

**Senate Special Committee on Energy**  
Hearing on the Weatherization Program  
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Good afternoon. My name is David Hardenbergh and I am the Executive Director of the Rural Alaska Community Action Program, also known as RurAL CAP.

I'd like to thank Senator Micciche and Senator Bishop, Co-Chairs of the Senate Special Committee on Energy, and the other members of the committee for the opportunity to speak to you today about the measurable results and tremendous impact of the Weatherization program.

The State of Alaska's investment in the Weatherization program, which is administered by the Alaska Housing Finance Corporation, has a long history – indeed the original concept for what has now become a national program was born right here in Alaska, in the community of Fort Yukon in the 1970s.

Weatherization assistance provides income-eligible households with energy-efficiency improvements. The program saves money, saves energy, keeps people healthy, extends the life of the home, and creates skilled jobs. 70% of households served include a senior citizen or a person with a disability. More than half of the households served include children under the age of six.

One of the factors that makes the return on investment and energy savings so compelling in our state is that low-income Alaskans experience the highest energy burden in the country. Defined as the percentage of total family annual income spent on energy, the energy burden for low-income families in rural Alaska often exceeds 50% just for home heating fuel.

Thus, a program that reduces the amount of fuel needed to heat a home by 30% on a statewide average and more than 40% in much of rural Alaska can be life changing for a low-income family. Average rural families save more than \$2,300 a year on home heating fuel. Statewide, the average family saves \$1,300 a year after their home has been weatherized. And the amount of savings to a family budget increases to more than \$4,000 per year in those parts of the state where both fuel prices and energy burdens are highest.

The Weatherization program includes health and safety benefits ranging from smoke and carbon monoxide detectors to improved indoor air quality and the mitigation of mold and mildew problems. It improves Alaska's housing stock by adding more than 20 years to the life span of the average home weatherized.

AHFC has calculated that the aggregate return on investment from the Weatherization program is \$46 million in annual energy cost savings. And once a house is weatherized, these savings compound year after year with a total payback that exceeds the program costs.

The economic impact on local communities resulting from the Weatherization program includes wages paid to locally-hired crews and payments made to local vendors. RurAL CAP works with dozens of local businesses in Anchorage and Juneau who provide materials and deliver services for the Weatherization program. Economists at UAA's Institute of Social and Economic Research found that energy-efficiency programs were the most conservative and cost-effective option for state energy policy, saving both energy and money, creating jobs, and yielding a timely and low-risk return on state dollars.

But perhaps the best view of this program is from the perspective of one of the more than 16,000 owners of homes weatherized since 2009. The following excerpts come from a letter shared by an Elder in Chevak where locally-hired crews completed work on 107 homes last year:

*"I want to express my gratitude as a community Elder, as well as for the people of the community of Chevak. Houses were provided with new windows, doors, insulation, and ventilation to make our home environment safe for many years to come. With new painted homes, the old weathered houses look new once again which will improve the morale of the people. I know in my heart that many of the people are grateful for what you have done and what you are doing to help our community. As an Elder, I am more at peace in my home knowing my family will be warm and will save heating fuel. Our utilities have sky rocketed because of fuel costs. We will be able to withstand the cold winters and be comfortable in our home environment with our families. Quyana for your hard work, God Bless you."*  
- John F. Pingayak

The Weatherization program has been operating in Alaska for decades at the intersection of energy efficiency and Arctic building science. It's a science-based, data driven program that consistently produces measurable results and an excellent return on investment.

For years, Weatherization has functioned like an operating fund program even though it is funded from the capital budget. As program providers, we recognize the need for fiscal austerity. We are willing to share in the painful process of further cutting the budget. But what we respectfully ask is that rather than cutting the program to \$6.6 million as in the Governor's budget, that you consider a cut of 27% from last year's level of \$27.5 million down to \$20 million. Our belief is that this would keep the program sustainable.

I'd like to close with a quote from an Elder in the village of Savoonga on Saint Lawrence Island. When asked what she thought about the work done on her home, she paused, and then replied, *"Good ... now I don't have to wear my slippers to bed anymore."*

Thank you for your time.