
House Bill 296 Sponsor Statement

House Bill 296 will establish an energy efficiency revolving loan fund in the Alaska Housing Finance Corporation and authorize the Corporation to sell up to \$250 million in bonds to fund the program.

The federal ARRA bill appropriated \$28.3 million to Alaska for the State Energy Program. Of that, Governor Parnell recommended spending \$18 million to make energy efficiency improvements to public buildings. Of this, \$10 million would go for energy efficient improvements to state facilities and \$8 million would go for energy efficient improvements to school and municipal facilities.

HB 296 will use this \$18 million to leverage up to \$250 million in bonds to fund the program. The bill also establishes an energy efficiency revolving loan fund in AHFC.

As an example, a municipal government or school district would have an energy audit done on their building. Let's say the building needs \$120,000 to make it more energy efficient and that those improvements would reduce their energy costs by \$20,000 a year. They would take a loan out with AHFC to do the work and then pay the loan back with the funds available due to the savings achieved through the energy efficiency improvements. After the loan is paid back those funds would be available to that government for other purposes or to reduce the size of its budget. This would result in less energy used by public buildings as well as ultimately saving public money.

This type of program has proven to be successful in other states as well as by the Alaska state Department of Transportation and Public Facilities.

