

#### CITY OF FAIRBANKS

Jerry Cleworth, Mayor
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January 18, 2013

Representative Tammie Wilson Alaska State Legislature State Capitol, Room 415 Juneau, AK 99801-1182

Re: House Bill 35

Dear Representative Wilson:

Thank you for introducing HB35. This bill accomplishes two important goals; it is an important tool for the mitigation of air quality violations, and greatly helps to set in place the infrastructure to utilize natural gas.

Residents are quite knowledgeable about the air quality problems that face our area, but simply do not have resources that could exact a change. The bill will enable residents with limited means to be able to convert to natural gas and greatly reduce their energy costs. It also helps to make the gas trucking project viable economically. The plan for trucking LNG is dependent on a rapid build-out to maximize use.

This bill is a fundamental component of the energy legislation that is before Representatives in Juneau this year and addresses the issue through loans and not grants. If we can be of further help, please let us know.

Sincerely,

Mayor Jerry Cleworth



## Fairbanks North Star Borough Mayor's Office

809 Pioneer Road PO Box 71267 Fairbanks, Alaska 99707-1267 (907)459-1300 FAX 459-1102

February 6, 2013

Representative Tammie Wilson State Capitol, Room 412 Juneau, Alaska 99801-1182

Dear Representative Wilson,

On behalf of the Fairbanks North Star Borough I would like to thank you for efforts to address the high cost of heating homes and businesses in Interior Alaska with HB35. As you well know, The Council for Community and Economic Research in its report last summer listed Fairbanks having the highest utility costs among urban areas nationwide, 112 percent more than the typical urban resident in 2011. The second most-expensive city was Juneau, where residents paid 64 percent more than the average.

Many areas of the U.S. and Southcentral Alaska are benefiting from low prices in natural gas, which is the most common energy source in most areas - but not yet in Fairbanks. The Borough through its Interior Natural Gas Utility in conjunction with other entities both public and private, is working to expand and build the natural gas distribution system in the borough.

House Bill 35, will allow many of our residents to utilize a low interest loan program to convert their home heating systems to a more efficient unit. Specifically, this legislation will be very important when natural gas becomes readily available to our residents. For this reason, I support passage of HB 35.

Sincerely

Luke Hopkins, Mayor



# Department of Health and Social Services

ALASKA COMMISSION ON AGING

P.O. Box 110693 Juneau, Alaska 99811-0693 Main: 907.465.3250 Fax: 907.465.1398

February 8, 2013

Representative Tammie Wilson Alaska Capitol, Room 412 Juneau, AK 99801-1182

Subject: Support for HB 35, Low Interest Loan Program for Home Heating System Improvements

Dear Representative Wilson:

The Alaska Commission on Aging (ACoA) is pleased to offer our support for HB 35, a bill sponsored by you and Representatives Thompson, Higgins, Isaacson, and Kreiss-Tomkins to establish a low-interest loan program for all homeowners, regardless of income, that allows them to convert to an energy efficient heating system at an affordable cost. HB 35 is also co-sponsored by Representatives Kawasaki, Peggy Wilson, and Kerttula.

The high cost of energy is a statewide problem. The price of heating fuel is expensive but especially hard felt by Alaskans on a fixed income. During the winter, older people often spend much of their day at home. They typically experience cooler body temperatures than younger people. Many seniors live in older homes, which are often poorly insulated, and have inefficient heating systems. In order to save money, some seniors turn down their thermostats way low and may even resort to closing off rooms during the winter or more dangerous practices such as using their kitchen stoves for heat. They also cut back on food and prescription medication expenditures in order to afford energy to heat their homes. These cost-cutting measures can compromise senior health and quality of life, which can be avoided, by replacing the old furnace with a new cost-efficient heating system.

ACoA supports passage of HB 35 and believes that this program will help all Alaskans with their heating bills, especially older Alaskans on a fixed income. Many low-income seniors do not have the cash reserves to afford the purchase and installation of a new, energy efficient heating system. HB 35 provides an affordable means for all Alaskans to purchase heating systems to address escalating heating costs. We thank you for your sponsorship and support of this bill. Please feel free to contact Denise Daniello, ACoA's executive director, by phone (465-4879) or email (denise.daniello@alaska.gov) should you have questions or require additional information.

Sincerely,

Paula Pawlowski

Chair, Alaska Commission on Aging

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Sincerely,

Denise Daniello

**ACoA Executive Director** 

### Southeast Conference



612 W. Willoughby., Suite B ● P.O. Box 21989 Juneau, AK 99802● 907-523-4350● Fax 907-463-5670 ● info@seconference.org

February 7, 2013

Representative Tammie Wilson State Capitol, Room 412 Juneau, AK 99801

Re: HB 35 - Home Heating Conversion Loans

Dear Representative Wilson:

Southeast Conference is the State's regional development organization (ARDOR) whose mission is to undertake activities that promote strong economies, healthy communities and a quality environment in Southeast Alaska. For over a dozen years our energy committee has worked with the State, local governments and utilities toward reducing and someday, eliminating the use of diesel as a primary fuel source for both the generation of electricity and especially space heat – especially in our more rural communities where the extremely high cost of energy has devastated the local economies.

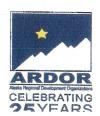
House Bill 35 can be an effective tool to assist Alaskans in lowering the cost of energy in their homes by utilizing a low interest loan program to convert inefficient heating systems to much more efficient units.

Southeast Conference supports HB 35 and requests full consideration and support as this legislation makes its way through the public process. Thank you for your considerable work on this legislation and we look forward to its passage and enactment. Feel free to contact me or Southeast Conference Energy Coordinator, Robert Venables regarding our support for HB 35.

Sincerely,

Shelly Wright

Executive Director





Representative Tammie Wilson
State Capital Room 415
Juneau, Alaska 99801

#### **Dear Representative Wilson:**

I am writing to express my appreciation for your work in introducing HB 35, that would create a low interest loan program to encourage and assist homeowners in converting from more expensive, less efficient home heating systems to other means of heat, including natural gas, propane and where available, District Heat.

As you know, Aurora Energy sells heat and electricity from its Chena Power Plant in downtown Fairbanks. The coal-fired cogeneration plant produces steam, which is then used to generate electricity and to power Aurora's Hot Water and Steam distribution systems providing clean, hassle-free, reliable, inexpensive heat throughout the core area of Fairbanks. In fact, a home connected to the Aurora District Heat system produces virtually zero emissions, because the heat source is at the power plant, where the plant operations and emissions are constantly monitored and fully regulated. When a new home is added to the system, the oil or gas boiler or furnace at that location is taken out of service, thus eliminating that emission source, and in the case of oil heat, eliminating the need for a fuel oil storage tank on the property.

Additionally, for well over ten years, Aurora Energy's hot water and steam District Heat have been the lowest cost heat alternative available, lower than either oil heat or natural gas heat. The impediment to more residences connecting to the Aurora system has been the relatively high cost of connecting to the system. Since the heat is generated at the power plant, the heat is distributed to customers through pipes in the streets. It can be costly to connect, and for smaller residences, the cost is sometimes prohibitive, compared to the savings brought about by the conversion. The loan program envisioned by HB 35 can be a tremendous help to those small homeowners and others.

As long as District Heat is treated on an equivalent basis with other alternative heat sources eligible for the loan program, Aurora Energy supports the concept of the loan program. We look forward to working with you to ensure a solid bill that will provide much needed help to the homeowners in Alaska, while continuing to improve the quality of the air we all breathe.

Thank you again, and we look forward for your work in this vital area.

Sincerely

Buki Wright, President

Aurora Energy, LLC.