

1.1 moves to amend H.F. No. 749 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2022, section 16B.325, is amended to read:

1.4 **16B.325 SUSTAINABLE BUILDING GUIDELINES.**

1.5 Subdivision 1. **Development of sustainable building guidelines.** The Department of
1.6 Administration and the Department of Commerce, with the assistance of other agencies,
1.7 shall develop sustainable building design guidelines for all new state buildings by January
1.8 15, 2003, and for all major renovations of state buildings by February 1, 2009. ~~The primary~~
1.9 ~~objectives of these guidelines are to ensure that all new state buildings, and major renovations~~
1.10 ~~of state buildings, initially exceed the state energy code, as established in Minnesota Rules,~~
1.11 ~~chapter 7676, by at least 30 percent.~~

1.12 Subd. 1a. **Definitions.** (a) For the purposes of this section, the following terms have the
1.13 meanings given them.

1.14 (b) "Capital project" or "project" means the acquisition or betterment of buildings or
1.15 other fixed assets and other improvements of a capital nature.

1.16 (c) "Guidelines" means the sustainable building design guidelines developed under this
1.17 section.

1.18 (d) "Major renovation" means a project that:

1.19 (1) has a renovated area that is at least 10,000 square feet; or

1.20 (2) includes, at a minimum, the replacement of the mechanical, ventilation, or cooling
1.21 system of a building or a section of a building.

1.22 (e) "New building" means a newly constructed structure and additions to existing
1.23 buildings that meet both of the following criteria:

2.1 (1) the addition is not heated, or it has its own heating plant, whether or not its source
2.2 of energy is from an adjacent building; and

2.3 (2) the addition is not cooled, or it has its own cooling plant, whether or not its source
2.4 of energy is from an adjacent building.

2.5 (f) "State agency" means a state agency that issues a grant funded by the bond proceeds
2.6 fund or general fund for a project that is subject to the guidelines under this section.

2.7 ~~Subd. 2. **Lowest possible cost; energy conservation.** The guidelines must focus on~~
2.8 ~~achieving the lowest possible lifetime cost for new buildings and major renovations, and~~
2.9 ~~allow for changes in the guidelines that encourage continual energy conservation~~
2.10 ~~improvements in new buildings and major renovations. The guidelines shall define "major~~
2.11 ~~renovations" for purposes of this section. The definition may not allow "major renovations"~~
2.12 ~~to encompass less than 10,000 square feet or to encompass less than the replacement of the~~
2.13 ~~mechanical, ventilation, or cooling system of the building or a section of the building. The~~
2.14 ~~design guidelines must establish sustainability guidelines that include air quality and lighting~~
2.15 ~~standards and that create and maintain a healthy environment and facilitate productivity~~
2.16 ~~improvements; specify ways to reduce material costs; and must consider the long-term~~
2.17 ~~operating costs of the building, including the use of renewable energy sources and distributed~~
2.18 ~~electric energy generation that uses a renewable source or natural gas or a fuel that is as~~
2.19 ~~clean or cleaner than natural gas.~~

2.20 Subd. 2a. **Guidelines; purpose.** (a) The primary objectives of the guidelines are to:

2.21 (1) reduce energy consumption and carbon emissions;

2.22 (2) improve the quality of the environment;

2.23 (3) achieve the lowest possible lifetime cost for new buildings and major renovations;

2.24 and

2.25 (4) encourage design of resilient buildings to adapt to and accommodate projected
2.26 climate-related changes that are reflected in both acute events and chronic trends, including
2.27 but not limited to changes in temperature and precipitation levels.

2.28 (b) The guidelines must consider the following to meet the objectives in paragraph (a):

2.29 (1) the health, well-being, and productivity of building occupants;

2.30 (2) material costs and sustainability;

2.31 (3) construction and operating costs;

2.32 (4) the use of renewable energy sources;

- 3.1 (5) water usage;
- 3.2 (6) diversion of waste from landfills;
- 3.3 (7) air quality and lighting standards; and
- 3.4 (8) any other factors the commissioner deems relevant.
- 3.5 (c) The guidelines may be revised to encourage continual energy conservation
- 3.6 improvements in new buildings and major renovations.

