



March 20, 2015

Senator Pete Kelly
Senate Finance Committee
State Capitol, Room 518
Juneau, Alaska 99801

Senator Anna MacKinnon
Senate Finance Committee
State Capitol, Room 516
Juneau, Alaska 99801

Re: Senate Bill 56- Muni Energy Improvement Assessments/Bonds

Dear Senators Kelly and MacKinnon:

Please accept this request for your consideration to schedule Senate Bill 56- Muni Energy Improvement Assessments/Bonds- before the Senate Finance Committee at your earliest convenience.

The legislation would provide the opportunity for local governments to create a Property Assessed Clean Energy (PACE) financing mechanism. PACE would incentivize energy efficiency improvements to commercial buildings by allowing a local government financing option as part of property tax assessments.

Under a PACE program, interested business owners first have their buildings audited to determine potential energy savings. They then apply to traditional lending sources (loan programs, local lenders, etc.) for financing that is repaid through an addition to their property tax assessment that may be in place for up to 20 years. In the Interior, the PACE financing mechanism can incentivize conversion to natural gas.

SB 56 would allow local governments and businesses to opt-in on a voluntary basis to adopt commercial PACE financing mechanisms. Lenders are provided with additional certainty of repayment while business owners are traditionally supportive because it allows them to finance improvements over an extended period of time with low-cost capital.

The Senate Community and Regional Affairs Committee heard the bill and passed it out of committee on March 17 with two do pass and two no recommendations. The bill has now been referred to the Finance Committee.

If you have any questions regarding this bill, please feel free to contact me at 771-3012, or AEA's Energy Policy and Outreach Manager, Emily Ford at 771-3961 or cell 360-2131.

Sincerely,

Sara Fisher-Goad
Executive Director