

ALASKA STATE LEGISLATURE

EDUCATION

ETHICS

HEALTH & SOCIAL SERVICES

RULES



SENATOR Tom Begich

Senate Democratic Leader

WHILE IN SESSION
STATE CAPITOL
JUNEAU, AK 99801
(907) 465-3704

•
WHILE IN ANCHORAGE
1500 W BENSON BLVD
ANCHORAGE, AK 99503
(907) 269-0169

Energy Efficiency & Policy: Public Buildings Sponsor Statement

Senate Bill 17

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The State of Alaska is responsible for over \$650 million in energy costs associated with close to 5,000 state owned public facilities. With significant economic headwinds visible on the horizon, reducing the state's energy costs through sound investments in clean energy not only makes good fiscal sense; it also fulfills a legislative promise of bringing renewable energy to Alaskan communities.

In 2010, the Alaska State Legislature passed HB 306 which established a State goal of obtaining 50 percent of our State energy needs from renewable energy by 2025. With some of the highest energy costs in the nation, increasing the share of renewable electricity and heat will save the State money and help insulate costs from volatility in fuel pricing. Also, in 2010, the Alaska Sustainable Energy Act set forth a goal of retrofitting 25% of the state's buildings over 10,000 square feet for energy efficiency by 2020, successfully achieving that goal in 2014.

Building on the successes of the Alaska Sustainable Energy Act, SB 17 extends the energy efficiency retrofit program to schools and community centers which are eligible for the Power Cost Equalization Program. This creates incentives to reform retrofits for buildings which receive State support for their energy bills, which will save the State, school districts, and communities money.

However, single retrofit projects may not be attractive or profitable to private retrofit enterprises. SB 17 also directs the Alaska Industrial Development and Export Authority (AIDEA) to establish a **rapid economic recovery office** to facilitate state energy policy and encourage private investment. This new office will review energy audits, identify retrofit and other clean energy projects to be bundled, marketing those projects to and engage with Department of Transportation and Public Facilities to contract with private investors. This will ensure the benefits of the state's energy policy, clean energy, and energy retrofitting will proliferate into rural communities, rather than just reaching the goal through one large Railbelt project.

SB 17 will provide rapid economic recovery by bringing in new investment to support an Alaska-based clean energy industry and reduce the challenges and barriers that may prevent private companies from investing in Alaska's infrastructure development.