

I am writing to provide this brief written testimony in support of SF 4202 and similar efforts to drive greater energy efficiency in our homes.

As Twin Cities resident, former real estate finance professor, and real estate professional with experience in commercial and residential building construction, renovation and investments, I have learned the importance of creating high-quality, energy-efficient structures. This helps our families, communities and the planet. And it has proven to be a wise financial decision.

The proposed bill would make significant progress toward aligning Minnesota's building codes with national and international standards. Current federal incentives under the Inflation Reduction Act, and more favorable loans, are possible if our structures achieve Energy Star or DOE Zero Energy Ready home certifications. Our current energy codes are antiquated and get in the way of allowing Minnesota homeowners and businesses the opportunity to tap these federal resources. Minnesotans who complete a new home or home renovations "to code" are too often learning that's the lesser "Minnesota code" and is not to the standards required to secure Federal tax incentives or many utility incentives. And when Minnesotans learn this, it is too late to do anything about it.

In an ideal world, Minnesota would shift to a 3-year adoption schedule and seek to maintain alignment with the International Energy Conservation Code ("IECC") shortly after each internationally vetted and recognized version is enacted. Under current federal incentives, the baseline standards are already the 2021 IECC.

And also in an ideal world, if the government is to reimburse for ratings reports, then I strongly recommend that those ratings reports be submitted to the Commissioner, and that the Commissioner be obligated to provide summary reports each year so the public and policy makers can monitor the actual performance of new structures, and track progress. Please consider this as a minor text amendment to the existing bill language.

Some less experienced builders assert that stronger codes and more stringent energy standards are a barrier to home construction or increase costs. I have not seen any evidence of this. In contrast, most reputable research says that sometimes higher "first costs" are actually lower on a "net cost" basis when factoring in available tax and utility rebates. And "life cycle costs" are universally lower, and often much lower, for more energy efficient homes. This actually enhances affordability, because utility costs are a huge burden on all families, and especially low-income families.

The vast majority of homes on the popular Parade of Homes home show already achieve the standards set forth in HF 4202 and many even achieve 50 or lower HERS ratings. Said differently, our homebuilders know how to do this and already know how to deliver high-quality, energy-efficient homes cost effectively. Let's please adopt these as standards to reduce confusion by consumers.

Thank you for supporting and passing HF 4202.

Jamie

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