

February 24, 2021

Dear Chair Ecklund and Members of the House Labor, Industry, Veterans and Military Affairs Finance and Policy Committee:

I am writing in **support of the goals of HF 831 (Long)** to improve the commercial building energy standards for Minnesota communities. I am the Community Development Director for the City of Rochester, and in that role, I work closely with our building officials AND the development community in Greater Minnesota.

The Rochester City 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** (see attached).

When we think of the built environment and reducing greenhouse gases (ghg), that is where cities can have the greatest impact. Building and transportation are the two areas where municipalities can control how much of a difference we can make. As we make our buildings more efficient, there is a direct correlation to helping us achieve our greenhouse gas reduction goals.

The City of Rochester legislative priorities also include **“Support for energy efficient new affordable housing, as it will benefit struggling residents by lowering their monthly costs and the possibility that costs of less efficient buildings are shifted them. This is what we refer to as the equity side of energy efficiency in addition to aiding our move to a zero carbon community.”**

Rochester recognizes that unless we start approaching our work differently, we won't meet our greenhouse gas goals. Minnesota is behind with adopting/updating the code (we are currently using 2010's code). **This change would be just part of the equation. Making green energy code first thought, not last thought, is a multi-pronged effort and in addition to code changes, it involves education.** Specifically, it involves working with commercial developers proposing projects to ensure they understand our energy goals and how to achieve those goals is important and has been part of our work.

- One recent effort including a current apartment building being proposed and we worked with the designer to apply SB 2030 standards and they achieved 67% energy reduction below the current base code.
- To put this plainly, the code allows for 3x less efficient building by not utilizing easy-to-access tools and equipment (such as free, readily available energy software)

- This project was able to do this by using off the shelf items (ex. strategically placed sensors and efficient equipment). It is with minimal cost increase, less than .5% of total project budget.
- We were able to require green code changes because the project involved public incentives—right now, we can't do this work for every project.

The City has a history of work in this area by establishing an Energy Commission in 2009, committing to being a Green Step City in 2010, adopting an Energy Action Plan in 2017, and, being recognized as a GOLD LEED for cities in 2019 (due in large part to our energy efficiency efforts). In addition, it connects with our community's larger energy and climate plans and goals, such as **30% GHG reduction by 2025 and 80% by 2050 and 25% renewable energy by 2025 and 100% by 2030.**

In sum, **this important legislation has a triple bottom line benefit to communities:** economic health, environmental health, and social/cultural health shown by cost savings for operation, better efficiency of limited energy resources, and positive impact on climate.

Thank you for your consideration of this issue,

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Attachment: One Page Handout on City of Rochester Legislative Priority on Green Energy/Building Code



GREEN ENERGY CODE / STATE BUILDING CODE

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.

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.

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).

As supported by the League of MN Cities and other cities around the state, 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.



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 and 80% reduction by 2050. Likewise, Rochester is also not on track to meet its goals included in the City Council adopted Energy Action Plan.

