

## CCAC Review and Comment

### Legislative and/or Code Information

**Bill number(s) description (if applicable) – Attach Bill language**

**SF 910; 2SS-CG001-3**, Codes must be adopted by law if prior to 2026; ROI period on Residential Energy Code Adoption (2 SS-CG001-3 changes that are different from SF 910 are in parentheses).

c) ~~Beginning with the 2018 edition of the model building codes and~~ in 2026 and every six years thereafter, the commissioner shall review the new model building codes and adopt the model codes as amended for use in Minnesota, within two years of the published edition date. The commissioner may not adopt new model building codes or amendments to the building codes prior to ~~the adoption of the new building codes to advance construction methods, technology, or materials, or, where necessary to protect the health, safety, and welfare of the public, or to improve the efficiency or the use of a building~~ 2026, unless approved by law.

(d) Notwithstanding paragraph (c), the commissioner shall act on each new model residential energy code and the new model commercial energy code in accordance with federal law for which the United States Department of Energy has issued an affirmative determination in compliance with United States Code, title 42, section 6833. The commissioner may not adopt new energy codes or amendments prior to adoption of to the new energy codes, as amended for use in Minnesota, ~~to advance construction methods, technology, or materials, or, where necessary to protect the health, safety, and welfare of the public, or to improve the efficiency or use of a building~~ unless the commissioner has determined that any cost to residential construction or remodeling per unit due to implementation of the proposed changes to the energy codes will be offset within five years by savings resulting from the change (no more than the net present value of the projected energy savings over thirty years due to the proposed changes).

(e) The limitations on adoption of new or amended codes under paragraphs (c) and (d) do not apply to new or amended code changes necessary to protect the immediate health, safety, and welfare of the public.

**Subject/Building Code Section(s)**

Minnesota Statute 326B.106 Subd. 1

Minnesota Residential Energy Code; code adoption

### Technical Advisory Group (TAG)

**TAG Formed**  Yes  No

**Title of TAG:** Building Code Series 1 TAG

**TAG Members**

Scott McKown  
 Irene Kao  
 Charlie Vander Aarde  
 Nick Erickson  
 Brian Hoffman  
 Kurt Welker  
 Karen Gridley  
 Barry Greive  
 Simona Fischer  
 John Smith  
 Ken Hinz

**Affiliations/Representing**

MN DLI/CCLD; Assistant Director  
 League of Minnesota Cities  
 Metro Cities  
 Housing First Minnesota  
 City of St. Louis Park; Association of MN Building Officials  
 Welker Custom Homes; Builders Association of MN  
 MN DLI/CCLD; Accessibility Specialist  
 Target Corporation; Building Owners  
 MSR Design; MN American Institute of Architects  
 Michaud Cooley Erickson; Building Systems Design and Engineering Practices  
 CBS Construction Services, Inc; Contractors

**TAG Meeting Date(s)**

11/9/2021; 11/23/2021; 12/7/2021; 12/21/21

**TAG Comments/Recommendations – Attachment**  Yes  No

1. The TAG consensus is that the review and adoption of model codes should continue to be on a six-year cycle with the next adoption referencing the 2024 editions. The adoption of I-codes on a six-year cycle gives the construction industry the opportunity to take advantage of new methods, materials, and technologies that can reduce the cost of construction. TAG members recommend that DLI maintain the six-year code adoption cycle under current law.
2. Some TAG members thought changes to the statutory language are necessary to ensure the residential energy code is the adopted on the same six-year cycle as the other I-codes. However, under current law, the commissioner is required to *adopt* new model commercial energy codes and *evaluate* new residential energy codes if they are shown by the US DOE to produce energy savings over previous editions. This process is established for all states by federal law as currently referenced in subpart (d). As model energy codes are revised and updated every three years, it is necessary that our statute not conflict. However, Minnesota has not adopted a model residential code since the 2012 edition of the model code. The model code review process in Minnesota is robust and a consideration of costs is mandated by statute and the rulemaking process. Prior to the adoption of a model residential energy code, the Department must perform a study, that in part addresses costs, in cooperation with practitioners in residential construction and building science.
3. TAG members were unable to find consensus regarding return on investment and its calculation. Multiple factors and various viewpoints were discussed including whether the payback period should be dependent upon the length of time between energy code adoptions. Others thought a longer period was more appropriate to reflect the average period of a mortgage or expected building life cycle. Another reflected the complexity of return-on-investment calculations and the difficulty quantifying some benefits of the energy code such as improved human comfort. Others thought a return-on-investment period is not needed given current multiple statutory requirements to consider cost benefit. There was general agreement that return on investment is difficult to calculate because it varies based on the methodology used, energy type and costs, building type, and geographic region. There were also concerns about differences in cost calculations between builders and energy conservation advocates.

**Criteria Addressed (check all that apply)**

- Eliminating inconsistencies     Promoting coordination & consistency     Making rules easier to understand & apply
- Streamlining construction regulation & construction procedures     Improving procedures within and among jurisdictions
- Other: cost of construction

**CCAC Comments & Recommendations**

A motion was made by Smith, seconded by Grieve, to approve the Technical Advisory Group Report on Codes adopted by law; Return on investment on residential energy code. The roll call vote was unanimous with 17 votes in favor.

**Date of CCAC Meeting:** January 20, 2022

**Prepared by/Name & Title**

Scott McLellan, Construction Codes Advisory Council Chair

**Date**

January 21, 2022