

Energy for Landlords:

What You Need to Know



IN THIS GUIDE



Savings Steps

Save energy and money in your buildings



Understand Bills

Learn about utility bills and common charges



Contacts & Chat

Get energy-related help and talk to your tenants

Learn how you can save energy and money in your rental property and how improvements can benefit you and your tenants.



CERTS

CLEAN ENERGY RESOURCE TEAMS



Why Energy?

Energy efficiency often falls to the bottom of the list in rental property management.

But making energy improvements to your rental property can reduce unexpected and costly management issues, from ice dams to furnace breakdowns. Improvements also benefit your tenants, reducing their costs and improving their comfort, health and safety.

Utility rebates are often available to help reduce some of the costs of capital expenditures associated with energy, and energy efficiency financing programs may also help you make more comprehensive upgrades. In addition, your building may qualify for the Weatherization Assistance Program, depending on the income level of your tenants.

Be sure to talk to your tenants about energy.

Your tenants are your eyes and ears on your building. Open communication between you and your tenants can reduce maintenance issues and costs.

Things you can discuss with your tenants:

- Heating system responsibilities, such as furnace filter changes
- How to use a programmable thermostat
- Bill payment responsibilities
- Other concerns, such as pipes that are prone to freezing



WEATHERIZATION ASSISTANCE PROGRAM

What is the Weatherization Assistance Program (WAP)? WAP improves the energy efficiency of homes of income-qualified households, including renters. From insulation to heating systems to appliances and more, WAP takes a “whole-house” approach to reducing families’ energy costs and improving health and safety.

How Can CERTs Help?



CERTs
CLEAN ENERGY RESOURCE TEAMS

The Clean Energy Resource Teams (CERTs) connects Minnesotans with the resources they need to identify and implement clean energy projects. Do you want to find out where to start on energy efficiency? Help getting an energy audit for your properties? Assistance accessing utility programs? Learn more about renewable energy options? Explore available financing programs? Then CERTs can help.

CERTs is a statewide partnership of the University of MN Extension, MN Department of Commerce, Southwest Regional Development Commission, and Great Plains Institute. Our services are unbiased and free of charge. CERTs staff are available to help with your project. Find your regional coordinator at <https://www.cleanenergyresourceteams.org/staff>.



Fill in the names and contact information for energy programs & providers

Electric and Natural Gas Utility

Your electric and natural gas utilities may have cost averaging programs to help you spread your costs evenly over the course of the year to prevent high winter bills. They may also provide energy assessments to find ways you can save energy, as well as free energy-saving items and rebates.

Electric Utility: Find on bill, call city hall, or visit <https://mn.gov/puc/consumers/utility/>.

Utility: _____ **Phone:** _____

Website: _____

Gas Utility or Delivered Fuel Vendor: Find gas at <https://blueflame.org/whos-my-utility>.

Utility: _____ **Phone:** _____

Website: _____

Energy Assistance Program

If tenants are having trouble paying their energy bills, Energy Assistance may be able to help with their energy expenses. Find the local Energy Assistance provider at <https://mn.gov/commerce/consumers/consumer-assistance/energy-assistance/eap-provider.jsp>

Provider: _____ **Phone:** _____

Website: _____

Weatherization Assistance

The Weatherization Assistance Program (WAP) may be able to help weatherize your building, reducing energy bills and maintenance issues. Find the local WAP provider at <https://mn.gov/commerce/consumers/consumer-assistance/weatherization/wap-providers.jsp>

Provider: _____ **Phone:** _____

Website: _____

Citizens Utility Board

CUB can help you understand your utility bill or address related questions or complaints.

Phone: 844-MINN-CUB (844-646-6282) **Website:** <http://cubminnesota.org>

Clean Energy Resource Teams (CERTs)

CERTs has a wide range of resources on energy efficiency and renewable energy.

Website: <https://www.cleanenergyresourceteams.org>



Your Utility Bill

What's on Your Utility Bill?

Your electric and natural gas bills have several types of charges. Actual energy costs and items on bills can be different depending on your utility, but here are the basics.

Service Charge

The service charge is a flat monthly fee that you pay every month to have access to energy. Even if you do not use any energy in a given month, you will still be charged for access under the service charge.

Energy Charge

The energy charge on your bill is the cost of the electricity or gas you used. It is billed by kilowatt-hour (kWh) for electricity and therms for natural gas. Your utility reads your meter to determine the amount of electricity or natural gas used. You can affect your energy charge by using less energy!

- 1 Understanding kilowatts (kW) and kilowatt-hours (kWh):** kilowatts are a rate of energy use; kilowatt-hours are a quantity of energy used. For example, a microwave might use electricity at a rate of 1 kilowatt (kW). If that microwave is used for 2 hours, it will use 2 kilowatt-hours (kWh) of electricity.
- 2 Understanding therms:** therms are a unit of heat. One therm is equal to approximately 29 kWh and can be provided by about 97 cubic feet of natural gas.

