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The Honorable John R. Jasinski Chair, Minnesota Senate Local Government Policy Committee 95 University Avenue W. Minnesota Senate Building, Room 3211 Saint Paul, MN 55155

Chair Jasinski,

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

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

Halting the progression of the residential building code would lower upfront construction costs. However, since buildings 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 use of a building" (§326B.106). 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, Senate File 3259 would be a step backwards, adding costs to homeowners and renters, and putting Minnesota at a competitive disadvantage with neighboring states.

Sincerely,

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