



ASSOCIATION OF ALASKA HOUSING AUTHORITIES

Building communities, empowering Alaskans.

February 13, 2017

Honorable Members of the Alaska Legislature
State Capitol Building
Juneau, Alaska 99801

Subject: House Bill 81 – Eligibility for Alaska Energy Efficiency Loans

Dear Members of the Alaska Legislature:

I write on behalf of the Association of Alaska Housing Authorities (AAHA) to express strong support for House Bill 81, which would expand eligibility for loans made through the Alaska Energy Efficiency Revolving Loan Fund. Presently, the Alaska Energy Efficiency Revolving Loan Fund is an underutilized asset. HB 81 would help put that asset to work, creating and/or preserving good jobs for Alaskans while reducing energy consumption. Best of all, HB 81 would do this without any additional investment of State resources, having received a Zero Fiscal Note.

AAHA's membership includes the 14 regional housing authorities that were created pursuant to Alaska statute. Since 1971, Alaska's regional housing authorities have built or rehabbed approximately 12,500 housing units in more than 250 rural and urban communities. Collectively, the regional housing authorities generate nearly a quarter of a billion dollars of economic activity in Alaska each year, employing 1,700 Alaskans. AAHA's members are the primary (or only) provider of affordable housing in most regions of the state, and that housing typically incorporates energy efficient design and construction techniques.

However, the fiscal environment has changed at both the federal and state levels. Resources are strained, making it increasingly difficult to identify funding and financing for energy efficiency improvements. Resource scarcity makes it less likely that Alaska organizations will invest in energy efficiency improvements, straining our communities' energy resources and precluding economic activity that could support Alaskan jobs.

A November 2014 white paper by the Alaska Housing Finance Corporation (AHFC) notes that money spent on energy efficiency retrofits involves a significant amount of labor, including construction, maintenance, and engineering. The authors noted that with a properly trained workforce, much of that labor can be provided locally, keeping more money in the local economy than if it was spent on fuels.

They also noted that residential energy efficiency programs in Alaska had, as of 2014, created an estimated 2,700 short-term jobs and 300 permanent jobs. Put to proper use, the Alaska Energy Efficiency Revolving Loan Fund also has the potential to create and sustain good Alaskan jobs.

The AHFC white paper also notes that energy efficiency has the potential to be particularly beneficial to rural Alaskan economies. According to UAA's Institute of Social and Economic Research, in rural western and northern Alaska approximately 71% of the cash portion of economy and 36% of the jobs come from government sources. These jobs include positions in non-profit buildings, tribal offices, housing authority offices, health clinics, and more. Because the cost of the energy required to maintain a comfortable temperature in rural structures is often extremely high, it frequently makes good financial sense to reduce operating costs by financing energy efficiency improvements.

Expanding eligibility for loans from the Alaska Energy Efficiency Revolving Loan Fund (AEERLF) would not disadvantage currently eligible entities like municipalities and school districts. The AEERLF was created in 2010 by legislation that authorized the Alaska Housing Finance Corporation to make \$250 million in low interest loans to public entities for energy efficiency improvements. To date, only one loan has been closed. Additionally, if more capital is needed for some reason, AHFC could simply request additional bonding authority.

Most critically, putting the AEERLF to work reducing energy consumption and creating jobs in Alaskan communities is anticipated to cost the State nothing. HB 81 has received a zero fiscal note. In an environment in which resources are scarce and jobs are at risk in many of our communities, expanding eligibility for the AEERLF simply makes sense.

On behalf of the Association of Alaska Housing Authorities, thank you for your time and attention to this important legislation.

Respectfully,

A handwritten signature in blue ink, appearing to read "Carol Gore". To the left of the signature is a small circular stamp containing the number "1".

Carol Gore
President



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February 9, 2015

To: Members of the Alaska Legislature

Re: House Bill 58 – Eligibility for Alaska Energy Efficiency Loans

This letter is provided to support the expansion of the Alaska Housing Finance Corporation (AHFC) energy efficiency loan program to Tribal groups and non-profits – specifically 501c(3), (4), (6), (12) and (19) organizations. The following is offered.