Riders

Many utilities also include "riders" on your bill. Riders are charges for specific aspects of your utility service, such as the cost of fuel. Riders may be based on how much energy you use or they may be a flat monthly fee.

Taxes

Finally, taxes on your bill vary based on where you live. Taxes may be flat fees or variable.

How Much Is Your Utility Bill?

The average Minnesota family of four uses about 800 kWh of electricity each month and, once all the fixed fees, riders and taxes are included, pays around \$100. Natural gas bills vary more widely but are typically \$100-\$200 per month during the heating season.

If tenants are paying a lot more than this, there may be ways to become more efficient and save money. There may also be an error on the bill.



Take Stock of Your Rental Units

Questions to get you started thinking about energy in your rental units.

- 1 How much are utility bills for each unit?
- 2 Does the unit use LED lights, which are the most efficient option?
- 3 Where is the thermostat? Does the tenant have the ability to control temperature? Is it a programmable or smart thermostat?
- 4 Appliance checklist:

	System Age	Last Serviced	Fuel Type	Location	ENERGY STAR?
Space Heating					
Air Conditioning					
Water Heating					
Range/Oven					
Dishwasher					
Refrigerator					
Washer					
Dryer					

- 5 **Windows:** Are windows single, double, or triple pane? Are there storm windows and screens? If there will be children present, are windows secured against falls?
- 6 Is the building well insulated and air sealed, or are there gaps and drafts?
- 7 Are the following safety measures in place and in working order?
 - Smoke detector
 - Carbon monoxide detector
 - Fire extinguisher
 - Lead tested and abated if needed
 - Radon tested and abated if needed



8 Ways to Improve Energy Efficiency in Your Units



- 1** Get an energy assessment (or “energy audit”) for your building. This will identify measures you can take to save energy—HVAC systems, appliances, insulation, air sealing, and more.
 - Electric and natural gas utilities often offer free commercial energy assessments, including for multifamily buildings (5 or more units). Some also offer residential assessments for single-family homes and smaller multi-family buildings. Check with your utilities.
 - Minnesota RETAP offers free commercial assessments, including for rental properties. More information available at <https://www.pca.state.mn.us/waste/minnesota-retap>.
 - Your building may qualify for the Weatherization Assistance Program.
 - Most utilities offer rebates on energy efficiency upgrades, and some also offer grants or financing.
- 2** Replace old-style incandescent and fluorescent bulbs with LEDs. Not sure how to select the right LED bulbs or fixtures? Learn more at <https://www.cleanenergyresourceteams.org/lighting>.
- 3** Install water-efficient faucet aerators and showerheads to reduce hot water use. Look for the WaterSense label. Learn more at <https://www.cleanenergyresourceteams.org/savingwattsdrops>.
- 4** Install programmable or smart thermostats in your building. Teach your tenants how to use them.
- 5** Install efficient furnaces and air conditioning units. For air conditioners, Energy Efficiency Rating (EER) 13 or above can save as much as 50% on energy costs. Change furnace filters monthly. If buildings are heated with electricity or delivered fuels like propane or fuel oil, consider an air source heat pump. Air source heat pumps (ASHPs) use electricity to heat and cool. Learn more at <https://www.cleanenergyresourceteams.org/ashp>.
- 6** Insulate hot water pipes and use a water heater blanket. Set the water heater temperature at 120°F to reduce both energy use and the risk of accidental burns.
- 7** Install efficient appliances: look for the ENERGY STAR label or search products online at <https://www.energystar.gov/products>.
- 8** Seal air leaks around chimneys, vents, pipes, and wires to prevent cold air infiltration. Plugging air leaks is one of the most cost-effective ways to save energy and improve comfort. It is also the key to preventing ice dams! For more information on air sealing, check out the Home Energy Guide: <https://www.cleanenergyresourceteams.org/home-energy-guide-tips>.



Paying for Energy Upgrades

Your Utility

Most utilities offer rebates on energy efficiency upgrades, and some also offer grants or financing. Check with your utility to see what they offer.

Property Assessed Clean Energy (PACE)

For Rental Property Owners (multifamily with 5 or more units): PACE is a way to finance energy efficiency and renewable energy projects for new or existing buildings of commercial, industrial, nonprofit, and multifamily housing property owners. Energy-saving projects done by property owners receive PACE financing and are repaid as a separate item on property taxes for a set period. PACE financing helps overcome barriers to doing energy-related projects. It eliminates high up-front costs, reduces dependence on credit, and allows for comprehensive projects.

