



Denali Commission
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February 22, 2019

TO: Members of the Alaska Legislature

RE: House Bill 32
More Energy Efficient Buildings Act

Dear Members,

The Denali Commission strongly supports proposed House Bill 32 that would expand access to the Alaska Energy Efficiency Revolving Loan Fund to non-profit organizations, regional housing authorities, and tribes.

The Commission currently has five active grants totaling \$5.8 million to assist 79 rural communities develop energy efficiency projects. These grants focus on both public buildings and water/sewer systems, which together account for a significant percentage of the total energy usage in rural communities. Note that our funds leverage and/or complement an additional \$3.7 million being made available by other agencies for the same purpose. Note too, that while our funds are being used for both planning and implementation, the need for implementation dollars far exceeds the grant funds available. Making loan funds available for the organizations and entities referenced above will hopefully increase the rate at which specific projects are actually implemented.

It goes without saying that completing energy efficiency projects in rural Alaska goes a long way to making communities more sustainable. The Alaska Native Tribal Health Consortium, one of our partners the on initiatives referenced above, is reducing the energy costs of operating village water/sewer systems and various community buildings by an average of \$3.1 million per year through their *Rural Energy Program*.

I hope the above information is helpful. Please feel free to contact me with any questions you may have.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Torgerson".

(for)
John Torgerson,
Federal Co-Chair

Feb 7th 2019

Members of the 31st State Legislature
Alaska State Capitol
Juneau, AK 99801

Re: Support for HB 32 – More Energy Efficient Buildings Act


To Whom It May Concern:

Tanana Chiefs Conference, a non-profit, Tribal consortium representing 42 federally recognized tribes in Alaska's interior would like to express its strong support for the HB 32, The "More Energy Efficient Buildings Act." Tanana Chiefs Conference Strongly believes that the changes as proposed within HB 32 will have significant benefit to our organization, our member tribes and our region as a whole.

For decades rural Alaskan communities have been burdened by some of the highest energy costs in the nation combined with some of the least efficient infrastructure. The highest electric rates in the interior are currently \$1.02/kWh in the community of Takotna and nearly \$10/gal for fuel oil in Arctic Village. These represent energy costs that are anywhere from 5-10 times higher than average heat and electric bills paid by residents in Anchorage. The city of Fairbanks, TCC's base of operations for more than 700 employees and a combined 200,000 sq ft of office and clinic space, has consistently been ranked in the top 5 cities in the nation for highest cost of utility bills. With improved access to funding from the Alaska Energy Efficiency Revolving Loan Fund, TCC, tribal councils and other non-profits will be able to save money on utility bills and put that money toward providing better services to their clients – Alaskan Residents.

Tanana Chiefs Conference has taken an active role in assisting our communities with energy efficiency projects and we look forward to continuing that effort through bills like HB 32 that make this process easier. We full support the goals of HB-32, to expand the list of eligible applicants able to take part in the Alaska Energy Efficiency Revolving Loan Fund. We believe this bill will benefit our tribes, our organization and non-profits across Alaska.

Sincerely,



Dave Messier
Rural Energy Coordinator
Tanana Chiefs Conference



ASSOCIATION OF ALASKA HOUSING AUTHORITIES

Building communities, empowering Alaskans.

March 29, 2019

Honorable Members of the Alaska Legislature
State Capitol Building
Juneau, Alaska 99801

Subject: House Bill 32- More Energy Efficient Buildings Act

Dear Members of the Alaska Legislature:

I am writing on behalf of the Association of Alaska Housing Authorities (AAHA) to express strong support for House Bill 32, which would expand eligibility for loans made through the Alaska Energy Efficiency Revolving Loan Fund. Presently, the Alaska Energy Efficiency Revolving Loan Fund is an underutilized asset. House Bill 32 would help put that asset to work, creating and/or preserving good jobs for Alaskans while reducing energy consumption. Best of all, HB32 would do this without any additional investment of State resources, having received a Zero Fiscal Note.

AAHA's membership includes the 14 regional housing authorities that were created pursuant to Alaska statute. Since 1971, Alaska's regional housing authorities have built or rehabbed over 12,500 housing units in every corner of the State. Collectively, the regional housing authorities generate nearly a quarter of a billion dollars of economic activities in Alaska each year and employ thousands of Alaskans. AAHA's members are the primary (or only) provider of affordable housing in most regions in the state, and that housing typically incorporates energy efficient design and construction techniques.

As the fiscal environment has changed at both the federal and state levels, resources are strained. This makes it increasingly difficult to identify funding and financing for energy efficiency improvements to rural structures. Resource scarcity makes it less likely that Alaska organizations will invest in energy efficiency improvements, straining our communities' energy resources and precluding economic activity that could support Alaskan jobs.

