

ALASKA STATE LEGISLATURE

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EDUCATION COMMITTEE



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SENATOR Tom Begich
SENATE DISTRICT J

Senate Bill 190 Sponsor Statement

"An Act relating to the retrofitting of certain public facilities and community facilities; relating to the performance of energy audits on schools and community facilities; and relating to the duties of the Alaska Energy Authority and the Alaska Housing Finance Corporation."

The State of Alaska is responsible for \$650 million in energy costs associated with close to 5,000 facilities. In 2010, the Alaska Sustainable Energy Act set forth a goal of energy efficiency retrofits for 25% of State of Alaska buildings over 10,000 square feet by 2020. That goal was achieved by 2014. Senate Bill 190 extends that program to schools and large community centers which are eligible for Power Cost Equalization. This creates incentives for buildings which receive State support for energy bills to perform retrofits, saving the State, school districts and communities money.

Senate Bill 190 also proposes financing efficiency retrofits by incentivizing a successful private financing model called Energy Service Performance Contracting, with minimal costs to the State. Energy contracting companies pay for the upfront costs associated with the energy efficiency retrofits, then are paid back using the guaranteed cost savings. SB 190 sets a goal for the State, and certain public buildings, to enter into \$100 million worth of performance-contracts by 2025 to pay for energy retrofits set forth in the bill.

I respectfully request your support for SB 190.

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