EFFICIENT BUILDINGS SAVE MINNESOTA BUSINESSES MONEY

July 2025

CONVENERS NETWORK

$515 million awarded through IIJA and IRA

45,000 energy efficiency jobs incl. **28,000** in construction

203,000 all electric homes (as of 2020)

Minnesota Businesses Save Money from New Building Codes

Minnesota adopted the ASHRAE 90.1-2019 energy codes for commercial buildings and 2012 IECC for residential buildings in 2024. Compared to ASHRAE 2016, the commercial codes are estimated to save consumers:[1]

COMMERCIAL BUILDINGS
$45 saved per 1,000 sq ft per year

Upgrading residential buildings to 2021 IECC could save consumers $238 annually. Adopting 2021 IECC and ASHRAE 90.1-2019 could also create an additional 11,056 jobs over 30 years.[2]

Energy Efficiency and Heat Pump Jobs are Increasing in Minnesota

Minnesota had **44,511 workers** in the energy efficiency sector in 2023, of whom 28,133 are employed in construction and 12,144 in high efficiency and renewable heating and cooling.[3]

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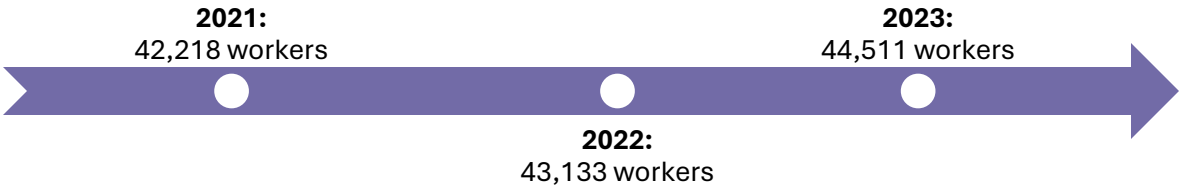
[1] IECC is International Energy Conservation Code and ASHRAE is American Society of Heating, Refrigerating and Air-Conditioning Engineers. Sourced from Department of Energy, State Energy Code, Minnesota.

[2] Department of Energy, Building Energy Codes (Minnesota), 2021.

[3] United States Energy & Employment Report, Energy Employment by State 2024, Department of Energy.



Minnesota Lags in All-Electric Homes

As of 2020, **9.1 percent** of Minnesota homes, or about 203,000, were all-electric. This is well below the national rate of 25 percent and slightly below the rate among Midwestern states of 14 percent. In Minnesota, there were 43,700 homes with heat pumps, 832,059 with electric water heaters, and 31,570 with solar power.[4]

$515 Million Awarded to Minnesota in Federal Funding

Minnesota has been awarded **$515 million** in federal funding for building programs related to electrification, energy efficiency, and pollution reduction from the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA), excluding loans and tax credits. This funding covers projects and programs that include:

- **$154 million** to establish state-run rebate programs for energy-saving or efficient appliances, home retrofits, and other home upgrades to save residents and consumers money on utility bills
- **$76 million** to make homes more energy-efficient to reduce costs and resilient to mitigate impact during natural disasters or other hazardous events
- **$61 million** to install efficiency upgrades and renewable energy at businesses in rural areas across the state.[5]

[4] The U.S. Energy Information Administration includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, Ohio, North Dakota, South Dakota, and Wisconsin in the Midwest. Atlas Buildings Hub, Residential Building Characteristics. Accessed April 1, 2025.

[5] Funding amounts exclude awards that have been confirmed canceled by the Trump Administration but do include awards that are currently in litigation or otherwise on hold. Funding amounts are based on program and a given program may include projects in multiple sectors. These have been disaggregated to the extent possible but some over- and/or undercounting may remain. All funding data sourced from the Climate Program Portal. Accessed June 14, 2025.