1. The Denali Commission is working on a number of fronts to address the high cost of energy (both heating and electricity) in rural Alaska. One effort we are exploring, and have made some modest investments with program partners, is a community-scale approach to bundling energy audit, energy efficiency improvements and post construction monitoring contracts. We believe that bundling of contracts will lower audit and construction costs for all building owners.
2. Equally important is that the high cost of travel to rural Alaska is a potential barrier for carrying out post construction monitoring of the energy efficiency improvements. Post construction monitoring is an invaluable component of energy efficiency improvements as this provides an opportunity to “reset” any energy efficiency improvements that are not performing as expected. If more rural Alaska building owners have carried out energy efficiency improvements, then the cost of the post construction monitoring is shared amongst the building owners and the cost may then become less cost prohibitive.
3. It is my opinion that a community by community approach to lowering the energy usage of all non-residential buildings will be a significant step in making our rural communities more resilient. House Bill 58 will make it easier for communities to carry out community-scale energy efficiency improvements.
4. When the Commission has more data from our initial investments on community-scale energy improvements for non-residential buildings, I will be happy to share the results with the State Legislature.

I can be reached at 907-271-1440 should you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joel Neimeyer".

Joel Neimeyer
Federal Co-Chair

cc: Scott Waterman, AHFC

Jan 27th 2017

Members of the Alaska State Legislature
Alaska State Capitol
Juneau, AK 99801

Re: Support for HB 58 – More Energy Efficient Buildings Act

To Whom It May Concern:

Tanana Chiefs Conference, a non-profit, Tribal consortium representing 42 federally recognized tribes in Alaska's interior would like to express its strong support for the HB 81, The "More Energy Efficient Buildings Act." Tanana Chiefs Conference Strongly believes that the changes as proposed within HB 81 will have significant benefit to our organization, our member tribes and our region as a whole.

For decades rural Alaskan communities have been burdened by some of the highest energy costs in the nation combined with some of the least efficient infrastructure. The highest electric rates in the interior are currently \$1.02/kWh in the community of Takotna and nearly \$10/gal for fuel oil in Arctic Village. These represent energy costs that are anywhere from 5-10 times higher than average heat and electric bills paid by residents in Anchorage. The city of Fairbanks, TCC's base of operations for more than 700 employees and a combined 200,000 sq ft of office and clinic space, has consistently been ranked in the top 5 cities in the nation for highest cost of utility bills. With improved access to funding from the Alaska Energy Efficiency Revolving Loan Fund, TCC, tribal councils and other non-profits will be able to save money on utility bills and put that money toward providing better services to their clients – Alaskan Residents.

Tanana Chiefs Conference has taken an active role in assisting our communities with energy efficiency projects and we look forward to continuing that effort through bills like HB 81 that make this process easier. We full support the goals of HB-81, to expand the list of eligible applicants able to take part in the Alaska Energy Efficiency Revolving Loan Fund. We believe this bill will benefit our tribes, our organization and non-profits across Alaska.

Sincerely,



Dave Messier
Rural Energy Coordinator
Tanana Chiefs Conference



January 27, 2017

To Whom it May Concern:

I am writing in support of HB 81's expansion to include non-profits. The Sitka Fine Arts Camp would benefit from this greatly. Our organization owns 20 buildings of the former Sheldon Jackson School. Many of these buildings have the same energy standards that they were built with 100 years ago.

Operating the historic buildings is extremely costly however with basic energy improvements the buildings can be modernized to be used efficiently for another 100 years of service to our community and state.

Sincerely,
Roger Schmidt



DIOCESE OF JUNEAU, ALASKA

February 9, 2015

Dear Members of the Alaska State Legislature:

I urge passage of House Bill 58.

I am Larry Bussone, Business Manager/Finance Officer for the Catholic Diocese of Juneau and also Interim Executive Director of Catholic Community Service (CCS). I can attest that both the Diocese (and its parishes) and CCS would benefit from passage of the legislation. Both have significant needs for efficiency improvements in their facilities. And both would benefit from a low interest loan from the Alaska Energy Efficiency Revolving Loan Fund. Finally, a large number of people throughout Southeast Alaska would benefit from the efficiency upgrades.

Thank you for consideration of my request.

Sincerely,

Larry J. Bussone
Business Manager, Diocese of Juneau
Interim Executive Director, Catholic Community Service