February 20, 2024

Senate Energy, Utilities, Environment, and Climate Committee
Minnesota State Senate
Room 1150 Minnesota Senate Building
95 University Avenue W
St. Paul, Minnesota 55103

Dear Chair Frentz and Members of the Senate Energy, Utilities, Environment, and Climate Committee,

The Geothermal Exchange Organization (GeoExchange) is a nonprofit trade organization promoting the manufacture, design and installation of ground source geothermal technology. Our members include manufacturers, installers, technology providers, utilities and others. As an organization, we support S.F. 3607 and thank Senator Xiong for bringing it forward.

Geothermal energy provides a significant opportunity to decarbonize residential and commercial-scale buildings, while providing cost-effective and efficient heating and cooling. Because geothermal heat pumps utilize heat from the ground, they remain very efficient even in cold weather climates like Minnesota. This helps save building owners money and reduces the burden on the electric system—a benefit to all ratepayers. Geothermal heat pumps can be a benefit to community centers like Sabathani by helping them reduce their heating and cooling costs and thereby allowing them to direct more of their resources towards providing services to the community. Moreover, geothermal projects require skilled labor and can provide good job opportunities to local workers.

While geothermal heat pumps can save building owners money over time, the upfront cost is higher than air source heat pumps and traditional gas furnaces. That is why it is great to see the Senate Energy Committee considering providing direct support for the deployment of the technology. We look forward to continuing to work with the Senate Energy Committee on ways to deploy geothermal heat pumps to the benefit of Minnesotans and the environment.

Sincerely,

Ryan Dougherty
President
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