

From: Margo Waring <[margowaring@gmail.com](mailto:margowaring@gmail.com)>  
Sent: Wednesday, March 07, 2018 9:54 AM  
To: Rep. Adam Wool <[Rep.Adam.Wool@akleg.gov](mailto:Rep.Adam.Wool@akleg.gov)>; Rep. Justin Parish  
<[Rep.Justin.Parish@akleg.gov](mailto:Rep.Justin.Parish@akleg.gov)>  
Subject: HB 374

Dear Representatives Wool and Parish,

Renewable Juneau thanks you for introducing HB 374 for on bill financing of certain electric or gas improvements for energy efficiency and conservation. Renewable Juneau is a local non profit that educates and advocates for greater use of local renewable energy, especially in transportation and heating in order to promote a more healthy and resilient community while decreasing our use of fossil fuels.

Early on, we identified the lack of available financing as a barrier to greater adoption of more energy efficient heating systems, especially those using ground source and air source heat pumps. While AHFC offers some support for energy efficiency, the process is not as accessible as what is being proposed in HB 374. On-bill financing for residential and other buildings is the effective tool used in many locales to simplify access to energy efficiencies. This approach is especially attractive to households who cannot afford the initial capital outlay that has hampered much adoption of energy efficiency improvements.

Our only wish would be that utilities be required to offer on-bill financing, rather than leaving it optional for them.

Please share our comments with committee members.

Margo Waring  
Board Member  
Renewable Juneau



March 7, 2018

Representative Adam Wool  
State Capitol Building Room 412  
Juneau, Alaska 99801

Dear Representative Wool:

Thank you for introducing House Bill 374, An Act relating to on-bill financing by an electric or gas distribution utility for certain energy efficiency and conservation improvements.

I currently serve as the AIDEA Project Team Lead for the Interior Energy Project (IEP). This project is designed to provide an alternative and affordable source of fuel to Interior Alaska using a suite of financing tools provided by the Legislature in 2013. As this project has advanced, contractual agreements have been signed, and infrastructure investment is underway, to expand the availability and use of natural gas in the Interior.

As steps are taken to increase the availability of natural gas to potential customers, Fairbanks Natural Gas, which is currently owned by AIDEA, has reviewed various means of assisting customers with conversion to natural gas when it is available. An on-bill financing, or on-bill repayment mechanism is an important tool to help achieve this goal. In order to assess the potential rate of customer conversions in the future, the IEP worked with focus groups and found that access to an on-bill repayment mechanism, that allows conversion costs to be spread over an extended period of time, was very attractive to consumers.

AIDEA has identified potential sources of federal funding that eligible Alaska electric and gas distribution utilities may be able to access to assist utility customers with energy efficiency financing. For example, the Rural Energy Savings Program administered by the USDA Rural Utility Service identified a preferred repayment **mechanism in which customer energy efficiency improvements “shall be repaid through charges added to the electric bill for the property”**. Although funding from these sources is not certain, availability of an on-bill financing, or repayment, mechanism may be a provision that makes a significant difference.

I look forward to working with you as you move HB 374 through the legislative process.

Gene Therriault  
AIDEA IEP Team Lead