3.7 Subd. 3. **Development of guidelines; applicability.** In developing the guidelines, the

3.8 departments shall use an open process, including providing the opportunity for public

3.9 comment. The guidelines established under this section are mandatory for all new buildings

3.10 receiving funding from the bond proceeds fund or general fund after January 1, 2004, and

3.11 for all major renovations receiving funding from the bond proceeds fund or general fund

3.12 after January 1, 2009.

3.13 Subd. 4. **Guideline revisions.** The commissioners of administration and commerce, in

3.14 consultation with stakeholders with expertise in sustainable buildings, shall review the

3.15 guidelines periodically and as soon as practicable revise the guidelines to incorporate

3.16 performance standards developed under section 216B.241, subdivision 9.

3.17 Subd. 5. **Oversight of guidelines.** (a) The commissioner of administration shall oversee

3.18 the administration of the guidelines. At a minimum, the commissioner of administration

3.19 must:

3.20 (1) provide training on an annual basis to state agencies and team members of projects

3.21 subject to the guidelines about the guidelines, how projects may meet the guideline

3.22 requirements, and guideline administration requirements;

3.23 (2) develop procedures in accordance with the criteria in subdivision 7;

3.24 (3) conduct audits on a regular basis of the activities of state agencies to ensure

3.25 compliance with the procedures under subdivision 7;

3.26 (4) enforce guideline participation and compliance;

3.27 (5) administer a tracking system for all projects subject to the guidelines;

3.28 (6) develop measurable goals for the guidelines based on the criteria in subdivision 6;

3.29 and

3.30 (7) provide technical assistance to state agencies regarding administration of the

3.31 guidelines.

4.1 (b) The commissioner of administration may request any compliance data from state
4.2 agencies and team members of projects subject to the guidelines that it deems necessary to
4.3 fulfill the duties described under this subdivision.

4.4 Subd. 6. **Measurable goals.** The commissioner of administration must develop
4.5 measurable goals for the guidelines based on the objectives and considerations described
4.6 in subdivision 2a.

4.7 Subd. 7. **Procedures.** The commissioner of administration shall develop procedures for
4.8 state agencies to follow to ensure that projects adhere to the guidelines. The procedures
4.9 must include:

4.10 (1) information on how to identify whether a project is subject to the guidelines;

4.11 (2) information on project team member roles and guideline administration requirements
4.12 for each role;

4.13 (3) a process for state agencies to notify projects subject to the guidelines of the guideline
4.14 requirements;

4.15 (4) a guideline-related data submission process coordinated by the commissioner of
4.16 administration;

4.17 (5) activities and a timeline for monitoring project compliance with the guidelines; and

4.18 (6) record-keeping requirements and related retention schedules for materials related to
4.19 guideline compliance.

4.20 Subd. 8. **Withholding of funds.** No funds for phases of a project beyond final design
4.21 may be disbursed until the commissioner of administration certifies that the project design
4.22 complies with the guidelines.

4.23 Subd. 9. **Report.** The commissioner of administration must report to the legislature by
4.24 February 1 of each year on compliance and enforcement of the guidelines under this section.
4.25 The report must include:

4.26 (1) information on the current status of all projects subject to the guidelines and the
4.27 projects' compliance with the guidelines;

4.28 (2) an analysis of the effects of the guidelines on the measurable goals under subdivision
4.29 6; and

4.30 (3) any other information the commissioner of administration deems relevant.

4.31 **EFFECTIVE DATE.** This section is effective July 1, 2023.

5.1 Sec. 2. Minnesota Statutes 2022, section 216B.241, subdivision 1e, is amended to read:

5.2 Subd. 1e. **Applied research and development grants.** (a) The commissioner may, by
5.3 order, approve and make grants for applied research and development projects of general
5.4 applicability that identify new technologies or strategies to maximize energy savings,
5.5 improve the effectiveness of energy conservation programs, or document the carbon dioxide
5.6 reductions from energy conservation programs. When approving projects, the commissioner
5.7 shall consider proposals and comments from utilities and other interested parties. The
5.8 commissioner may assess up to \$3,600,000 annually for the purposes of this subdivision.
5.9 The assessments must be deposited in the state treasury and credited to the energy and
5.10 conservation account created under subdivision 2a. An assessment made under this
5.11 subdivision is not subject to the cap on assessments provided by section 216B.62, or any
5.12 other law.

