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March 24, 2025

Co-Chair Acomb, Co-Chair Swedzinski, and Members of the Committee,

We are writing to express our strong support for **House File 2498**, Representative Hemmingsen-Jaeger's bill to establish a geothermal heat exchange system rebate program.

Minnesota is a national leader in networked heating and cooling systems. From our early adoption of district energy systems in downtown neighborhoods to our innovative uses of combined heat and power systems in industrial settings, Minnesotans have been operating and improving these systems for decades, making them more efficient, affordable, and accessible.

A 2019 report, *Mapping Thermal Grid Integration Opportunities in Minnesota*, commissioned by the Minnesota Department of Commerce and prepared by Barr Engineering Co. in partnership with Ever-Green Energy, explored one potential technological pathway, waste heat recovery. In it, they identified over **400 opportunity clusters** where waste heat from existing thermal sources could be captured to meet local needs. There is a real opportunity here because "each year, most combustion facilities burning fuel for heat or power lose between 20–70% of their fuel inputs to waste heat (the heat rejected to the surrounding environment from a building or process and not used)." There is similar potential in other technological pathways, like ground-source heat pumps and thermal energy networks.

To get more of these cost-effective and carbon-free systems built, we need the program being proposed today. House File 2498 would establish a grant program the Department of Commerce designed to make Minnesota a partner in financing geothermal heat exchange systems. The bill a) creates standards for projects, b) caps the cost the state may cover at 15%, or \$100,000, whichever is smaller, and, then, c) prioritizes applications from projects that could most use the support: public or nonprofit-owned low-income multifamily buildings.

We strongly support this bill and hope you will also support House File 2498.

Thank you for your time and consideration,

Aurora Vautrin

Aurora Vautrin

Lars Negstad

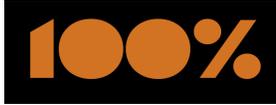
Lars Negstad

Sara Lopez

Sara Lopez

Legislative Director

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Policy Director

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March 24, 2025

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 our support for HF 2498, which will help to advance deployment of geothermal energy projects that have the potential to reduce carbon emissions and costs for ratepayers and taxpayers.

LIUNA members have powered Minnesota for generations by building and maintaining the state's traditional energy infrastructure—from power plants to pipelines and distribution lines. Our members take pride in this work, and know that energy jobs can be good, family-sustaining jobs that provide long-term careers for skilled construction workers.

As the energy landscape evolves, LIUNA members are ready and eager to assist in building the next generation of clean energy infrastructure, including geothermal systems. HF 2498 will provide opportunities to expand these career pathways while ensuring that Minnesotans benefit from cutting-edge, sustainable energy solutions.

Geothermal energy systems can be energy efficient and cost effective. In 2022, the Steamfitters Pipefitters Local 455 installed a pioneering geothermal system at their Apprenticeship Training Center in St. Paul, achieving an 85% reduction in cooling costs. Their geothermal system is a model of what is possible.

HF 2498 is a smart investment in innovation that can help make Minnesota a leader in sustainable energy. LIUNA members are ready to get to work on new geothermal energy systems.

We urge Committee members to support this legislation.

Respectfully,



Joel Smith
President and Business Manager



MINNESOTA PIPE TRADES ASSOCIATION

Affiliate of the United Association
Composed of Journeyman and Apprentices of the Plumbing and Pipe Fitting Industry
Of the United States and Canada
State Federation of Labor – A.F.L.-C.I.O.

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March 24th 2025

Co-Chair Swedzinski

Co-Chair Acomb

And Members of the House Energy Finance and Policy Committee,

On behalf of the Minnesota Pipe Trades Association, I write in support of HF 2498.

Duluth-Detroit Lakes
Plumbers and Pipefitters
Local #11

Minneapolis-St. Cloud
Plumbers
Local #15

Minneapolis-St. Cloud
Pipefitters
Local #539

Minneapolis-St. Paul
Sprinkler Fitters
Local #417

Minneapolis
Gas Workers
Local #340

Moorhead
Plumbers and Pipefitters
Local #300

Rochester
Plumbers and Pipefitters
Local #6

St. Paul – Mankato
Plumbers
Local #34

St. Paul – Mankato
Pipefitters
Local #455

Virginia
Plumbers and Pipefitters
Local #589

Road Sprinkler Fitters
Central Region
Local #669

Minnesota Pipe Trades Association is an umbrella organization representing nearly 10,000 men and women working in piping related industries throughout Minnesota. Our members perform mechanical construction and repair work, including plumbing, pipefitting, and fire protection. The energy sector is critical for our members who build, maintain, and repair thermal power-plants — including coal, gas and nuclear, along with petroleum and renewable fuel refineries and pipelines.

The energy transition is going to be challenging for those who have spent their careers working in the traditional energy sector. A "just transition" means ensuring that we are accounting for their unique skill sets and affording them opportunities to contribute to the low-carbon energy sector. The installation of geothermal heating and cooling systems and thermal energy networks represents an important opportunity to put our members to work decarbonizing buildings.

While geothermal systems can save building owners money over time, they can have higher upfront costs than air source heat pumps and traditional furnaces. By providing consumer rebates to building owners through HF 2498, we can help them get over the initial hurdle of installing a system. We thank Representative Hemmingsen-Yeager for bringing forward this important bill and would encourage members to support the bill.

Andrew R. Campeau
President
Minnesota Pipe Trades Association



Dear Members of the House Energy Finance and Policy Committee,

On behalf of our 15,000 members we write to express our support for HF2498, a proposal to create a rebate program for geothermal projects.

As the state looks to reduce greenhouse gas emissions in the buildings sector, geothermal heat pump systems are a promising option and one that will create good job opportunities for our members. As we all know, Minnesota has very cold winters. The benefit of geothermal heat pumps is that because they are pulling heat from underground—rather than the air—they can operate efficiently at much lower temperatures. These systems can also be deployed at scale in a connected system, with the potential to reduce emissions across multiple buildings or even entire neighborhoods.

While there are many benefits to geothermal heat pumps, the upfront costs can be expensive. That is why we appreciate and support HF2498 which will help reduce the upfront costs for building owners. As a union that represents well drillers, incentivizing geothermal will help expand the industry and create jobs for our members.

Thank you Rep Hemmingsen-Jaeger for bringing forward this piece of legislation.

Sincerely,

John Pollard, Political Director, International Union of Operating Engineers Local 49



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March 24, 2025

The Honorable Patty Acomb and Chris Swedzinski
Co-Chairs, Energy Finance and Policy Committee
Minnesota House of Representatives
Centennial Office Building, 2nd Floor
St. 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 share our thoughts in support of House File 2498.

Fresh Energy supports House File 2498 and the establishment of a geothermal heat exchange system rebate program.

The deployment of geothermal heating systems across Minnesota is a critical component of Minnesota's energy transition. Geothermal heating systems have the greatest efficiency and are the most reliable technology for heating buildings and transitioning Minnesota to an energy independent, low carbon economy. Older buildings take a lot of heat and geothermal systems are poised to deliver year-round comfort and reliability in Minnesota's most challenging conditions.

The greatest challenge when installing these systems is overcoming the upfront costs. The 15 percent rebate will be a big step in alleviating this financial barrier and help businesses, non-profits and municipalities across the state. This will also lower the heating and cooling costs for the building occupants, making these buildings more affordable.

We encourage you to support House File 2498 and the establishment of a geothermal heat exchange system rebate program to support Minnesotans looking to invest in a clean energy future.

Sincerely,

Sam Friesen
Managing Director, Buildings
Friesen@fresh-energy.org