

Accelerating Multifamily Building Efficiency: Lessons from Minnesota’s Joint Gas and Electric Utility Program

John G Miller, CenterPoint Energy
Micah Broehm, Frontier Energy

ABSTRACT

Minnesota’s Multi-Family Building Efficiency (MFBE) program, jointly delivered by natural gas and electric utilities, offers a coordinated approach to energy conservation and equity in multifamily housing.

Multifamily buildings are increasingly important for urban and suburban development, impacting both housing affordability and decarbonization, especially in disadvantaged communities. The MFBE program addresses unique sector barriers—complex ownership, diverse occupant needs, divergent responsibilities for equipment ownership and energy burden, and income verification challenges—by combining comprehensive energy assessments with direct installation of high-impact measures like efficient lighting, water-saving fixtures, and innovative solutions such as green garage door hinges.

Properties receive customized energy reports and bonus rebates, with tailored pathways for market-rate and low-income buildings. A geographic proxy method streamlines income qualification, protecting resident privacy while ensuring equitable access to incentives. The joint utility model simplifies engagement for property owners and managers, aligning offerings and reducing administrative burden. Collaboration with property management companies has scaled participation statewide, with special focus on low-income properties. Streamlined processes and targeted support have driven deeper energy savings and measurable benefits for vulnerable populations.

The evolution of direct installation offerings demonstrates the program’s adaptability to emerging opportunities. MFBE’s results highlight the potential for joint utility programs to advance multifamily energy efficiency, equity, and customer experience, offering practical insights for utilities, policymakers, and practitioners designing comprehensive, inclusive conservation initiatives in the multifamily sector.

Introduction:

Minnesota's Multi-Family Building Efficiency (MFBE) program began due to a recognition by CenterPoint Energy that the multifamily sector, despite being the largest commercial gas market segment (CERTS 2026), was historically underserved by traditional utility efficiency offerings. During the development of CenterPoint Energy’s Conservation Improvement Program (CIP), advocates from housing and energy equity organizations raised some issues that were unique to multifamily properties and make participation in standard rebate programs difficult. Some examples are:

- Split incentives
- Capital constraints
- Administrative burden of navigating multiple utility programs simultaneously.

These structural issues meant a large share of CenterPoint Energy's natural gas sales, and a disproportionately high-energy-burden customer base, were being left largely untouched by existing efficiency efforts.

To address this, CenterPoint Energy partnered with Xcel Energy to launch the joint MFBE program, with the first building completing the program in late 2015. This unique joint-utility program structure required special planning and coordination across teams at both companies, and a third party was brought in for consultation and implementation. From CenterPoint Energy's side, the program was built around its natural gas service territory and designed to offer whole-building audits, direct installation of high-impact efficiency measures, and coordinated rebate incentives within a single program. By combining gas and electric efficiency offerings and streamlining income qualification, the program was designed to make participation as accessible as possible, particularly for buildings in disadvantaged communities where energy burdens are highest and the need for cost-effective savings is greatest.

Since its launch, the MFBE program has grown into an important CIP offering that contributes to CenterPoint Energy's record of surpassing annual energy savings goals for sixteen consecutive years. The program continues to operate through the joint "multifamilyenergysolutions.com" platform, reflecting CenterPoint Energy and Xcel Energy's shared commitment to overcoming the structural barriers that have long made multifamily housing one of the hardest sectors to serve. These dynamics mean that efficiency projects in multifamily buildings have a meaningful opportunity to help customers who carry the highest energy burdens, even when those customers are not the ones making decisions about building equipment. For that reason, a core part of the MFBE program's approach is ensuring that building owners are made aware of efficiency opportunities, so that when equipment does reach end of life, they are positioned to choose high efficiency replacements that benefit the renters who depend on them.

