



LAWS OF ALASKA

2010

Source

HCS CSSB 220(FIN)

Chapter No.

AN ACT

Relating to energy efficiency, energy conservation, and alternative energy, to an emerging energy technology fund, to the lease of state land to a public electric utility, to an exemption from taxation by a municipality of certain residential renewable energy systems, to the Alaska heating assistance program, to state energy use data, to the Southeast energy fund, to the alternative energy revolving loan fund, to nuclear energy production and facilities, to the definition of "power project" or "project" as it relates to rural and statewide energy programs and the Alaska Energy Authority, and to the definition of "alternative energy program".

1 (A) electrical or thermal energy production [OTHER THAN
2 NUCLEAR ENERGY PRODUCTION];

3 (B) waste energy utilization and energy conservation; or

4 (C) transmission, purchase, sale, exchange, and interchange of
5 electrical or thermal energy, including district heating or interties;

6 * **Sec. 20.** AS 45.88.010(a) is amended to read:

7 (a) There is established in the Department of Commerce, Community, and
8 Economic Development the alternative energy **conservation** revolving loan fund to
9 carry out the purposes of AS 45.88.010 - 45.88.090. Loans made under AS 45.88.010
10 - 45.88.090 are to be used

11 **(1) to develop means of energy production utilizing one or more**
12 **alternative energy systems; and**

13 **(2) to purchase, construct, and install energy conservation**
14 **improvements in commercial buildings** [ENERGY SOURCES OTHER THAN
15 FOSSIL OR NUCLEAR FUEL, INCLUDING, BUT NOT LIMITED TO,
16 WINDMILLS, WATER AND SOLAR ENERGY DEVICES].

17 * **Sec. 21.** AS 45.88.010 is amended by adding a new subsection to read:

18 (e) The alternative energy conservation revolving loan fund consists of

19 (1) money appropriated to the fund by the legislature;

20 (2) gifts, bequests, or contributions from other sources;

21 (3) principal and interest payments or other income earned on loans or
22 investments in the fund; and

23 (4) money chargeable to principal or interest that is collected through
24 liquidation by foreclosure or other processes on loans made under AS 45.88.010 -
25 45.88.090.

26 * **Sec. 22.** AS 45.88.020(a) is amended to read:

27 (a) The department may

28 (1) make loans for the purchase, construction, and installation, **in**
29 **commercial buildings that are located in the state,** of

30 **(A) alternative energy systems; and**

31 **(B) energy conservation improvements;**

1 (2) adopt regulations necessary to carry out the provisions of
2 AS 45.88.010 - 45.88.090, including regulations to establish reasonable fees for
3 services provided and charges for collecting the fees;

4 (3) collect the fees and collection charges established under this
5 subsection.

6 * **Sec. 23.** AS 45.88 is amended by adding a new section to read:

7 **Sec. 45.88.025. Eligibility.** To be eligible for a loan under AS 45.88.010 -
8 45.88.090, an applicant must

9 (1) physically reside in the state and maintain a domicile in the state
10 during 12 consecutive months before the date of application for a loan and may not
11 have

12 (A) declared or established residency in another state; or

13 (B) received residency or a benefit based on residency from
14 another state;

15 (2) be at least 51 percent owned by individuals described in (1) of this
16 section if the applicant is a corporation, joint venture, or partnership; or

17 (3) be a nonprofit organization under AS 10.20.

18 * **Sec. 24.** AS 45.88.030(a) is repealed and reenacted to read:

19 (a) A loan made under AS 45.88.010 - 45.88.090 may not exceed \$50,000. If
20 the requested loan amount exceeds \$30,000, the applicant must deliver to the
21 department a document from a financial institution stating that

22 (1) the applicant has been denied a loan for the same purpose; or

23 (2) the loan from the financial institution is contingent on the applicant
24 also receiving a loan from the fund.

