

Fact Sheet

SB 32: Energy Efficiency for Businesses

SB 32 would capitalize the new Alternative Energy Conservation Loan Fund which serves businesses and non-profits, the only sectors the state currently does not help with implementing energy efficiency improvements. A \$10 million appropriation would allow an estimated 85 businesses and non-profits to receive loans each year of \$30,000.

High Demand within Commercial Sector for Energy Efficiency: On February 15, 2011, the Alaska Energy Authority closed the application period for its new Commercial Energy Audit Program. Over 135 businesses applied for energy audits. Participating businesses offered to voluntarily implement wide ranging efficiency measures in exchange for acceptance, indicating a high level of need and commitment to saving energy and money through state programs.

Energy Efficiency Creates Jobs: The Alaska Housing Finance Corporation estimates 2,500 jobs were created from the Home Energy Rebate and Weatherization Programs. Similar job trends could be expected from this program.

Alaskan Businesses Use Double the Energy of Businesses Nationwide: Businesses applying for AEA's Commercial Energy Audit Program report energy costs ranging from \$.35/sq foot to \$19/sq ft with an average of \$2.35/sq ft. The average nationwide figure for commercial energy use is \$1.19/sq ft. This difference puts Alaskan businesses at a disadvantage.

One Example of Quick Return on Investments: Arctic Wire Rope and Supply in Anchorage invested \$30,000 in energy efficiency improvements at its 21,000 square foot building. The return on investment has been 27% a year, far beyond the rate of return on many other investments.

State Residential Energy Efficiency Programs are Successful: AHFC administers the Weatherization and Home Energy Rebate programs, both of which are extremely effective and popular. The Home Energy Rebate Program has delivered average energy use reductions of 33% to 9,840 homes, saving each household an average of \$1,535 annually. For every dollar spent on energy efficiency through both AHFC programs, 24.4 cents is saved annually. Comparable savings could be expected for businesses through this program, making them more profitable and effective.

