion of an electric utility, a gas utility, and a labor union, but have concerns the composition of the committee is not equally weighted. More representation is needed to reflect the geographical and resource differences for Minnesota’s energy providers, including municipal utilities and investor-owned utilities. We also suggest adding individual representation for local government, building owners, building operators, and building service trades for the 7-county metro area and separately for cities in Greater Minnesota affected by a building performance standard. These entities are the most directly affected and those outside the Minneapolis-Saint Paul metropolitan area may have different constraints or economic factors.

**Compliance and Penalties (Subd. 10)**

We are proud that Minnesota is a leader in energy efficient buildings<sup>2</sup>; however, this also means that the remaining sources of energy savings are fewer and more costly to achieve. This bill creates a situation where onsite generation could be needed to meet the 90 percent GHG reduction by 2045 compliance, which takes focus away from energy efficiency and is more costly. Additionally, penalties are required to increase over time and tied to the social cost of carbon dioxide (line 6.11-6.17), facilitated by and paid to the Department of Commerce. Due to the magnitude of range values for the social cost of carbon, the uncertainty of the

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<sup>1</sup> See 2025 data on covered buildings in compliance: <https://map.benchmarkingmn.org/>

<sup>2</sup> See *The 2025 State Energy Efficiency Scorecard*. Washington, DC: ACEEE. <https://www.aceee.org/research-report/u2502>.

potential penalties could negatively impact economic development in the state as businesses and rental property residents seek affordability and stability.

**Building energy performance improvement grants (Subd. 14)**

We agree that such grants are necessary to help commercial customers upgrade their buildings to comply with this policy. However, we have concerns about the approach taken to prioritize awarding grants based on quicker reductions relative to financial need or cost-effectiveness (line 8.23-8.24). Underperforming commercial properties may have significant savings opportunities and likely need more help and support to complete initial projects, because they have less experience in whole building performance improvements. Grant programs need to have flexibility to evaluate the impact of the project as well as the circumstances of the commercial property.

**Interface with utility conservation programs Alignment with the Energy Conservation Improvement (ECO) programs (Subd. 7)**

Utility ECO programs are a benefit to all customers. We appreciate language ensuring that utility energy conservation and optimization programs could operate without disruption (line 4.21-4.25) and aligning the definition of affordable housing with ECO (lines 2.14-2.16).

We thank the author and committee for considering our concerns.

Sincerely,

Jamie Fitzke  
Director, Government Affairs  
CenterPoint Energy

Elizabeth Wefel  
Environment and Energy Lobbyist  
Coalition of Greater Minnesota Cities

Joel Johnson  
Legislative Director  
IBEW State Council

John Pollard  
Legislative Director  
IUOE Local 49

Darielle Dannen  
Executive Director  
Greater Minnesota Partnership

Kent Sulem  
Director of Government Relations & Senior  
Counsel  
Minnesota Municipal Utilities Association

Andrew R Campeau  
President  
Minnesota Pipe Trades Association

Joe Hoppe  
Manager, Legislative Affairs  
Otter Tail Power Company

Patrick Schillinger  
Vice President State Legislative & Local Affairs  
WEC Business Services, LLC  
On behalf of Minnesota Energy Resources  
Corporation (MERC)



April 7, 2026

Dear Members of the House Energy Finance and Policy Committee:

The Minnesota Chamber of Commerce represents over 6,300 businesses of all sizes and industries in every corner of the state and over 500,000 employees in Minnesota. We advocate for public policies to strengthen Minnesota's business climate and to help grow Minnesota's economy.

The Chamber opposes HF 3179 (Rep. Jones). This bill would mandate building efficiency standards for many Minnesota businesses that cannot be met in the timeline set forth in the legislation, with the penalties only causing further harm.