<https://www.cleanenergyresourceteams.org/pace>.

Center for Energy and Environment: Apartment Building Lending Program

For Rental Property Owners: This Lending Center can help you create a more efficient rental property by providing financing up to \$20,000 for energy efficiency projects at your rental property, including projects for a new furnace, air conditioning, insulation, windows, hot water heaters and more! This program is for apartment building owners and managers.

<https://www.mncee.org/home-energy>.

Minnesota Housing

MN Housing is the state's housing finance agency. They offer a variety of financing options for rental properties in Minnesota, as well as grant funding for efforts that advance Minnesota Housing's priority of preventing and ending homelessness.

<http://www.mnhousing.gov/sites/multifamily/gettingstarted>.

Weatherization Assistance Program

Get assistance from the federally funded Weatherization Assistance Program. WAP does weatherize rental buildings. Eligibility depends on the income level of tenants.

For a single-family rental dwelling (1 unit) to be weatherized, it must be occupied by an eligible household prior to the start of any weatherization activities.

For a multifamily building to be weatherized, at least 66% (50% for duplexes and four-plexes) of units in the building must meet one of the following:

- Are income eligible dwelling units, or
- Will become eligible dwelling units within 180 days under a Federal/State program for rehabilitating the building.

Eligibility for each building in a multi-family complex of buildings is determined separately. Weatherization of multifamily buildings is designed to take place with the whole building as a system approach. (Single units within a multi-unit building may not be weatherized.)

More information available at <https://mn.gov/commerce-stat/pdfs/wap-policy-manual.pdf> or contact your local WAP provider. Find them at <https://mn.gov/commerce/consumers/consumer-assistance/weatherization/wap-providers.jsp>



Energy Emergencies

What to Do if Your Furnace Isn't Working

Get it fixed. MN law requires that landlords maintain rental properties so that they are “fit to live in” and “kept in reasonable repair,” and maintain a minimum temperature of 68°F.

What About Shutoffs?

If you (landlord) normally pay the utilities

If you get behind on payments, such that those utilities are shut off, tenants may do the following:

- 1** Notify you in writing that they plan to pay the utilities if the utilities are not paid within 48 hours. If it is winter and the heat is not on, a shorter time period is acceptable. (Tenants may also notify you orally but must also send a written notice within 24 hours of the oral notice.)
- 2** If the utilities are not reconnected in that time, a tenant may pay the amount due for the most recent billing period. They may then submit a copy of the receipt to you with their rent. They may deduct the amount paid from the rent payment.
- 3** If they live in a building with 5 or fewer units, a tenant may establish an account in their name, pay the monthly utility bill, and submit a copy of the receipt with their rent payment each month.

If tenants normally pay their own utilities

Minnesota's Cold Weather Rule (CWR) is a state law that protects residents from having their electric or natural gas service shut off between October 15 and April 15. If your tenants are behind in paying their electric or natural gas bill, they should contact the utility company to find out if they qualify for CWR protection, and to sign up.

CWR protection is only available to residential customers. All natural gas and electric utilities must offer CWR protection. To have CWR protection your tenants must set up a payment plan and keep it. If they don't keep the payment plan, they may be disconnected. They can set up a CWR payment plan any time during the CWR season. The utility must set up a payment plan that is reasonable for your tenant's circumstances. They are eligible for CWR protection as renters, but the utility account must be in their name and affect their primary heating source.

If your tenant and the utility can't agree on a payment plan, they can contact the Minnesota Public Utilities Commission's Consumer Affairs Office at 651-296-0406 or 800-657-3782, or email consumer.puc@state.mn.us and they can help them work with their utility.

Website: <https://mn.gov/puc/consumers/shut-off-protection/>



More Resources

Home Energy Guide

Check out the free Home Energy Guide and other efficiency resources on the CERTs website: <https://www.cleanenergyresourceteams.org/home-energy-guide-tips>.

Landlords and Tenants: Rights and Responsibilities

This useful document is from the MN Attorney General. It provides details on legal rights and responsibilities relating to housing rentals.

English: <https://www.ag.state.mn.us/brochures/pubLandlordTenants.pdf>

Español: <https://www.ag.state.mn.us/brochures/pubLandlordTenantsSpanish.pdf>

Clean Energy Resource Teams (CERTs)

CERTs is a statewide partnership with a mission to connect people and their communities to the resources they need to identify and implement community-based energy efficiency, renewable energy, and electric vehicle projects. <https://www.cleanenergyresourceteams.org>



About This Series



This guide is part of a series designed to answer common home energy questions.

- Energy for Renters: What You Need to Know
- Energy for Landlords: What You Need to Know
- Energy for Manufactured Homes: What You Need to Know
- Energy for Single-Family Homes: What You Need to Know

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