The joint structure of the MFBE program also serves another critical purpose: helping multifamily customers maintain both resilience and affordability. A multifamily building in Minneapolis that has access to both natural gas and electricity is better positioned to weather the challenges that come with Minnesota's climate and grid realities. Minnesotans can continue to expect periods of extreme winter cold, during which high-efficiency natural gas space heating and water heating systems provide steady, dependable warmth when electricity demand spikes and grid reliability can come under pressure. Natural gas systems are also less expensive to operate than fully electric alternatives, which helps keep monthly housing costs manageable for residents who are already stretched thin. A building that relies entirely on electricity for heat and hot water places its residents in a position of complete dependence on grid stability, leaving vulnerable households at risk during outages or peak demand events. By supporting a dual-fuel approach through the MFBE program, CenterPoint Energy helps ensure that multifamily buildings can deliver reliable service through cold winter temperatures while preserving access to low-cost, high-efficiency heat, which is not just a convenience, but a necessity for residents facing high energy burdens.

Program History

The MFBE program was born out of CenterPoint Energy's long-standing obligations under Minnesota's Conservation Improvement Program (CIP – now Energy Conservation and Optimization - ECO) framework. This legislative mandate requires utilities to implement energy

efficiency and carbon reduction initiatives for their customers. This framework has governed utility energy efficiency spending in Minnesota for over three decades. Advocacy from groups like the Minnesota Multifamily Affordable Housing Energy Network (MMAHEN) specifically encouraged CenterPoint Energy and Xcel to create a coordinated, "one-stop" solution for multifamily building owners who were otherwise underserved by the utilities' traditional rebate programs.

The joint MFBE program, launched in late 2015, was structured to provide whole-building energy audits, direct installation of efficiency products, and rebate incentives tied to measurable gas savings. Buildings with five or more units that receive CenterPoint Energy natural gas service are eligible. The original design gave participants up to two years from the date of their audit report to complete projects and submit documentation for rebates and bonus incentives.

The original program design was very similar to the current design, but it covered a flat percentage of install costs for energy efficiency measures depending on the percentage of whole-building energy savings. For example, a building that undertook energy efficiency measures identified in their report that resulted in an estimated savings of 20% of whole building energy savings would receive a rebate covering 35% of the cost. Low Income building received two times the cost covered (70% in this example). Tiered structures of incentives based on savings achieved encouraged deep investments in energy efficiency measures and commitment from participants. However, this structure created high barriers to participation and completion. The result was high savings per site that took advantage of the incentive structures but there were limited participating sites.

In 2020 the program was re-filed and changed to a bonus on any rebate measure installed in a multifamily building. It started as a 30% bonus for market rate and a 60% bonus for LI, but external stakeholder input resulted in this being increased to 200% (3x the rebate) in 2022. This structure removed the high savings achievement barriers for participation in project incentives, increasing the number of buildings implementing savings measures beyond the free direct install offering.

In 2022 it was determined that any efficiency measure that received a rebate from CenterPoint Energy in a multifamily building would count toward MFBE starting in 2023. Previously, all rebates and savings for these projects were counted in the general Commercial and Industrial rebate program, so the only metrics for MFBE were from savings achieved by the vendor. Because of that change in methodology, the most reliable program data begins in 2023. As illustrated below, three measures have consistently driven the majority of program savings over this three-year period, collectively accounting for more than 60% of total portfolio savings: Commercial Boiler Tune-Ups, Steam Traps, and Boiler Replacements. While Direct Install measures provide immediate, low-cost energy savings for customers, this data suggests they contribute less to overall portfolio impact compared to these larger equipment-focused measures.

That said, Direct Install measures remain a valuable component of the program. Customers benefit from immediate, no-cost energy improvements, and the hands-on engagement they provide helps build trust and deepen participation in the overall program. However, Commercial Boiler Tune-Ups, Steam Traps, and Boiler Replacements represent the core intent of the MFBE program; incentivizing meaningful, capital-intensive upgrades that deliver lasting savings at scale across the multifamily portfolio. As shown in Figure 1, the data affirms that the program is succeeding in driving the higher-impact actions it was designed to encourage.