Facility operations and maintenance account for a significant cost for many businesses, and benchmarking is a helpful tool for many businesses to understand and compare their energy consumption. Businesses look to lowering their operating costs and are already making investments to enhance their energy efficiency. Energy efficiency projects take years, if not decades, to realize returns on those investments.

The commercial real estate market in Minneapolis and Saint Paul is already facing challenging headwinds. Vacancies are at the highest level in years, while commercial property valuations are declining – shifting more of the tax burden to residential property. Commercial lenders will take into consideration greenhouse gas emissions mandates when underwriting loans on commercial properties. This additional requirement will make financing job creation projects even more difficult for Minnesota businesses and may cause them to invest elsewhere.

Additionally, this legislation will add significant pressure to rising property taxes. Property taxes are rising across the state as local governments struggle to meet the demands of new unfunded mandates. This new mandate will require local governments to undertake costly energy efficiency projects that will be financed by higher property tax levies – further limiting economic development opportunities in the Twin Cities and larger cities in Greater Minnesota.

Legislators should take an approach that creates incentives for businesses to make investments in reducing greenhouse gas emissions rather than creating standards that are impossible to meet and that come with the threat of significant penalties.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Dwight", is positioned below the "Sincerely," text.

Dan Dwight  
Minnesota Chamber of Commerce



Fresh Energy

408 Saint Peter Street, Suite 350  
Saint Paul, MN 55102

PHONE 651 225 0878

EMAIL [info@fresh-energy.org](mailto:info@fresh-energy.org)

WEBSITE [fresh-energy.org](http://fresh-energy.org)

April 7, 2026

The Honorable Patty Acomb and Chris Swedzinski  
Energy Finance and Policy Committee  
Minnesota House of Representatives  
75 Rev. Dr. Martin Luther King Jr. Blvd.  
Saint Paul, MN 55155

Co-Chairs Acomb, Swedzinski, and Committee Members,

Fresh Energy is a 30-year-old, Minnesota-based nonpartisan, not-for-profit organization. We work to shape and drive bold policy solutions to achieve equitable carbon-neutral economies. We appreciate the opportunity to offer our perspective on House File 3179.

Fresh Energy supports House File 3179 and the creation of Building Performance Standards (BPS) in Minnesota as an important step towards energy savings, climate pollution reduction, and resilience to extreme temperatures in large existing buildings. Minnesota's strong energy code advancement laws minimize energy waste in future new buildings. However, to provide similar benefits to owners and users of existing buildings, a different policy is appropriate. A BPS program for Minnesota will offer not only minimum energy efficiency requirements, but also technical and financial support for needed upgrades.

Our buildings are a critical protection for Minnesotans' energy affordability. The insulation, air sealing, windows, doors, and mechanical systems of a building have just as much impact on utility bills as policy at the Public Utilities Commission. Indeed, maximizing efficiency locally is especially prudent as global energy prices soar.

Commercial buildings are the fastest-growing source of emissions in Minnesota by sector (up 48% from 2005-2022).<sup>1</sup> These emissions are primarily driven by heating. Efficiency improvements to older buildings can dramatically reduce waste while improving comfort, and the value and durability of our building stock. In addition to existing policy tools like our energy code, Energy Conservation and Optimization (ECO), and weatherization programs, a BPS program will fill a critical need reducing the energy and emissions of this high-impact group of buildings.

Finally, energy efficiency becomes increasingly important during extreme temperatures. By raising standards across large existing buildings, BPS will reduce strain on both humans and the energy grids that must meet peak energy demand. With more efficient buildings, power outages become both less likely to happen, and less dangerous if they do by increasing the number of hours of safe temperatures that can be maintained indoors without power for heating or cooling.

House File 3179 is a wise investment in energy affordability, our climate, and our wellbeing.

