

Implementation Goals of an Alaska State Energy Policy

Energy Efficiency:

- 1. Set a statewide target to achieve 15% energy efficiency improvements (both thermal and electric) by 2020.**
- 2. Continue to provide regular funding for upgrading Alaska's existing residential and commercial buildings through existing programs such as AHFC's Home Weatherization and Home Energy Rebate Programs and:**
 - a. Develop and implement a system to independently audit these programs to determine their effectiveness and consider ways to expand and/or modify the programs.**
 - b. Invest in demand-side management technologies. For example, the state could develop a program to provide energy meters free of charge to all residential and commercial customers that are willing to commit to working toward achieving a 15% reduction in electric energy use for their household or business.**
- 3. Develop statewide energy efficiency codes for new and renovated buildings by 2011 through (AHFC)**

Renewable Energy:

- 1. Increase statewide renewable energy (RE) electricity generation to 50% by 2025 (over and above the stated efficiency improvements).**
- 2. Ensure continued funding for the Alaska Renewable Energy Fund for the next 3 years at a level of \$50M annually.**
- 3. Create a business and regulatory environment that is healthy for (RE) development including:**
 - a. Providing grant and loan guarantees for transmission to connect economically viable privately developed renewable energy projects to existing grids.**
 - b. Developing a statewide program with multiple agency involvement to explore for and obtain baseline data of renewable energy resources to reduce private sector investment risk.**
 - c. Providing tax credits for private sector development of renewable resources (SB 31).**
 - d. Reducing regulatory barriers of disincentives to renewable energy and energy efficiency investments statewide by decoupling utility revenues from sales, and explore mechanisms to compensate and reward utilities for any loss of revenue caused by implementing energy efficiency and conservation programs.**

Conventional Fossil Fuels:

- 1. Develop incentives for new exploration for gas near existing markets such as Cook Inlet and the Nenana Basin**
 - a. Provide tax breaks for developers based on tiered incentives tied to production volume.**
 - b. Task RCA with a review of regulatory policy of price structure that could disincentivize exploration.**

- c. **Continue to work to incentivize and attract anchor customers to expand demand and spur exploration.**
 - d. **Provide matching grants or enter into public/private partnerships to share exploration costs.**
- 2. Review Alaska's natural gas tax structure to ensure it maximizes returns to the state while providing a reasonable incentive to monetize Alaska's gas.

Energy Infrastructure:

- 1. **Significantly expand the endowment for the Power Project Loan Fund.**
 - a. **Provide incentives for renewable energy projects by offering low and zero interest rate loans.**
 - b. **Continue to capitalize the Loan Fund in years where there is a state budget surplus at levels commensurate with that surplus.**
- 2. Address regulatory barriers to Independent Power Producers (IPP's)
- 3. Support alternative forms of transportation
 - a. Provide loans and grants for community transit systems.
 - b. Remove current limits on the percentage of State Transportation Improvement Program funds that can be spent on alternative transportation infrastructure.

Research:

- 1. **Invest in applied energy research to complement and improve existing projects, and work toward long-term state goals to a transition to more renewable resources as well as maximizing extraction and utilization of our fossil energy resources.**
 - a. **Fund energy research at the University of Alaska in both fossil and renewable technologies with critical relevance to Alaska.**
 - b. **Develop a state-funded Emerging Technology Grant Fund to fund research into near-terms applied energy fossil and renewable energy technologies with broad state-wide applications. Capitalize Fund with \$5 million per year for 5 years.**
 - c. **Assess potential for switching to plug-in electric vehicles charged by renewable energy generation under various scenarios.**
- 2. Fund base environmental impact studies in partnership with appropriate state and federal agencies in emerging technologies such as tidal, in-river, and wave energy.
- 3. Collect baseline data on all energy resources in Alaska through a multi-agency effort with the goal of spurring private sector development of energy projects.

General:

- 1. **Facilitate much closer coordination between the states' energy-related functions, including AHFC, AEA, and others.**
- 2. Draft legislation to craft a regulatory structure and permitting process appropriate for emerging technologies such as underground coal gasification, methane hydrates, tidal and in-river hydrokinetic, and coalbed methane.

Regional Energy Considerations:

- 1. Develop specific targets for renewable energy and energy efficiency for the major regions of the state (Southeast, Railbelt, and Rural)

2. Rural Alaska

- a. Commission an independent study with input from a stakeholder advisory group to consider options to reorganize rural Alaska utility structure to incentivize prioritization of projects, create market signals, and maximize economies of scale on planning, training, O&M and purchasing to reduce costs. Potential examples include:
 - i. Creating a virtual G&T entity that would roll rural generation and transmission (but not distribution) costs into a single statewide rate to incentivize funding of the most economic projects regardless of location, reduce non-fuel costs, and increase fuel efficiency and bulk fuel purchasing power.
 - ii. Developing a structure that caps diesel costs for both power generation and heating in rural Alaska, in order to balance higher state revenues when oil prices are high with spiking costs for rural Alaska.

3. Railbelt

- a. **Continue to encourage a GRETC process to consolidate Railbelt utilities into a single entity for the purpose of planning, financing, and building future electric generation and transmission projects with maximum efficiency.**

Education:

1. **Initiate state-funded education campaign geared toward a meeting statewide target of 15% energy efficiency reductions through ‘sticky’ messaging similar to the highly successful ‘Don’t Mess With Texas’ campaign.**
2. Complete an analysis of existing state job training and education programs and identify gaps in meeting renewable energy and energy efficiency goals for target years, such as trained contractors for weatherization program.
3. Coordinate existing workforce development and education efforts across all fields relevant to the energy industry, including technical training, engineering, managers, educators, and community leaders.
4. Integrate energy, energy efficiency and renewable energy curriculum at all levels of education including K-12, tech training programs, the university and college level, and continuing adult education.