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The Honorable Rich Draheim Chair, Minnesota Senate Housing Finance and Policy Committee 95 University Avenue W. Minnesota Senate Building, Room 3227 Saint Paul, MN 55155

Chair Draheim,

Fresh Energy is an independent energy policy nonprofit working to speed the transition to a clean energyeconomy. Fresh Energy has been advocating for more efficient energy code since we were founded in 1992.

Fresh Energy is deeply concerned about several provision contained in the A2 author's amendment to Senate File 3259. We believe that, if adopted, the A2 amendment would lead to unnecessarily high utility costs for homeowners, renters, and businesses. This amendment has two harmful components: 1) it would prohibit the building code from being updated until 2026 and 2) it would block any changes to the energy code unless the changes are determined to have a payback period of less than five years.

Halting the progression of the building code would lower upfront construction costs. However, since building are designed to last 50 to 100 years, this is a short-sited approach. The stated purpose of the building code is to "protect the health, safety, and welfare of the public, or to improve the efficiency or useof a building" ($\S326.106c$). This bill would forgo this objective for short-term cost savings at the expense of Minnesotans who occupy these spaces. Regular updates to the building code help to ensure safe places for Minnesotans to work and live.

Moreover, enhancements made to the Minnesota energy code have proven to pay for themselves many times over the lifetime of a building. With a more efficient energy code, utility savings will outweigh any increase in mortgage payments. Between 2009 and 2016, the Minnesota energy code saved residents and businesses over \$150 million. Minnesota is already behind our Midwestern neighbors of Nebraska, Michigan, and Illinois, all of which have adopted newer model codes.

Minnesota has a record of setting common sense standards for our high-quality builders to meet, and Minnesota should be proud of its reputation for high performance buildings. Conversely, the A2 amendment to SF3259 would be a step backwards, adding costs to homeowners and renters, and putting Minnesota at a competitive disadvantage with neighboring states.

Sincerely,

Margaret Cherne-Hendrick Fresh Energy <u>Cherne-hendrick@fresh-energy.org</u>