Sincerely,

Eric T. Fowler  
Director of Building Performance, Fresh Energy  
[Fowler@fresh-energy.org](mailto:Fowler@fresh-energy.org)

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<sup>1</sup> MPCA, <https://www.pca.state.mn.us/sites/default/files/lraq-3sy25.pdf>



House Energy Finance and Policy Committee  
Minnesota House of Representatives  
Saint Paul, MN 55103

April 6, 2026

**RE: Coalition opposition to HF 3179**

Dear Co-Chair Swedzinski, Co-Chair Acomb and Members:

On behalf of both the Minneapolis Regional Chamber and the Minneapolis Downtown Council, representing nearly 1,000 businesses of a wide array of both size and industry across the West Metro of the Twin Cities, we respectfully ask you to oppose HF 3179.

The last time our organizations were made aware of concerns around this issue was in the 2023 session. We have real concerns regarding the lack of external engagement since that time on this issue. We, and our members, would like to see more conversations with stakeholders directly impacted by this bill before this policy moves forward or is introduced again in a future session. This can look like:

- Clearly communicating the changes this bill would make from the current benchmarking process (energy usage to GHG emissions) and changes from previous 2023 stakeholder engagement
- Outreach that includes information to understand what kind of building remodeling and technology would be needed to comply and associated costs
- A projected cost of non-compliance fines, based on a building's current technology, so building owners and businesses can understand the potential financial impacts and begin to make decisions on building improvements or relocating

While we understand that benchmarking can be helpful for businesses to understand and compare energy consumption, Building Performance Standards warrant additional conversation and do not help with affordability or economic struggles faced by businesses. Our member businesses value energy efficiency, but this bill would set a GHG emissions standard and fine properties, many of which are already struggling given the current volatile economic conditions in our market. For example, this mandate could further impact our Minneapolis downtown core property base which is currently seeing vacancy rates of nearly 30% as of the end of Q1 of this year.

Respectfully, we ask you to oppose HF 3179, as it's clear that more stakeholder engagement is needed on this and businesses across the Twin Cities cannot afford to be mandated by yet another standard governed by a board that does not include their expertise or perspectives.



Sincerely,

A handwritten signature in black ink, appearing to read 'Mike Logan', with a long horizontal flourish extending to the right.

Mike Logan  
President and CEO  
Minneapolis Regional Chamber

A handwritten signature in black ink, appearing to read 'Adam Duinick', with a long horizontal flourish extending to the right.

Adam Duinick  
President & CEO  
minneapolis downtown council



April 6, 2026

The Honorable Patty Acomb and The Honorable Chris Swedzinski  
Minnesota House of Representatives Energy, Finance, and Policy Committee  
100 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, MN 55155

Dear Chairs Acomb and Swedzinski,

Greater Minneapolis Building Owners and Managers Association appreciates the opportunity to provide comment on House File 3179. BOMA Greater Minneapolis is a trade association representing commercial real estate interests in Minneapolis, its suburbs and Duluth.

Our members provide the working environments for 200,000 people throughout Minneapolis, the west metro and Duluth. Our members pay \$250 million in local and state property taxes each year – money that helps pay for schools, libraries, hospitals, roads, and more – and spend more than \$360 million each year keeping their buildings operating.

We agree with many of the goals Representative Jones seeks to achieve in HF3179. Energy costs are one of the primary input costs for building owners. As such, constantly improving energy efficiency and lowering energy usage is always top of mind for BOMA members. Even without policy mandates, members devote enormous financial resources to improving energy efficiency and lowering usage.

Unfortunately commercial real estate is facing unprecedented challenges. Work from home trends, public safety perceptions, and pandemic hangover have many large commercial buildings valued and selling for a fraction of their pre-pandemic value – over 90 percent discount in several recent cases. Without significant outside financial support BOMA Greater Minneapolis members will not be able to meet many of the policy mandates in House File 3179. Older buildings will also have unique challenges newer buildings may not.