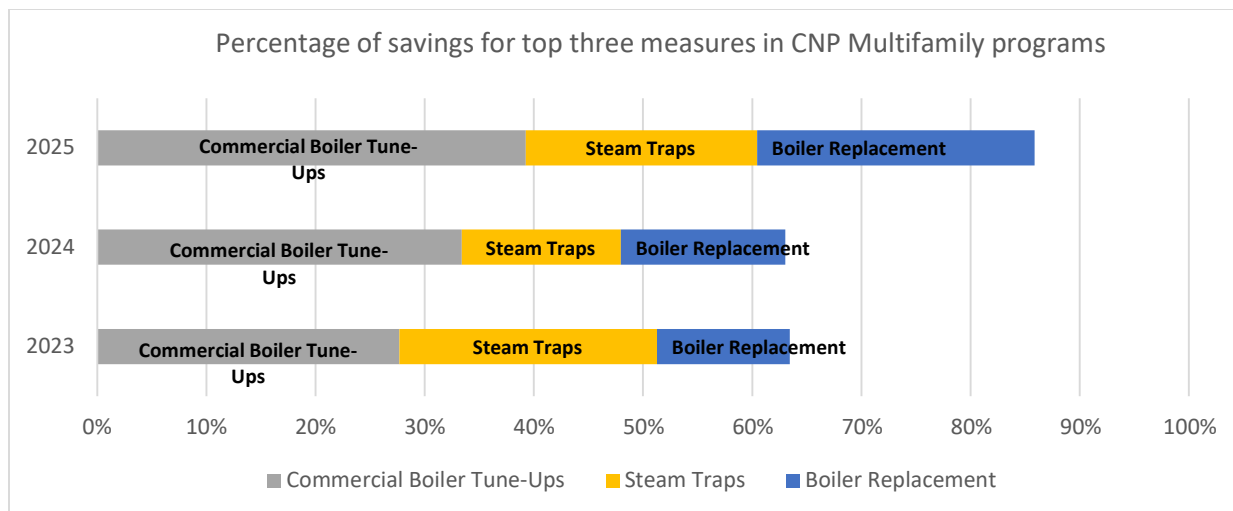


Figure 1. Percentage of savings per measure for multifamily buildings. *Source:* CenterPoint Energy 2026

Customer journey:

The customer journey in the MFBE program is designed to guide property owners and managers through a streamlined, step-by-step process toward meaningful energy savings. The process begins with an application or expression of interest through the Multifamily Energy Solutions platform, which connects customers to the joint MFBE program administered by CenterPoint Energy and Xcel Energy. Once accepted, a qualified energy expert conducts a comprehensive assessment of the entire building, evaluating energy-saving opportunities across individual units and common areas, including lighting, HVAC systems, and the building envelope. Following the assessment, participants receive a detailed energy efficiency report identifying cost-effective upgrades and available rebates at no obligation. Also following the assessment, customers are offered a free direct install of energy-saving products, such as LED bulbs, low-flow showerheads, faucet aerators, and green hinges by trained technicians.

As participants undertake larger efficiency upgrades identified in the report, the program provides rebate assistance. With the knowledge of each customer's buildings and utility rebate structures, program staff are able to guide customers making efficiency upgrade decisions that optimize both savings and incentives in pursuit of customer-defined interests and goals. On request, staff provide feedback on proposals, offer comparisons on potential savings and rebates, and educate customers on topics that can inform their discussions with manufacturers, vendors, and contractors. On completion of qualifying projects, program staff help gather documentation and submit rebate applications to the utilities on the participant's behalf. For income-qualified properties, participants may also be eligible for bonus incentives amounting to 200% of rebates earned (which means 3x the rebate). The rebates are capped at the cost of the equipment, but they significantly reduce the financial burden of energy-efficient improvements and encourage further investment in energy saving projects. Program staff perform ongoing follow-ups with participating customers each year to follow customer plans, provide project guidance, and inform of changes in incentives and offerings. This continued communication helps build a relationship where the program becomes a trusted source of information and support for projects that customers can leverage as their timelines and budgets permit. [The journey described here](#)

reflects lessons learned across earlier program iterations, which shaped the design participants experience today.

Income verification:

Buildings meeting income qualification eligibility through the MFBE program receive special benefits, making the income qualification process an important facet of the program. These benefits can include (depending on building type and other eligibility criteria):

- Increased rebates.
- Special rebates not available to market rate properties, such as weatherization and heightened small equipment incentives.
- No-cost replacement of eligible appliances, outlined later in this paper.
- Free install of cold-climate mini-split heat pumps.

With these benefits sometimes representing significant incentives for the property owner, manager, and residents, streamlined and accurate income qualification is essential.

