A bill for an act

relating to energy; providing for development and application of building energy usage performance standards; amending Minnesota Statutes 2006, section 16B.325; Minnesota Statutes 2007 Supplement, section 216B.241, subdivision 1e, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2006, section 16B.325, is amended to read:

16B.325 SUSTAINABLE BUILDING GUIDELINES.

(a) The Department of Administration and the Department of Commerce, with the assistance of other agencies, shall develop sustainable building design guidelines for all new state buildings by January 15, 2003. The primary objectives of these guidelines are to ensure that all new state buildings initially exceed existing energy code, as established in Minnesota Rules, chapter 7676, by at least 30 percent. The guidelines must focus on achieving the lowest possible lifetime cost for new buildings and allow for changes in the guidelines that encourage continual energy conservation improvements in new buildings. The design guidelines must establish sustainability guidelines that include air quality and lighting standards and that create and maintain a healthy environment and facilitate productivity improvements; specify ways to reduce material costs; and must consider the long-term operating costs of the building, including the use of renewable energy sources and distributed electric energy generation that uses a renewable source or natural gas or a fuel that is as clean or cleaner than natural gas. In developing the guidelines, the departments shall use an open process, including providing the opportunity for public comment. The guidelines established under this section are mandatory for all new buildings receiving funding from the bond proceeds fund after January 1, 2004.

(b) The commissioners of administration and commerce shall review the guidelines periodically and incorporate performance standards developed under section 216B.241, subdivision 9, into the guidelines as soon as practicable.

Sec. 2. Minnesota Statutes 2007 Supplement, section 216B.241, subdivision 1e, is amended to read:

Subd. 1e. **Applied research and development grants.** (a) The commissioner may, by order, approve and make grants for applied research and development projects of general applicability that identify new technologies or strategies to maximize energy savings, improve the effectiveness of energy conservation programs, or document the carbon dioxide reductions from energy conservation programs. When approving projects, the commissioner shall consider proposals and comments from utilities and other interested parties. The commissioner may assess up to $3,600,000 annually for the purposes of this subdivision. The assessments must be deposited in the state treasury and credited to the energy and conservation account created under subdivision 2a. An assessment made under this subdivision is not subject to the cap on assessments provided by section 216B.62, or any other law.

(b) The commissioner, as part of the assessment authorized under paragraph (a), shall annually assess and grant up to $500,000 for the purpose of subdivision 9.

Sec. 3. Minnesota Statutes 2007 Supplement, section 216B.241, is amended by adding a subdivision to read:

Subd. 9. **Building performance standards; Sustainable Building 2030.** (a) The purpose of this subdivision is to establish cost-effective energy-efficiency performance standards for new and substantially reconstructed commercial-industrial and institutional buildings, which in combination with the use of renewable energy resources, can ultimately eliminate carbon emissions from fossil-fuel energy in new and substantially reconstructed buildings. For the purposes of this subdivision, the establishment of these standards may be referred to as Sustainable Building 2030.

(b) The commissioner shall contract with the Center for Sustainable Building Research at the University of Minnesota to coordinate development and implementation of energy-efficiency performance standards, strategic planning, research, data analysis, technology transfer, training, and other activities related to the purpose of Sustainable Building 2030. The commissioner and the Center for Sustainable Building Research shall develop a Sustainable Building 2030 implementation plan. This implementation plan must include convening and maintaining a Sustainable Building 2030 Advisory Council

of architects, engineers, building owners, managers and developers, utilities, and other experts and interested parties for the purpose of developing and overseeing cost-effective energy-efficiency performance standards for new and substantially reconstructed buildings.

(c) Sustainable Building 2030 energy-efficiency performance standards must be firm, quantitative measures of total building energy use and associated greenhouse gas emissions per square foot for different building types and uses, that allow for accurate determinations of a building's conformance with a performance standard. The energy-efficiency performance standards may be updated every three or five years to incorporate all cost-effective measures. The performance standards updates shall decrease the allowed energy use per square foot until the performance standards for new buildings reflect total building energy use that is 80 percent less than the energy use in existing buildings in 2003 by no later than 2020. A performance standard must not be established or increased absent a conclusive engineering analysis and approval of the Sustainable Building 2030 Advisory Council that the higher performance standard would result in cost-effective improvements in building design and construction.

(d) The annual amount of the contract with the Center for Sustainable Building Research is up to $500,000. The Center for Sustainable Building Research shall expend no more than $150,000 of this amount each year on administration, coordination, and oversight activities related to Sustainable Building 2030. The balance of contract funds must be spent for subcontracts with not-for-profit energy organizations, architecture and engineering firms, and other qualified entities to undertake technical projects and activities in support of Sustainable Building 2030. The primary work to be accomplished each year by qualified technical experts under subcontracts is the development and thorough justification of recommendations for specific energy-efficiency performance standards. Additional work may include:

(1) research, development, and demonstration of new energy-efficiency technologies and techniques suitable for commercial, industrial, and institutional buildings;

(2) analysis and evaluation of practices in building design, construction, commissioning and operations, and analysis and evaluation of energy use in the commercial, industrial, and institutional sectors;

(3) analysis and evaluation of the effectiveness and cost-effectiveness of Sustainable Building 2030 performance standards, conservation improvement programs, and building and energy codes; and

(4) development and delivery of training programs for architects, engineers, commissioning agents, technicians, contractors, equipment suppliers, developers, and others in the building industries.

(e) The commissioner shall require utilities to develop and implement conservation improvement programs that are expressly designed to advance the Sustainable Building 2030 policy goal through implementation of the performance standards. These programs must include offerings of design assistance and modeling, financial incentives, and commissioning of new and substantially reconstructed buildings.