

From: City of Minneapolis Community Environmental Advisory Commission

To: City of Minneapolis City Council; Mayor Jacob Frey

Cc: City of Minneapolis Sustainability Division; Katie Jones and Isaac Smith, Center for Energy and Environment

Date: December 21, 2018

The Community Environmental Advisory Commission writes in support of three proposed amendments to City ordinances that would enhance residential energy disclosure. We believe these amendments are necessary because consumers are not receiving adequate information about energy costs that would enable them to make informed decisions about housing, while building owners may lack the necessary data to make energy efficiency improvements that would produce cost savings while also reducing Greenhouse Gas (GHG) emissions. The three amendments are as follows:

Multifamily Benchmarking

The first amendment would extend the existing commercial benchmarking ordinance to cover large multifamily buildings of 50,000 square feet or greater. While the City currently gathers robust data on the energy efficiency of commercial buildings, there is currently no information about energy efficiency and usage of even the largest residential buildings. Yet, we know that heating and cooling is a significant expense to Minneapolis households, especially for low-income households. Moreover, residential buildings account for 29% of the City's CO₂ emissions,* so improving their energy efficiency would be a key step toward enabling the City to reach its Climate Action Plan goal of an 80% reduction in Greenhouse Gas emissions by 2050.

Time of Rent Energy Disclosure

The time of rent energy disclosure would provide information on energy costs to prospective tenants prior to the signing of a new lease. Renters comprise over half of Minneapolis' population and are the group most vulnerable to the rising housing costs that contribute to the City's homelessness crisis. Requiring landlords to provide average per-unit energy use before the lease signing would help renters understand the total housing costs they would be facing. Just as important, it is intended to encourage property owners who pass utility costs on to tenants to make energy efficiency upgrades that would make their units more competitive in the market and attractive to renters.

TISH Energy Update

The third amendment would require that energy efficiency information be included in Truth in Sale of Housing (TISH) inspections. This information would promote information to potential buyers about the energy efficiency of the home and give the City data to better understand how many homes have implemented energy efficiency measures. It would also give sellers an incentive to

*"Using the City Performance Tool (CyPT) to Test City Sustainability Targets, Minneapolis: 80 by 50?", Siemens AG, 2015

pursue energy efficiency upgrades prior to selling in order to realize a market advantage. Seventy percent of Minneapolis homes lack adequate insulation, and this is a particular problem with homes owned or rented by our lowest-income residents. If this amendment encouraged sellers or new owners to add wall insulation—a cost effective means of improving energy efficiency—it would be a significant boost to energy cost savings and GHG reduction. While there may be some concern about the cost to sellers of measuring energy efficiency, the cost would be minimized by including the requirement in the TISH inspection, rather than making it a separate inspection requirement as in Portland, Oregon.

Taken together, these three amendments would make energy costs more transparent; encourage cost-efficient energy efficiency projects that would reduce overall housing costs, which are most burdensome to low-income residents; and reduce electricity consumption. Thus, this would ease the way to meeting the City's goals of 100% renewable electricity community-wide by 2030 and of reducing GHG emissions by 80% by 2050.

CEAC encourages the Mayor and Council Members to support these three energy disclosure policies.

Sincerely,

Erin Niehoff, Chair
Community Environmental Advisory Commission