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Minnesota Senate Capitol Investment Committee
2113 Minnesota Senate Building
95 University Ave W
Saint Paul, MN 55155

Dear Chair Pappas and Committee Members,

My name is Margaret Cherne-Hendrick and I am writing to you today on behalf of Fresh Energy. Fresh Energy is a 30-year-old, Minnesota based non-partisan, non-profit organization that is working to achieve equitable, carbon neutral economies by 2050. We appreciate the opportunity to support Senate File 1698.

Minnesota has made progress reducing emissions for our power and transportation sectors. However, to avoid the worst impacts of climate change, we must now turn our attention to other sectors of the economy, like buildings. Buildings are one of the largest contributors to greenhouse gas emissions and account for about 40 percent of emissions nationally.

We believe that geothermal energy systems represent a cost-effective, scalable solution to help meet our climate challenge, improve public health, and provide equitable and reliable heating and cooling to Minnesota's buildings. A geothermal energy system is a heating or cooling system that uses the constant temperature of the Earth to heat or cool multiple buildings connected through a piping network.

Fresh Energy believes investing in geothermal energy systems, like the central geothermal heating and cooling system proposed for the main Sabathani Community Center campus, is extremely important. Sabathani's system is especially exciting because it is being designed for future expansion as the primary hub of a residential and commercial district energy system. This is a fitting role for Sabathani, since it is truly a community hub. The center provides a wide range of services—from food and clothing distribution to workforce programs—to residents of all ages. An investment in geothermal energy would stabilize and lower utility costs, freeing up funding for meaningful, community-supporting programs.

Geothermal energy systems can be up to eight times more energy efficient than natural gas systems. These systems work especially well in cold climates because they rely on the constant temperature of the Earth, therefore providing heating and cooling reliably through extreme heat in summers and extreme cold in winters. Their vastly superior efficiency also confers lower energy bills and puts less pressure on the electric grid as we see electrification across other sectors of the economy continue to advance.

Because geothermal energy systems distribute heat and not carbon-based fuels, they are carbon- and pollutant-free. Transitioning away from burning gas in our buildings will help improve health outcomes everywhere, but especially in traditionally under-resourced communities that bear the brunt of air pollution impacts from a variety of sources.

Geothermal energy systems are safer and healthier for pipeline workers and building residents, reducing explosive accidents and exposure to pollutants. The lower energy bills, cleaner air, and reliable service conferred by geothermal energy systems also contribute to a *just energy transition* in Minnesota's building sector, especially so in under-resourced and overburdened communities. Deployment of geothermal energy systems in Minnesota will also help chart the path for a *just labor transition*. Workers currently managing buried infrastructure that moves carbon-based fuels like natural gas have a clear path to management of very similar systems that instead move around heat.

We must invest in innovative energy infrastructure projects like the one proposed for the Sabathani Community Center campus to demonstrate the climate, energy, workforce, and public health benefits of district energy systems. Initial investment now will de-risk future investments and allow systems like this to be deployed at scale across the state.

Fresh Energy supports Senate File 1698 and we appreciate the opportunity to weigh-in on this important issue. Thank you for your time.

Sincerely,

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