25 * **Sec. 25.** AS 45.88.030(e) is amended to read:

26 (e) The rate of interest for a loan **under AS 45.88.010 - 45.88.090 is the**
27 **prime rate, as defined by AS 44.88.599, plus one percentage point, but may not be**
28 **less than five percent a year** [FOR AN ALTERNATIVE ENERGY SYSTEM IS
29 FIVE PERCENT FOR THE FIRST \$15,000 OF THE LOAN AND 15 PERCENT
30 FOR THE AMOUNT OF THE LOAN THAT EXCEEDS \$15,000].

31 * **Sec. 26.** AS 45.88.030 is amended by adding a new subsection to read:

1 (f) A loan under AS 45.88.010 - 45.88.090 must be secured by a mortgage or
2 other security instrument in the real property to be improved and a lien on the
3 improvements financed with the loan.

4 * **Sec. 27.** AS 45.88.090(a) is amended to read:

5 (a) In AS 45.88.010 - 45.88.090,

6 **(1)** "alternative energy system"

7 **(A)** [(1)] means a source of thermal, mechanical or electrical
8 energy **that** [WHICH] is not dependent on oil or gas or a nuclear fuel for the
9 supply of energy for space heating and cooling, refrigeration and cold storage,
10 electrical power, mechanical power, or the heating of water;

11 **(B)** [(2)] includes

12 **(i)** [(A)] an alternative energy property as defined by 26
13 U.S.C. 48(a)(3)(A) (Sec. 301, P.L. 95-618, Internal Revenue Code);

14 **(ii)** [(B)] a method of architectural design and
15 construction **that** [WHICH] provides for the collection, storage, and
16 use of direct radiation from the sun;

17 **(iii)** [(C)] a woodstove **that complies with the**
18 **provisions of 40 C.F.R. 60.530** [WITH A CATALYTIC
19 CONVERTER OR A CATALYTIC CONVERTER FOR A WOOD
20 STOVE];

21 **(iv)** [AND (D)] a steam, hot water, or ducted hot air
22 central heating system that uses wood or coal for fuel; **and**

23 **(v) a high efficiency wood pellet or grain stove;**

24 **(C)** [(3)] does not include

25 **(i)** [(A)] a stove that uses only **coal** [WOOD, COAL,]
26 or oil for fuel; or

27 **(ii)** [(B)] a fireplace or fireplace insert;

28 **(2) "commercial building"**

29 **(A) means a building that is intended to be used for**
30 **commercial purposes;**

31 **(B) does not include**

1 (i) a residential structure or mobile home that
2 contains one to four family housing units; or

3 (ii) individual units of condominiums or
4 cooperatives;

5 (3) "energy conservation improvement" means

6 (A) structural insulation;

7 (B) thermal windows and doors;

8 (C) a furnace replacement burner designed to achieve a
9 reduction in the amount of fuel consumed as a result of increased
10 combustion efficiency;

11 (D) a device for modifying flue openings designed to
12 increase the efficiency of operation of the heating system;

13 (E) an electrical or mechanical furnace ignition system that
14 replaces a gas pilot light;

15 (F) an automatic energy-saving setback thermostat;

16 (G) a meter that displays the cost of energy usage;

17 (H) caulking and weather-stripping of doors and windows;

18 (I) insulating shades and shutters;

19 (J) air and water recuperators.

20 * **Sec. 28.** AS 46.11.900(1) is amended to read:

21 (1) "alternative energy system"

22 (A) means a source of thermal, mechanical, or electrical energy
23 that is not dependent on oil or gas [OR A NUCLEAR FUEL] for the supply of
24 energy for space heating and cooling, refrigeration and cold storage, electrical
25 power, mechanical power, or the heating of water;

26 (B) includes

27 (i) an alternative energy property as defined by 26
28 U.S.C. 48(a)(3)(A); and

29 (ii) a method of architectural design and construction
30 that provides for the collection, storage, and use of direct radiation from
31 the sun;