5.13 (b) The commissioner, as part of the assessment authorized under paragraph (a), shall
5.14 annually assess and grant up to ~~\$500,000~~ \$721,000 for the purpose of subdivision 9.

5.15 (c) The commissioner, as part of the assessment authorized under paragraph (a), each
5.16 state fiscal year shall assess \$500,000 for a grant to the partnership created by section
5.17 216C.385, subdivision 2. The grant must be used to exercise the powers and perform the
5.18 duties specified in section 216C.385, subdivision 3.

5.19 (d) By February 15 annually, the commissioner shall report to the chairs and ranking
5.20 minority members of the committees of the legislature with primary jurisdiction over energy
5.21 policy and energy finance on the assessments made under this subdivision for the previous
5.22 calendar year and the use of the assessment. The report must clearly describe the activities
5.23 supported by the assessment and the parties that engaged in those activities.

5.24 **EFFECTIVE DATE.** This section is effective July 1, 2023.

5.25 Sec. 3. Minnesota Statutes 2022, section 216B.241, subdivision 1f, is amended to read:

5.26 Subd. 1f. **Facilities energy efficiency.** (a) The commissioner of administration and the
5.27 commissioner of commerce shall maintain and, as needed, revise the sustainable building
5.28 design guidelines developed under section 16B.325.

5.29 (b) The commissioner of administration and the commissioner of commerce shall maintain
5.30 and update the benchmarking tool developed under Laws 2001, chapter 212, article 1, section
5.31 3, so that all public buildings can use the benchmarking tool to maintain energy use
5.32 information for the purposes of establishing energy efficiency benchmarks, tracking building
5.33 performance, and measuring the results of energy efficiency and conservation improvements.

6.1 (c) The commissioner shall require that utilities include in their conservation improvement
6.2 plans programs that facilitate professional engineering verification to qualify a building as
6.3 Energy Star-labeled, Leadership in Energy and Environmental Design (LEED) certified, or
6.4 Green Globes-certified.

6.5 (d) The commissioner may assess up to ~~\$500,000~~ \$845,000 annually for the purposes
6.6 of this subdivision. The assessments must be deposited in the state treasury and credited to
6.7 the energy and conservation account created under subdivision 2a. An assessment made
6.8 under this subdivision is not subject to the cap on assessments provided by section 216B.62,
6.9 or any other law.

6.10 **EFFECTIVE DATE.** This section is effective July 1, 2023.

6.11 Sec. 4. Minnesota Statutes 2022, section 216B.241, subdivision 9, is amended to read:

6.12 Subd. 9. **Building performance standards; Sustainable Building 2030.** (a) The purpose
6.13 of this subdivision is to establish cost-effective energy-efficiency performance standards
6.14 for new and substantially reconstructed commercial, industrial, and institutional buildings
6.15 that can significantly reduce carbon dioxide emissions by lowering energy use in new and
6.16 substantially reconstructed buildings. For the purposes of this subdivision, the establishment
6.17 of these standards may be referred to as Sustainable Building 2030.

6.18 (b) The commissioner and the commissioner of administration shall contract with the
6.19 Center for Sustainable Building Research at the University of Minnesota to coordinate
6.20 development and implementation of energy-efficiency performance standards, strategic
6.21 planning, research, data analysis, technology transfer, training, and other activities related
6.22 to the purpose of Sustainable Building 2030. The commissioner, the commissioner of
6.23 administration, and the Center for Sustainable Building Research shall, in consultation with
6.24 utilities, builders, developers, building operators, and experts in building design and
6.25 technology, develop a Sustainable Building 2030 implementation plan that must address,
6.26 at a minimum, the following issues:

6.27 (1) training architects to incorporate the performance standards in building design;

6.28 (2) incorporating the performance standards in utility conservation improvement
6.29 programs; and

6.30 (3) developing procedures for ongoing monitoring of energy use in buildings that have
6.31 adopted the performance standards.

