



Fairbanks North Star Borough

Mayor's Office

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January 25, 2017

House Energy Committee
Attn: Chair, Representative Adam Wool
Alaska State Capitol Building
Juneau, Alaska 99811

RE: HB 80 – Municipal Property Assessed Clean Energy Act

The Fairbanks North Star Borough offers our support to HB 80 regarding the adoption of the Municipal Property Assessed Clean Energy Act (PACE).

The FNSB faces some of the highest energy costs in the nation. Additionally, the FNSB has some of the worst air quality in the nation and faces re-designation by the EPA from “moderate” to “serious” non-attainment within the coming year. Natural gas distribution throughout our community could help alleviate challenges related to energy costs and air quality. With the recent signing of the MOU by the Interior Gas Utility (IGU) and the Alaska Industrial Development and Export Authority (AIDEA) regarding the potential purchase of Pentex, the Borough is optimistic of natural gas being more readily available in the foreseeable future. The adoption of PACE would provide the Borough the ability to offer a financing structure for the numerous commercial entities in our community to convert to natural gas.

While the current price of oil means that natural gas may not be as cost effective as it has been in the recent past, the efficiency and cleanliness of natural gas compared to oil as a fuel source will help improve our local air quality. We also acknowledge that PACE programs can fund other energy efficiency and cost saving measures or retrofits, which results in energy cost savings due to reduced energy demand.

Similar programs in other states have seen numerous benefits to PACE programs being established, including the reduction of energy costs, reduction of energy demand on local utilities, enhanced property values, and economic stimulation and development.

For these reasons, I heartily support HB 80.

Thank you,

Karl W. Kassel, Mayor