

Alaska Legislature

House Special Committee on Energy

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House Bill 196: Alternative Energy Revolving Loan Fund

SPONSOR'S INTENT

HB 196 amends the Alternative Energy Revolving Loan Fund in order to provide another tool for Alaskans to use in battling volatile fuel costs.

This fund was established in 1978 to make loans of up to \$30,000 to individual Alaskans for energy production through small-scale wind, hydroelectric, solar-voltaic, and other alternative systems.

In 1990, the program was mothballed with an amendment that swept any unexpended and unobligated cash in the fund into the general fund at the end of every fiscal year. Lacking annual appropriations from the Legislature, the program has been essentially dormant.

HB 196 eliminates the "sweep" provision, replacing it with a requirement that principal and interest payments and other income earned by the fund stay in the fund. This means that should the Alternative Energy Revolving Loan Fund be capitalized, it will grow.

The bill also will allow sources in addition to appropriations from the Legislature to capitalize the fund. These can include gifts, bequests, or contributions.

Other aspects of the legislation update the loan fund to reflect current policies in the Division of Investments. These include matters concerning collateral and the sale or transfer of mortgages.

The bill also acknowledges the recent development of clean-burning, high-efficiency wood pellet stoves, adding them to a listing of systems permitted for loans under the program in the Definitions section.

We in Alaska must use every means at our disposal to find permanent solutions to high energy costs. Some of those solutions call for large-scale energy projects requiring many years to develop. But we should not discount the cumulative potential of smaller-scale efforts. HB 196 will enable many individual Alaskans to make lasting investments that will help bring their energy costs to acceptable levels soon.