

Overview of Federal Energy Funding for Alaska

The Alaska Housing Finance Corporation (AHFC) has been operating energy efficiency programs since the merger with the Alaska State Housing Authority (ASHA) in 1992. At that time, the Weatherization Assistance Program and the State Energy Conservation Program were moved to AHFC under 1992 HB 595- sec 144. Also included in this were Petroleum Violation Escrow funds, Stripper Well, Diamond Shamrock and other oil overcharge funds.

In 1996 the US Department of Energy (US DOE) began to merge two federal programs. These were the Institutional Conservation Program (ICP) and the State Energy Conservation Program, (SECP). The US DOE asked the Governor of the State of Alaska to designate one agency as lead to receive the State Energy Program funding. On June 18, 1996, then Governor Tony Knowles designated AHFC as the lead agency to receive the combined funding of these programs, now named the State Energy Program(SEP). **This designation is only applicable for funds received through the State Energy Program and has usually only included approximately two hundred thousand dollars of federal funds annually.**

Subsequently, on November 25, 1996, AHFC and the Department of Community and Regional Affairs (DCRA) Energy Division signed a memorandum of agreement acknowledging AHFC as lead agency and agreeing to split funding. This agreement was revised in 2001 after DCRA was dissolved and the division of energy programs was transferred to the Alaska Energy Authority (AEA).

Since that time, AEA and AHFC have equally split funding between the two agencies. AEA can receive direct grants from US DOE for renewable energy and power systems, but competitive renewable energy and energy efficiency /conservation grants would be applied for through AHFC. This has been done successfully several times, with several Rebuild America grants, and some wind power and geothermal projects.

Although the 2001 Memorandum of Agreement is still in place, the increase in federal energy funds under ARRA has reallocated the available SEP funds to address specific program initiatives. This resulted in \$28.2 million in State Energy Program funding specifically to address program priorities. HB223 was introduced to take advantage of the additional federal funds. \$18 million of the federal stimulus funds will be used to develop a loan program to address energy efficiency needs of public buildings throughout the state.