



February 21st, 2023

TO: House Climate and Energy Finance and Policy

FROM: Andrea Lovoll, Legislative Director, Minnesota Center for Environmental Advocacy

RE: HF 849 (Hollins) – Electrical panel upgrades

Chair Acomb and Members of the Committee:

Thank you for the chance to testify on HF 849 (Hollins). The Minnesota Center for Environmental Advocacy (MCEA) is a nonprofit organization with almost 50 years of experience using law and science to protect Minnesota's environment and the health of its people.

Electrifying building components is critical for achieving Minnesota's greenhouse gas emission reduction targets. Residential buildings account for 9% of total greenhouse gas emissions in Minnesota, and unlike emissions from most other sectors, emissions from buildings have increased by 14% since 2005.<sup>1</sup> We need to reverse this trend if we are going to achieve the emission reductions the science tells are necessary to preserve a livable planet.

Analyses MCEA conducted using the Minnesota Energy Policy Solutions simulator<sup>2</sup> developed by Rocky Mountain Institute and Energy Innovation suggest that electrifying 100% of newly sold building components by 2030 would reduce Minnesota greenhouse gas emissions by 16 million metric tons of carbon dioxide equivalents by 2050 (an amount equivalent to the emissions produced by 4 coal plants in a year) and would save more than 1,300 lives by 2050.

Clearly there is a lot to be gained by electrifying building components. However, many homes will need to upgrade their electrical panels before expanding their electric equipment. The cost of electric panel upgrades can be a significant barrier to electrification, particularly for low-income residents, and these costs are increasing due to electrician shortages. Although the Inflation Reduction Act offers electric panel upgrade rebates as high as \$4,000 for low and moderate-income residents, the cost of panel upgrades in the current market could be more than twice that amount. Grant programs like those proposed in HF 849 are therefore essential to keeping the costs of panel upgrades accessible to Minnesota residents, and we applaud the proposed approach to provide grants to low-income residents first.

In summary, we support HF 849 because it will help reduce the costs of electric panel upgrades, thereby removing a critical barrier to a highly effective solution for saving lives and protecting the environment in Minnesota.

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<sup>1</sup> Minnesota Pollution Control Agency Data Services. Jan 27, 2023. Greenhouse gas emissions data: Sources of 2020 emissions.

<https://public.tableau.com/app/profile/mpca.data.services/viz/GHGemissioninventory/GHGsummarystory>

<sup>2</sup> Energy Policy Simulator. (2023). <https://energypolicy.solutions/>