The Minnesota Department of Commerce (DOC) has provided guidance for qualifying multifamily buildings with five or more residences in programs that fall under the state's Energy Conservation and Optimization (ECO) policy. This guidance outlines definitions for income qualification and several qualification pathways which streamline decision-making for most program applications while simultaneously protecting resident privacy. Eligible buildings are generally defined as those with 50% of resident units occupied by families with incomes at or below 80% of area median income (AMI), though there are other acceptable definitions as well. Following the guidance, program staff reference publicly available lists and piggyback off a building's qualification for other more stringent programs before sending customers searching for other more nuanced documentation. Additionally, the program coordinates with utility and DOC staff to qualify buildings based on geographic location, which is covered at the end of this section. The goal is qualification of all eligible buildings, regardless of applicant familiarity with qualification guidelines, since qualification yields only benefits for both the customer and the program.

The majority of the program's building qualifications happen through reference of Minnesota's Low-Income Rental Classification (LIRC) program list. Buildings enroll in this program to qualify for reduced property tax class rates and the annually updated list of qualified properties is publicly available. Because the income definition used for this program is 60% AMI, addresses with a qualified percentage above 50% are known to meet the program's 80% AMI threshold. Another public list program staff are able to leverage is The United States Department of Housing and Urban Development (HUD) who manages a Low-Income Housing Tax Credit Database. By providing number of residences and percent AMI qualifications, enrollment criteria can be easily searched and verified.

Other organizations and program's customers may leverage for their buildings sometimes have more stringent qualification criteria, allowing the program to use public databases or acceptance in these programs as documentation. Housing Link, for instance, is an organization that maintains a searchable database of properties qualified as low income via various methods with detail sufficient for program qualification. Minneapolis' 4D Affordable Housing Incentive program also maintains a public list of participating properties meeting specific income

qualification rental criteria. At the time of writing, qualification of buildings via verification of enrollment in Xcel Energy's Automatic Bill Credit (ABC) Pilot is in the process of being rolled out.

A more recent qualification pathway is the Geographical Proxy Method, or GeoProxy Method. This pathway allows program staff to check public maps for overlapping qualified zones. The US Geospatial Research, Analysis & Services Program maintains a Social Vulnerability Index (SVI) map which highlights census tracts where socioeconomic status, household characteristics, racial and ethnic minority status, and housing type and transportation are all evaluated to create a rating of overall social vulnerability. The US Department of Housing and Urban Development also maintains a map of qualified census tracts (QTCs) where 50% of households have incomes below 60% Area Median Gross Income (AMGI) or a poverty rate of at least 25%. On verifying that an applicant's building address is within qualifying zones on both maps, program staff can compile a qualification request which is then sent to the appropriate utilities for review and submitted to the DOC for approval. The GeoProxy Method has helped dozens of buildings lacking other formal qualifications benefit from the program's special income-qualified offerings.

Direct install:

The free direct install offering through the program plays a vital role in program savings achievements not just directly, but indirectly as well. This covers both material and labor at no cost for both gas and electric savings measures through an entire building, including common areas and resident units. In this way, the offering provides holistic savings on both resident and common meters. This gives all stakeholders immediate benefits and energy savings and aligns their interests. The direct install has a natural, positive impact on equity in housing and income qualified buildings receive additional benefits to enhance this impact. For building owners and managers, this offering is an important step into energy savings for new customers and can set a positive tone for further program engagement.

Direct install offerings have changed and expanded with the program since its inception, responding to availability of different products and measures, and trends in opportunities at customer sites. By opting for an install over similar offerings like energy savings kits, implementation of the savings measures is assured, as is the resulting impacts both for residents and utilities. Offerings currently include:

- LED lamp replacement of existing incandescent, compact fluorescent, and linear fluorescent lamps in permanently mounted fixtures, including the following lamp varieties:
 - A19 and A21 lamps
 - Globe lamps
 - Candelabra lamps
 - BR30 and PAR30 lamps
 - 2-foot and 4-foot ballast compatible lamps
- Smart power strips to reduce vampire loads
- 1.5 GPM showerheads (both standard and handheld)
- 1.5 kitchen faucet aerators
- 0.5 GPM restroom aerators

