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The Honorable Jason Rarick Chair, Minnesota Senate Committee on Labor and Industry Policy 95 University Avenue W. Minnesota Senate Bldg., Room 3411 St. Paul, MN 55155

Chair Rarick 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 offer our perspective on Senate File 3881 (Rarick).

Article 2, Section 10 of SF3881 would put Minnesota's commercial building sector on a path to achieve net zero carbon emissions for new building construction by 2036. This is a practical, substantive and commonsense approach to reducing greenhouse gas emissions from the building sector for several reasons:

- It recognizes the importance and value of Minnesota's established process for regularly reviewing and updating the commercial energy code under the oversight of the Construction Codes Advisory Council (CCAC);
- It sets an achievable and measurable benchmark for evaluating progress and success; and
- By taking action now, the Legislature can achieve significant greenhouse gas emissions reduction while providing certainty for both state regulators and industry stakeholders.

Accelerating progress on emissions reduction from the commercial building sector is critical to achieving reductions consistent with the broader scientific consensus goal of reaching net-zero emissions economywide by mid-century. Every few years, the Minnesota Pollution Control Agency publishes an inventory of greenhouse gas emissions in Minnesota. The most recent report, published in January 2021, shows that while Minnesota is making progress at reducing emissions from certain sectors of our economy, emissions from commercial buildings have actually *increased* by 15% since 2005.

Increasing emissions from the building sector is directly undermining the progress that Minnesota is making in other areas of our economy, and we must bend that curve in order to have any hope of achieving decarbonization at a pace consistent with the consensus of our best scientific leaders.

Minnesota has the technology, ingenuity, and workforce to achieve solutions that work for our climate and our economy. Senate File 3881 puts us on a track to harness that opportunity, and we encourage members to support this important legislation.

Sincerely,

Justin Fay Fresh Energy <u>fay@fresh-energy.org</u>