A November 2014 white paper by the Alaska Housing Finance Corporation (AHFC) notes that money spent on energy efficiency retrofits involves a significant amount of labor, including construction, maintenance, and engineering. The authors noted that with a properly trained workforce, much of that labor can be provided locally, keeping more money in the local economy than if it was spent on fuels. They also noted that residential energy programs in Alaska had, as of 2014, created an estimated 2,700 short-term jobs and 300 permanent jobs. Put to proper use, the Alaska Energy Efficiency Revolving Loan Fund also has the potential to create and sustain good Alaskan jobs.

The AHFC white paper also notes that energy efficiency has the potential to be particularly beneficial to rural Alaskan economies. According to UAA's Institute of Social and Economic Research, in rural western and northern Alaska approximately 71% of the cash economy and 36% of the jobs come from



government sources. These jobs include positions in non-profit buildings, tribal offices, housing authority offices, health clinics, and more. Because of the cost of energy required to maintain a comfortable temperature in rural structures is often extremely high, it frequently makes good financial sense to reduce operating costs by financing energy efficiency improvements.

Expanding eligibility for loans from the Alaska Energy Efficiency Revolving Loan Fund (AEERLF) would not disadvantage currently eligible entities like municipalities and school districts. The AEERLF was created in 2010 by legislation that authorized AHFC to make \$250 million in low interest loans to public entities for energy efficiency improvements. To date, only one loan has been closed. Additionally, if more capital is needed for some reason, AHFC can simply request additional bonding authority.

Most critically, putting AEERLF to work reducing energy consumption and creating jobs in Alaskan communities is anticipated to cost the State nothing. HB32 has a zero fiscal note. In an environment in which resources are scarce and the jobs are at risk in many of our communities, expanding eligibility for the AEERLF simply makes sense.

On behalf of the Association of Alaska Housing Authorities, thank you for your time and attention to this important legislation.

Respectfully,

Colleen Dushkin
Administrator

April 1, 2019

Dear Alaska Legislator:

I am writing on behalf of Renewable Energy Alaska Project (REAP) to support HB 32, a bill that would allow non-profits, tribal entities and regional housing authorities in Alaska to access loans from the Alaska Energy Efficiency Revolving Loan Fund (AEERLF) through AHFC.

REAP is a statewide, non-profit coalition of nearly 80 businesses, electric utilities, Alaska Native corporations, and NGOs with a mission of increasing the development of renewable energy and promoting energy efficiency in Alaska through education, collaboration, training and advocacy. Over the last decade, REAP supported the \$640 million that the legislature appropriated for residential energy retrofitting, as well as the creation of the AEERLF in 2010. AHFC estimates that the more than 50,000 homeowners that took advantage of its residential retrofit programs are saving on average about 30% on their energy costs. Collectively, those homeowners are saving the equivalent of more than 25 million gallons of heating oil every year. Nationwide, nearly 40% of all energy used is in buildings.

Energy efficiency is low hanging fruit all over Alaska. It is safe to estimate that public and commercial buildings could also reduce their overall energy costs by more than 30% through energy retrofits that include replacing incandescent lights with LEDs, adding insulation and replacing outdated heating systems. Many of these improvements have very fast repayment periods. The barrier for building owners to make these improvements is typically access to affordable capital to hire contractors to do the work. When a retrofit is carefully designed, the building owner can often save more money every month on energy costs than the owner must come up with to pay a loan back, therefore making the loan cash flow positive.

The AEERLF has been open to public buildings since 2010. For a variety of reasons, public building owners have either found other sources of capital, or not yet acted to make their buildings more energy efficient. Public schools have not taken loans in part because school districts typically don't borrow money, and can't budget for loan re-payment. Public buildings have also continued to request grant money from the legislature to make energy improvements.

Opening up the AEERLF to non-profits, tribal institutions and housing authorities makes a lot of sense. Many of these entities occupy buildings that are inefficient. Those institutions may also not have access to the same types of loans that public buildings have accessed. Many have decision-makers who are motivated, and who have the authority to make a relatively quick decision to take out a loan. Access to the AEERLF would allow these entities to borrow money, get an energy retrofit completed and begin saving money. Those dollars in turn will stay in local communities and the Alaska economy longer.

REAP fully supports the passage of HB 32. Thank you for your consideration.

Sincerely,



Chris Rose
Executive Director



February 25, 2019

Dear Members of the 31st Alaska State Legislature,

I am Erin Walker-Tolles, Executive Director of Catholic Community Service (CCS), a faith-based regional non-profit serving Southeast Alaska with social and health care services. I am also a United Way of Southeast Alaska Board Member sitting in the seat designated for large non-profits in Southeast.

I can attest that tribes, housing authorities, non-profits like CCS and other social service and health care providers in Alaska would benefit from passage of House Bill No. 32. And I urge you to pass HB32.