- Weatherization of exterior doors

Each offering, aside from the smart power strips, is only applicable when existing equipment exceeds the wattages or flow rates of the new equipment. The scale of the direct installs has been an important part of the program's ongoing success. In 2025 alone, the program installed over 35,000 LED lamps, 15,000 faucet aerators, and 7,000 showerheads across customers for both participating utilities. As displayed in Figure 2, trends in products installed year over year show strong, continued opportunities in these core offerings. Though LED lighting has seen notable declines as LEDs become standard technology and more prevalent in the market, install quantities show less efficient incandescent and fluorescent lighting are still common in multifamily buildings. The program also has several other more nuanced offerings applicable to specific building types, the utility servicing the building, or customer segments. The potential for new offerings is regularly reviewed.

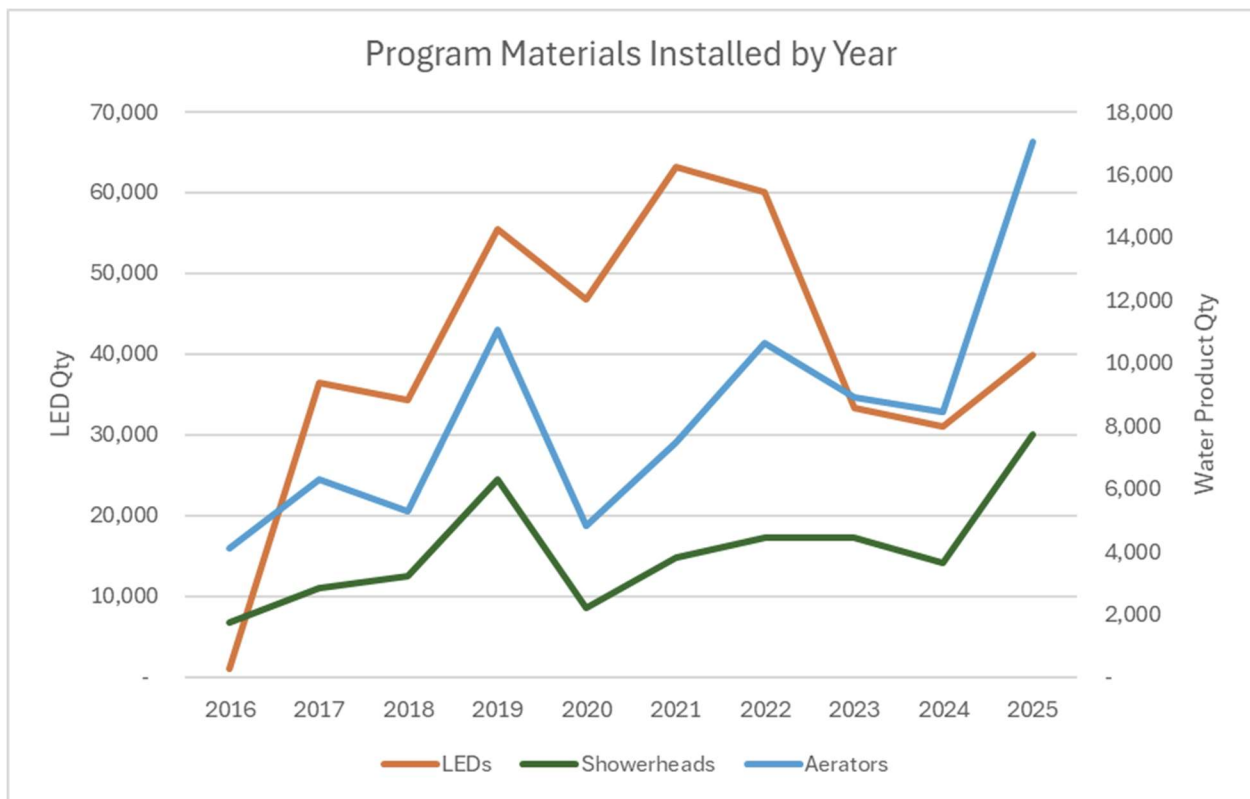


Figure 2. DI material installed per year – program total. *Source: Frontier 2026*

During the initial assessment visit, the program auditor obtains a high-level estimate of the potential for each direct install offering available and engages with the building owner or manager to determine the level of interest. Follow-up communications between the auditor, customer, and direct install staff confirm interest and coordinate the time needed to visit a site. A team of three to four people are generally able to complete 40+ residences in a day, depending on the scope of the install. Property owners and managers have the option to allow residents to opt-in or opt-out of an install or, if applicable, make the install comprehensive. Building staff accompany the install team through the building, opening doors and interacting with residents. Building staff accompanying the team also become the decision makers when questions arise.