BOMA Greater Minneapolis appreciates the proactive and consistent outreach by Representative Jones related to building performance standards policy. We look forward to continued partnership to work through the challenges and opportunities in improving energy efficiency in commercial real estate.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah Anderson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Sarah Anderson  
BOMA President/CEO



April 6, 2026

Dear Chair Acomb, Chair Swedzinski, and Members of the House Energy Committee:

Metro Cities, representing the collective interests of cities in the seven-county metropolitan area, appreciates the opportunity to comment on HF 3179 (Jones). Metro Cities respectfully opposes this bill.

HF 3179 establishes statewide building energy performance standards for public and private buildings of a certain size with a goal of a 90 percent reduction in greenhouse gas emissions by 2045. Cities across our region are currently taking meaningful steps toward improving the efficiency of their publicly owned buildings and Metro Cities' policy recognizes that advanced energy standards reduce energy burdens and costs for building occupants and lower greenhouse gas emissions.

Without adequate state support, HF 3179 places an unfunded mandate on local governments during a time when there is increasing pressure on local budgets and a growing list of capital projects needed at the local level. The bill also imposes financial penalties to noncompliant building owners if benchmarks are not reached.

Metro Cities appreciates the establishment of a building energy performance improvement grant program to help provide financial assistance to building owners to make the required upgrades and improvements. Metro Cities' policies support state funding for programs that support property owners (including local governments) in making efficiency improvements. Without knowing how much funding will be available for grants and considering the funding priorities described in the bill (along with any other criteria the advisory committee may develop), cities could struggle to receive grants from this program.

Metro Cities and cities across the metropolitan region are interested in taking meaningful steps toward a more energy efficient future. We look forward to working with the author, members of this committee, and other stakeholders to help identify what local governments need (technical resources, financial assistance, lessons learned from peers) to help the state reach its goals.

Sincerely,

Mike Lund  
Government Relations Specialist  
Metro Cities

Ania McDonnell  
Government Relations Specialist  
Metro Cities



April 13, 2026

Chair Acomb and Members of the Committee  
Energy Finance and Policy  
Minnesota House of Representatives

Re: HF 3179 – Building Energy Performance Standards

Dear Chair Acomb and Committee Members,

On behalf of the Minnesota Propane Association, I appreciate the opportunity to share our perspective on HF 3179. We support the goal of improving energy efficiency and reducing greenhouse gas emissions. However, we have significant concerns regarding how the bill measures emissions and the resulting impacts on Minnesota consumers, particularly in rural areas.

HF 3179 defines greenhouse gas emissions as those resulting from energy used at a building site. While straightforward, this site-based accounting approach does not capture the full energy system required to produce and deliver that energy—especially for electricity.

According to widely accepted U.S. Energy Information Administration (EIA)-based metrics, electricity typically requires approximately 2.5 to 3 units of primary energy to deliver one unit of usable energy to a building, while delivered fuels such as propane are used at nearly a one-to-one ratio.[1] By focusing only on energy use at the building, the bill does not evaluate fuels on an equivalent basis and overlooks significant upstream energy losses associated with electricity generation and transmission.

As a result, the bill creates a structural bias toward electrification. Emissions from propane are fully counted at the building, while electricity benefits from averaged grid emissions factors that are expected to decline over time. While Minnesota has made significant progress in reducing emissions, the state's electricity system remains a diverse mix of energy sources. In 2024, approximately:

- 33% of in-state generation came from renewable resources (primarily wind),
- 26% from natural gas,
- 20% from nuclear power, and
- 19% from coal.[4]

This means that a substantial portion of Minnesota's electricity still relies on dispatchable fossil generation, particularly during periods of peak demand. During extreme winter conditions, regional grid operators such as MISO have relied on all available generation resources—including fossil-based dispatchable generation—to maintain reliability, underscoring the continued need for dependable, on-demand energy sources.[5] The bill effectively assumes future grid improvements without fully accounting for current system realities, including the need for reliable, on-demand generation.

