

January 31, 2023

**submitted via email*

Dear Chair Acomb and Climate & Energy Finance and Policy Committee Members:

Thank you for the opportunity share support for the goals of HF 772 (Kraft). I am writing to share the perspective from a city in Greater MN and as someone who works closely with our building officials and development community.

The Rochester City Council included support for green building energy code and energy efficiency in their 2023 Legislative Priorities (see attached). The council supports legislation that would enable local entities to adopt higher commercial building energy standards that would result in lower energy costs while reducing air pollution and contributions to global climate change. Rochester legislative priorities also include “support energy efficient new affordable housing, as it will benefit lower-income residents by lowering monthly costs and the possibility that costs of poorly constructed buildings are shifted onto its residents, in addition to aiding in the city’s climate action plan.” This is one part of the equity side of energy efficiency.

The city recently adopted updated greenhouse gas emissions reduction goals of 50% reduction by 2030 and 100% by 2050 and our public utility has a commitment to be 100% renewable by 2030. When we think of the built environment and reducing greenhouse gases, that is where cities can have the greatest impact and there is a direct correlation to helping us achieve our greenhouse gas reduction goals. In fact, in early 2022 the City did a greenhouse gas emissions reduction analysis to outline our top implementation strategies for reducing emissions. *Building electrification strategies* was the top strategy opportunity along with *commercial and residential building efficiency* in the top five opportunities.

Rochester recognizes that unless we start approaching our work differently, we will not meet our reduction goals. This change would be just part of the equation. This can be done by making green energy code first thought, not last thought in development, and involving tools like code changes and education. This bill could assist our work with commercial developers to ensure they understand our energy goals and how to achieve greater efficiency and savings for projects.

We have an example of a new apartment building in Rochester that achieved 67% energy reduction below the current base code by working with the designer to apply SB 2030 standards. This project was able to do this by using off the shelf items and with minimal cost increase--less than .5% of total project budget. Conversely, the current code allows for a three times less efficient building and does not utilize easy-to-access tools such as free energy software. We were able to require green code changes because that project involved public incentives—right now, we cannot do this work for every project.

We thank you for your consideration of this bill and work on behalf of the state of Minnesota and Rochester community.

Sincerely,

Cindy Steinhauser
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GREEN BUILDING ENERGY CODE & ENERGY EFFICIENCY

Issue

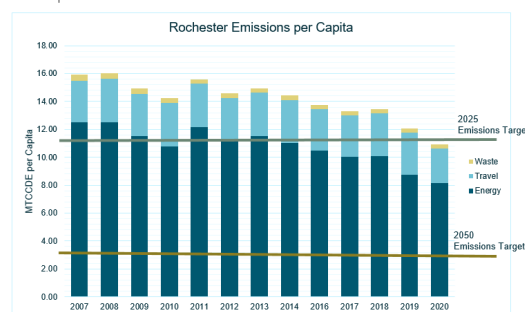
Buildings consume large amounts of energy and are a leading contributor to greenhouse gas emissions. In 2017, Minnesota's building sector made up 40.6% of the total energy consumed in the state, 19.5% of which was from within the commercial buildings sector, including high-rise multifamily buildings. Cities, including Rochester, need the authority to require new and renovated commercial buildings be designed and constructed with the modern, more durable building solutions that are currently available.

The City of Rochester has opportunity to be a leader in building efficiency of public spaces including at the Rochester International Airport, city service buildings, and future geothermal and solar components to heat and cool city hall, the Rochester Public Library, Mayo Civic Center, Rochester Art Center, and Rochester Civic Theater. Nearby private properties expected for redevelopment also provide potential opportunity for renewable energy projects.



Problem

Increasing building efficiency is one of the most impactful ways state and local governments can improve the comfort and health of residents, reduce costs for building owners, and make progress toward climate goals. Currently, state law prohibits cities from deviating from the state energy code. This delay in updating the standards for buildings does not further goals around emissions reductions. Further, tools like these are listed in Rochester's Energy Action Plan as opportunities to help the City realize its City Council adopted environmental goals.



Funding for renewable energy and energy efficiency projects is complex and dynamic as technology advances and opportunities for redevelopment and facility management practices are evolving. Additional funding from the federal Infrastructure & Investment Act (IIJA), MN Department of Commerce, Inflation Reduction Act (IRA), and other funding sources at the state or federal level could be a catalyst in allowing renewable and energy efficiency projects in Rochester's public and private spaces.

Solution

Support legislation that would enable local entities to adopt higher commercial building energy standards that would result in lower energy costs while reducing air pollution and contributions to global climate change. For example, legislative authority that would allow Minnesota cities to opt-in to the International Green Construction Code which lays out comprehensive sustainability measures for entire construction projects. Additionally, ability for cities to adopt the State of Minnesota SB 2030 Energy Standard in order to curb the energy use and carbon emissions of local buildings would be helpful (SB 2030 must be met by all projects receiving general obligation bond funding from the State of Minnesota, however it can also be voluntarily applied to any new or renovated building during the design phase).

GREEN BUILDING ENERGY CODE & ENERGY EFFICIENCY (CONTINUED)

As supported by other cities around the state and other stakeholders, the City of Rochester supports legislation that gives municipalities the authority to voluntarily adopt a uniform advanced energy building standard beyond the base statewide commercial code for the construction, reconstruction, and alteration of public and private commercial and multifamily buildings.

Federal and state funding for renewable energy, energy efficiency, or other green building projects should be made available to cities, with particular emphasis on projects that are able to align with greenhouse gas emission goals or other state and city goals.

Impact

Buildings must become more efficient if the State's carbon-reduction goals are to be reached. The State is currently not on track to meet its statutory greenhouse gas reduction goals of 30% reduction from 2005 levels by 2025, nor is it on track to meet the 80% reduction by 2050 goal. Current efforts on transportation and building efficiency, along with Rochester Public Utilities (RPU) commitment to 100% renewable power generation by 2030 has set the City on track to surpass its original goal of 30% reduction in greenhouse gas (ghg) emissions by 2025. In September of 2022, the Rochester City Council adopted updated ghg emissions reduction goals in accordance with the Intergovernmental Panel on Climate Change (IPCC). Rochester's new ghg targets include a 50% reduction in ghg emissions by 2030 and a 100% reduction in emissions by 2050.