Post-install, a building will receive a summary report outlining the quantity of each product installed and some generalized estimates of savings achieved.

Income qualified properties may receive additional services when completing a direct install, depending on building type and product eligibility. Certain older refrigerators, through-wall air conditioners, and window air conditioners may be eligible for a no-cost replacement. During a direct install, program staff will check each appliance for qualifying criteria such as age, efficiency, and size. An inventory is created and reviewed for eligible replacements. As program resources are available, site staff are informed of the replacement scope approved and connected with a vendor who will complete the install and bill the program on completion. All appliances removed are recycled.

Because income qualified residents often have disproportionately higher energy burdens, direct install savings are a direct way to service these customers. The offering also addresses the split-incentive problem impacting both market rate and income qualified residents at apartment buildings, but often having a particularly high impact on the latter group. With free products and install, the interests of both building ownership and residents are aligned. The installation gives these customers access to energy-saving products and technologies that they might not otherwise be able to adopt; either because of the higher upfront costs or because they lack the ownership or decision-making authority to make such changes. The assistance the direct install services provide to owners and managers of income qualified properties further reduces their financial burden in providing income qualified housing opportunities, which is such an essential service to the communities they support.

By offering direct install, the program creates more than just direct savings for residents and building owners. Having a free, turn-key solution for building owners and managers to utilize provides an easy and tangible first step into thinking about energy savings at their building. As the first step along an energy savings journey, free products and labor associated with the direct install give building stakeholders a chance to see energy savings in action. Follow-up savings estimate reports from the install team give customers a sense of the impact their decision has made across their buildings for both them and their residents. Installs at scale can furthermore reinforce themselves when savings on electric, gas, or even water bills are sizeable enough to notice. Deferred maintenance is a sometimes-overlooked benefit of the installs, which can free up owners and site staff for other important tasks in the months after the install. By completing a direct install, building owners and managers also get a chance to show residents that they care about the energy bill burden residents face and interact with them through a positive environment. With these benefits from direct install and having taken an easy first step into energy savings, building owners are encouraged to seriously consider taking advantage of the program's rebates and project support.

New measures:

As part of our ongoing efforts to enhance the effectiveness of program delivery, we have introduced several new measures currently at varying stages of implementation. One initiative of particular note is the integration of Green Hinge System technology into our direct installation offerings. These patented, spring-loaded hinges automatically adjust garage door panels to create a tighter seal at the door's true sealing surface, thereby reducing air gaps, minimizing drafts, and improving overall energy performance. Constructed from heavy-duty 12-gauge steel and designed to compensate for misaligned tracks or warped walls, the hinges can reduce air leakage

by up to ¼ inch and often provide a measurable return on investment within approximately 1.5 years. (Green Hinge System 2026)

Although a rebate for this product was available for several years, participation remained effectively nonexistent. After transitioning the measure to a DI offering, however, uptake increased substantially, with hundreds of installations now completed annually. This shift suggests that direct installation not only addresses a previously unmet need but also enhances customer engagement with energy-saving technologies.