Catholic Community Service operates 11 senior centers across Southeast, serving thousands of seniors in facilities that are owned by regional housing authorities and municipalities. CCS also owns and maintains its own facilities, including the Bridge Adult Day Center among others.

Many of these buildings could benefit from capital improvements targeting energy efficiency and other needs. Legislation to make non-profits, federally recognized tribes, and regional housing authorities eligible for low interest loans from the Alaska Energy Efficiency Revolving Loan Fund would benefit a large number of people throughout Alaska. Improvements made possible through HB32 could benefit thousands of children, families and vulnerable adults, through improvement of the facilities that are a part of local community life.

Thank you so much for your thoughtful consideration of my request.

Sincerely,

Erin Walker-Tolles
Executive Director, Catholic Community Service
Board Members, United Way of Southeast Alaska



February 10, 2019

To Whom it May Concern:

I am writing in support of HB 32's expansion to include non-profits. The Sitka Fine Arts Camp would benefit from this greatly. Our organization owns 20 buildings of the former Sheldon Jackson School. Many of these buildings have the same energy standards that they were built with 100 years ago.

Operating the historic buildings is extremely costly however with basic energy improvements the buildings can be modernized to be used efficiently for another 100 years of service to our community and state.

Sincerely,

A handwritten signature in black ink that reads "Roger Schmidt".

Roger Schmidt
Executive Director
Alaska Arts Southeast, Inc.
Sitka Fine Arts Camp
907-747-3085
www.fineartscamp.org



DIOCESE OF JUNEAU, ALASKA

February 12, 2019

Representative Jonathan Kreiss-Tomkins
Alaska State Legislature
State Capitol Room 411
Juneau, AK 99801

Dear Representative Kreiss-Tomkins:

RE: HB32 - AK Energy Efficiency Loans: Eligibility

As the Business Manager for the Diocese of Juneau, I write in support of HB32.

The Diocese ministers to the people of Southeast Alaska, from Yakutat to Metlakatla. With a shrinking population, a stagnant economy, fewer grant opportunities, and fewer government resources, the Diocese and other nonprofit charitable organizations throughout Alaska face mounting financial challenges. HB32 would provide these organizations a low-cost opportunity to address one of their more significant expenses – energy costs.

The Diocese has a total of 44 buildings located in Southeast, which includes churches, rectories, meeting halls, chapels, and a national shrine. In fiscal year 2018, heating oil alone cost the diocese \$162,201! Based on national data, improving the energy efficiency of our buildings and heating systems could save the Diocese up to 40% of its current annual energy costs.

We know that Alaska is on the front line of climate change, feeling the most immediate impacts of global warming. Lowering our carbon footprint is not just an economic goal, it is a moral imperative. In his papal encyclical *Laudato Si*, Pope Frances said, "Local individuals and groups can make a real difference. They are able to instill a greater sense of responsibility, a strong sense of community, a readiness to protect others, a spirit of creativity and a deep love for the land."

I urge the Alaska Legislature to support HB32 and open low interest energy loans to nonprofit, charitable organizations.

Sincerely,

Deacon Michael P. Monagle,
Business Manager



St. Vincent de Paul Society
Diocesan Council of Southeast Alaska, Inc.

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website www.svdpjuneau.org

*We provide material and spiritual charity
and work for social justice for all people.*

March 20, 2019

Regarding: House Bill 32

Dear Members of the Alaska State Legislature:

I support passage of House Bill 32.

I am Bradley Perkins, General Manager of the Juneau St. Vincent de Paul Society (SVdP). SVdP has been providing monetary assistance, food, clothing, housing, and services to people in-need throughout Southeast Alaska since the 1980s. It operates a transitional housing facility for individuals and families transitioning from homelessness and is the property manager for five low-income apartment complexes in Juneau for seniors, individuals and families, including the Juneau Housing First project, for the chronically homeless and chemically-dependent. St. Vincent de Paul also has five community navigators, and a number of Home Visit teams, who work throughout Juneau with those experiencing homelessness and near homelessness or are otherwise in distress, including the elderly, individuals and families, and those with disabilities. SVdP's community navigators, Home Visit teams and housing management work from the Dan Austin Transitional Support Services Center located at the site of St. Vincent de Paul's transitional housing facility, where it also operates a food pantry and secondhand item depot for those in-need.

SVdP has built and currently operates five low-income apartment facilities in desperate need of energy-efficiency improvements that would benefit from low-interest loans from the Alaska Energy Efficiency Revolving Loan fund. SVdP and these facilities would benefit from passage of the House Bill 32. Further, I believe that a large number of people throughout Southeast Alaska would benefit from such energy-efficiency upgrades.

Thank you for your consideration.

Sincerely,

Bradley Perkins, General Manager
St. Vincent de Paul Society