Cost impacts are another important consideration. When comparing energy sources on a common basis, such as cost per therm equivalent, publicly available data show that:

- Electricity in Minnesota is approximately \$4.50 to \$5.00 per therm equivalent;
- Propane is approximately \$2.00 to \$2.50 per therm; and
- Natural gas is approximately \$1.00 to \$1.25 per therm.[2]

These values are derived from EIA and Bureau of Labor Statistics (BLS) price data using standard federal energy conversions (1 therm = 100,000 BTU; 1 kWh = 3,412 BTU; propane ≈ 91,500 BTU per gallon).[3] Even before accounting for system-level energy losses, electricity is already the highest-cost energy option for many consumers.

While high-efficiency electric technologies such as heat pumps can reduce energy use, their performance can vary in cold climates, and many applications still require supplemental heating and significant upfront investment. These real-world conditions are not fully reflected in the bill's framework.

These impacts are especially pronounced in Greater Minnesota, where propane is often the most practical and reliable heating fuel. In many rural areas, electric infrastructure may not be sufficient to support full electrification, and alternatives are limited. Propane systems also provide an important resilience benefit, as on-site fuel storage allows buildings to maintain heat and critical operations during grid outages or extreme weather events when electric service may be disrupted. As written, HF 3179 risks increasing costs and reducing energy choice for these communities.

Finally, while the bill is framed as a performance standard, the use of site-based emissions effectively limits fuel-neutral compliance. It does not fully recognize opportunities for innovation across all energy types, including renewable propane, hybrid systems, and other high-efficiency solutions.

We respectfully encourage the committee to consider modifications that:

- Incorporate source energy or lifecycle emissions into the framework;
- Ensure a fuel-neutral approach that evaluates all energy options consistently;
- Account for cost impacts on consumers; and
- Address the unique challenges faced by rural Minnesota.

Minnesota can achieve meaningful emissions reductions while maintaining affordability, reliability, and energy choice. We look forward to working with the committee to improve this legislation and support balanced, practical energy policy.

Thank you for your consideration.

Sincerely,

Dave Wager  
Executive Director  
Minnesota Propane Association  
dave@mnpropane.org

Footnotes:

[1] EPA ENERGY STAR Portfolio Manager Technical Reference (Source Energy).

[2] EIA State Energy Data; BLS Average Energy Prices – Minneapolis.

[3] EIA Energy Conversion Tables.

[4] EIA Minnesota State Energy Profile (2024 generation mix).

[5] MISO Winter Reliability Assessments.



Co-Chair Acomb, Co-Chair Swedzinski, and members of the House Energy Committee:

Thank you for the opportunity to share our perspective on **HF 3179**. We appreciate the bill's author taking the time to meet with us, hear our concerns, and engage in a constructive discussion. We value that collaboration and look forward to continuing to work together.

We support the goal of improving building energy performance and recognize the importance of reducing emissions. However, we would like to briefly highlight a few concerns related to the cost of compliance and the need for sufficient state support which is partially addressed in this bill.

Meeting the interim and final energy use standards will likely require significant capital investment in building systems and efficiency upgrades, particularly for older buildings. In addition, ongoing benchmarking, reporting, and compliance requirements would create new administrative and operational costs. These expenses can be substantial and may be difficult to absorb without adequate financial assistance. All in consideration, without sufficient support, the requirements of the bill would result in an increase in the cost of housing in Minnesota.

We appreciate that HF 3179 includes a grant program and technical assistance provisions, their effectiveness will depend on the level of funding provided. Ensuring robust and predictable state funding will be important to help building owners comply with the new requirements and avoid unintended impacts on operating costs.

Thank you again to the author and committee for your engagement on this issue. We appreciate the willingness to work with stakeholders and look forward to the continuing discussion.

Sincerely,

A handwritten signature in black ink, appearing to read "Owen Neubauer", with a stylized flourish at the end.

Owen Neubauer  
Director of Public Policy  
Minnesota Multi Housing Association