Another initiative to note is what we are calling “enhanced boiler tune-ups”. This represents an emerging opportunity to deepen natural gas savings and improve heating system performance in multifamily buildings. Traditional boiler tuneups focus primarily on burner adjustments, which historically deliver modest but reliable savings. However, research funded through Minnesota’s Conservation Applied Research and Development (CARD) program demonstrates that expanding the scope to include optimization of boiler temperature and staging controls can unlock substantially greater performance gains. The CARD study found that enhanced tuneups reduced system supply temperatures by an average of 11–13°F immediately following implementation, with corresponding energy savings of roughly 7% of pre-tune-up gas use, more than triple the savings typically attributed to burner-only tuneups. (MNDOC 2021)

This expanded approach addresses longstanding barriers in boiler operation, including overheating, inefficient staging among multiple boilers, and misaligned outdoor reset settings. By correcting sensor placement issues, optimizing reset curves, and reducing excessive cycling, enhanced tune-ups improve both energy efficiency and equipment longevity, particularly in buildings with condensing boilers. The CARD study also found strong persistence for many sites, with approximately 66% of initial savings maintained into the second year, indicating that these operational improvements can offer durable benefits when settings remain intact over time.

To reduce customer burden and accelerate adoption, utilities are exploring delivery of enhanced boiler tuneups as a fully funded direct install offering. Providing the service at no cost supports equitable access for building owners and allows multifamily and institutional properties to benefit from high-value system optimization. Early program designs suggest that pairing technical support, contractor training, and targeted follow-up can scale participation while ensuring measure persistence.

As with innovative measures like green garage door hinges, the integration of enhanced boiler tune ups reflects the program’s commitment to evolving direct install offerings in response to new research and emerging opportunities. By leveraging rigorous field data and addressing real world operational challenges, these measures have the potential to significantly expand natural gas savings, improve resident comfort, and support long term decarbonization goals across Minnesota’s multifamily building stock.

Despite these successes, the program continues to navigate challenges inherent to the multifamily segment. Income qualification, though substantially streamlined through public databases and the GeoProxy Method, still requires manual verification for buildings that fall outside established lists, and some genuinely eligible properties remain difficult to qualify. The split-incentive dynamic that motivated the program cannot be fully eliminated; even with aligned offerings and enhanced incentives, progress depends on building owners choosing to act, and the pace of capital-intensive upgrades is ultimately bound by their budgets and timelines. Coordinating a joint-utility offering across two organizations, while a clear net benefit to customers, also carries internal overhead in aligning processes, data, and incentive structures. And because consistent program-level data begins only in 2023, longer-term trends in

participation and measure persistence are still emerging. Acknowledging these constraints is not a critique of the model but a reflection of the realities of serving a segment that has long resisted conventional efficiency approaches.

Conclusion:

The coordinated, joint-utility, building-holistic approach for the Multi-Family Building Efficiency program has demonstrated itself to be an effective structure for achieving energy savings in the multifamily customer segment. The comprehensive array of offerings spanning efficiency assessments, turn-key direct install offerings, and incentives achieves impact for all stakeholders at each building serviced. Residents, building owners, and property managers all stand to benefit from free offerings. Additionally, decision makers at the properties are incentivized to take steps in direct investment in energy savings measures through project guidance and incentives. Enhancing incentives with bonuses for program participation further drives immediate and ongoing engagement from properties, and special benefits for income qualified buildings, like substantially increased rebates, and free appliances, create impact where it is felt the most. The program meaningfully advances energy efficiency, equity, and customer engagement in this critical customer segment.

Key to the program's success are the robust income qualification pathways and evolving direct install offerings. By leveraging public databases, cross-program qualification, and location-based income qualification pathways, the program casts a wide net to ensure income qualified residents and the properties that are critical in providing housing for these underserved people are provided special support. Furthermore, by continually exploring new offerings such as green garage door hinges and enhanced boiler tune-ups, the program shows a commitment to expanding into new areas that have high persistence, measurable energy impacts, and immediate value to buildings.

The program's continued success shows this model to be impactful and flexible in serving a historically challenging market segment. Its scalability depends on a set of enabling conditions, including a regulatory environment that funds utility efficiency programs, coordinated joint-utility partnership, established income-qualification infrastructure, and a sizable multifamily housing stock. Where comparable conditions exist, the coordinated, building-holistic structure offers a replicable template.

Multifamily housing continues to grow and its importance to Minnesota's affordability and energy targets only increases. The MFBE program is critical in aligning the priorities of building owners and their residents to achieve meaningful impact, and the joint-utility partnership the program is built upon has proven to be a successful strategy in achieving state, utility, and customer goals.

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Low-Income Housing Tax Credit Database <https://www.huduser.gov/lihtc/>

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