7.1 ~~The plan must be submitted to the chairs and ranking minority members of the senate and~~
7.2 ~~house of representatives committees with primary jurisdiction over energy policy by July~~
7.3 ~~1, 2009.~~

7.4 (c) Sustainable Building 2030 energy-efficiency performance standards must be firm,
7.5 quantitative measures of total building energy use and associated carbon dioxide emissions
7.6 per square foot for different building types and uses, that allow for accurate determinations
7.7 of a building's conformance with a performance standard. Performance standards must
7.8 address energy use by electric vehicle charging infrastructure in or adjacent to buildings as
7.9 that infrastructure begins to be made widely available. The energy-efficiency performance
7.10 standards must be updated every three or five years to incorporate all cost-effective measures.
7.11 The performance standards must reflect the reductions in carbon dioxide emissions per
7.12 square foot resulting from actions taken by utilities to comply with the renewable energy
7.13 standards in section 216B.1691. The performance standards should be designed to achieve
7.14 reductions equivalent to the following reduction schedule, measured against energy
7.15 consumption by an average building in each applicable building sector in 2003: (1) 60
7.16 percent in 2010; (2) 70 percent in 2015; (3) 80 percent in 2020; and (4) 90 percent in 2025.
7.17 A performance standard must not be established or increased absent a conclusive engineering
7.18 analysis that it is cost-effective based upon established practices used in evaluating utility
7.19 conservation improvement programs.

7.20 (d) The annual amount of the contract with the Center for Sustainable Building Research
7.21 is up to \$500,000. The Center for Sustainable Building Research shall expend no more than
7.22 \$150,000 of this amount each year on administration, coordination, and oversight activities
7.23 related to Sustainable Building 2030. The balance of contract funds must be spent on
7.24 substantive programmatic activities allowed under this subdivision that may be conducted
7.25 by the Center for Sustainable Building Research and others, and for subcontracts with
7.26 not-for-profit energy organizations, architecture and engineering firms, and other qualified
7.27 entities to undertake technical projects and activities in support of Sustainable Building
7.28 2030. The primary work to be accomplished each year by qualified technical experts under
7.29 subcontracts is the development and thorough justification of recommendations for specific
7.30 energy-efficiency performance standards. Additional work may include:

7.31 (1) research, development, and demonstration of new energy-efficiency technologies
7.32 and techniques suitable for commercial, industrial, and institutional buildings;

7.33 (2) analysis and evaluation of practices in building design, construction, commissioning
7.34 and operations, and analysis and evaluation of energy use in the commercial, industrial, and
7.35 institutional sectors;

8.1 (3) analysis and evaluation of the effectiveness and cost-effectiveness of Sustainable
 8.2 Building 2030 performance standards, conservation improvement programs, and building
 8.3 energy codes;

8.4 (4) development and delivery of training programs for architects, engineers,
 8.5 commissioning agents, technicians, contractors, equipment suppliers, developers, and others
 8.6 in the building industries; and

8.7 (5) analysis and evaluation of the effect of building operations on energy use.

8.8 (e) The commissioner shall require utilities to develop and implement conservation
 8.9 improvement programs that are expressly designed to achieve energy efficiency goals
 8.10 consistent with the Sustainable Building 2030 performance standards. These programs must
 8.11 include offerings of design assistance and modeling, financial incentives, and the verification
 8.12 of the proper installation of energy-efficient design components in new and substantially
 8.13 reconstructed buildings. A utility's design assistance program must consider the strategic
 8.14 planting of trees and shrubs around buildings as an energy conservation strategy for the
 8.15 designed project. A utility making an expenditure under its conservation improvement
 8.16 program that results in a building meeting the Sustainable Building 2030 performance
 8.17 standards may claim the energy savings toward its energy-savings goal established in
 8.18 subdivision 1c.

8.19 (f) The commissioner shall report to the legislature every three years, beginning January
 8.20 15, 2010, on the cost-effectiveness and progress of implementing the Sustainable Building
 8.21 2030 performance standards and shall make recommendations on the need to continue the
 8.22 program as described in this section.

8.23 **EFFECTIVE DATE.** This section is effective July 1, 2023.

8.24 Sec. 5. **APPROPRIATION; DEPARTMENT OF ADMINISTRATION.**

8.25 \$...... in fiscal year 2024 is appropriated from the general fund to the commissioner of
 8.26 administration to develop, oversee, and administer the sustainable building guidelines under
 8.27 Minnesota Statutes, section 16B.325.

8.28 **EFFECTIVE DATE.** This section is effective July 1, 2023."

8.29 Renumber the sections in sequence and correct the internal references

8.30 Amend the title accordingly