

Meeting Notes: Building Efficiency Workgroup

Date: January 14, 2020

Attendees:

Commissioner Nancy Leppink	Department of Labor and Industry
Assistant Commissioner Katherine Blauvelt	Department of Commerce
Deputy Commissioner Rachel Robinson	Minnesota Housing Finance Agency
Kelly Hyvonen	Big-D Construction
Justin Knopps	JE Dunn
Jessica Looman	MN State Building and Construction Trades Council
Andy Snope	IBEW Local 292
Rick Carter	LHB Corp
Daniel Lightfoot	League of MN Cities
Kurt Schultz	City of St. Paul
Brian Hoffman	City of St. Louis Park
Megan Hoye	Center for Energy and Environment
Ben Rabe	Fresh Energy
Barry Greive	Target Properties
Richard Graves	U of M Center for Sustainable Building Research
Representative Jamie Long	MN House

Commissioner Leppink convened the meeting at 1:05 pm. She provided a recap of the last meeting which included a presentation from Kurt Schultz at the City of St. Paul and Brian Hoffman with the City of St. Louis Park. Kurt and Brian presented the Cities' principles and policy priorities, outlining the desire for a standard that is a performance-based model that is clear, simple, and flexible. The Commissioner then summarized the four possible scenarios explored by workgroup members in breakout sessions:

- Scenario #1: Current base code
- Scenario #2: Current base code + voluntary SB2030 performance standard
- Scenario #3: Base code + voluntary step code
- Scenario #4: Accelerate statewide base code

She noted members generally agreed the status quo option in scenario 1 isn't moving fast enough nor providing flexibility to cities to enable them or the state to meet greenhouse gas reduction goals.

Members appreciated the possibility of significant energy use reductions in scenario 2 and that the standard SB2030 is already known to the building industry, technology is available and is in use. Concerns include the need for additional training and resources to ensure compliance, potential additional costs, inconsistency between cities, and the base code isn't addressed.

For scenario 3, members saw it could enable cities to meet their carbon reduction goals. Positives for some also included that it provides greater flexibility through step options and connects the base code with a voluntary stretch code. Concerns for some include the potential for confusion with several new options, potential for additional costs and need for resources to cities and building industry to successfully comply. Workgroup members liked the uniformity and well-vetted process of scenario 4, but there was concern that the process can be lengthy, and the energy reduction potential is unknown, as it's tied to future yet-unknown model codes. This scenario would also lack the ability to test out new options. Commissioner Leppink noted that members saw advantages to scenarios 2, 3, and 4 and suggested a combined approach which is what staff worked on developing and would be discussed today.

Commissioner Leppink invited Professor Graves to share scenarios 5 and 6 for the group to consider.

- Scenario #5: Statewide commercial building code, on a 6-year cycle, would move in four steps down to an end point of 10 on the ZEPI scale in 2042 (0 by 2048). A voluntary stretch option would allow cities to adopt the step ahead of the base code. This would require legislation.
- Scenario #6: Statewide commercial building code would, on a 3-year cycle, would move in four steps down to an end point of 10 on the ZEPI scale in 2033 (0 by 2036). A voluntary stretch option would allow cities to adopt the step ahead of the base code. This would require legislation.

A member asked what happens after we reach the limits of prescriptive codes. Professor Graves said performance codes would then kick in, which set a target but let building designers figure out how to get there. Renewables would have to be included either off site or on site to reach net zero. A member how asked how long it would take to develop the new energy standard. Professor Graves noted British Columbia took 2-3 years to develop their step code. Minnesota's advantage is we have implemented SB2030 for a number of years and we know a lot about the next two steps. Some members expressed their opinion that the stretch code could be a step ahead of the base code but alternatively it could be linked to SB2030.

Workgroup members then broke out into four small groups to evaluate each scenario. Each group then reported back to the full group. Common concerns included that a six-year cycle would not be fast enough to meet greenhouse gas reduction goals but a recognition that a longer cycle would mean fewer mistakes and allow technology to be developed. Members also noted the need for training and the possibility of job creation. Members also agreed having a single municipal option was important,

though they diverged on whether that advanced standard should be a step ahead of the base code or SB2030 “Lite”.

The full workgroup then discussed the scenarios. A workgroup member thought the state and municipalities would and should have influence on model national codes as they are being developed. A building industry representative was asked his perspective on a new stretch code and he indicated as long as it is defined and consistent they can build to it. If they are guessing or filling in the blanks, that is where costs will increase. Another member noted certainty in the code will mean technology can be developed to scale.

Commissioner Leppink summarized the main points of discussion. She shared the next step will be for the departments to write the report which will include a summary of workgroup activities and input along with DLI and Commerce analysis and recommendations. She indicated a draft report would be shared with workgroup members for feedback. She then announced the January 27 meeting would be cancelled and staff would send out a new date

The meeting adjourned shortly after 4 PM.