

# Representative Adam Wool

Alaska State Legislature • District 5 Fairbanks



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## CSHB 374 (L&C) Explanation of Changes

### Changes from HB 374 (L&C) Version E to Version S

#### **Page 2, line 6 INSERTED:**

(d) An on-bill financing agreement is not valid under this section unless the utility has offered the customer in writing the option of purchasing a repair and maintenance agreement for the renewable energy system, energy efficiency device, energy storage device, or energy conservation system before the purchase and installation of the system or device. A repair and maintenance agreement under this section must

(1) be for a term of not less than the duration of the on-bill financing agreement;

(2) benefit the customer and any subsequent owner of the residence or building from whom the utility may recover the costs under the on-bill financing agreement under AS 42.05.753;

(3) for a fixed periodic fee, maintain the original function and performance of the renewable energy system, energy efficiency device, energy storage device, or energy conservation system.

**This insertion requires that a customer must be offered by the utility in writing the option to purchase a maintenance agreement for the energy improvement or else the on-bill financing agreement will not be valid. Under this provision, the utility would be able to work with an insurance provider that offers this type of maintenance product.**

**Page 2, line 20 INSERTED:**

(e) A customer may decline to purchase a repair and maintenance agreement described under (d) of this section only if the customer enters into an agreement in writing with the utility to pay the balance of the on-bill financing agreement before transferring ownership of the residence or building. At the time of transfer of ownership, the subsequent owner may waive the requirement that the customer pay the balance of the on-bill financing agreement by notifying the utility in writing that the subsequent owner assumes the balance owed on the on-bill financing agreement.

**This insertion requires that, if the customer refuses the maintenance agreement, the customer must agree to pay off the remaining balance of the on-bill financing agreement. A subsequent purchaser, however, may agree to waive this requirement of the customer.**

**Page 3, lines 8-9 INSERTED:**

(3) periodic fee for a repair and maintenance agreement under AS 42.05.750(d)

**If the periodic fee for a maintenance agreement is rolled into the loan, then it can be recovered by the utility as part of the meter conservation charge.**

**Page 4, lines 7-9 INSERTED:**

whether the system or device is covered by a repair and maintenance agreement described in AS 42.05.750 (d),

**This makes sure that the existence of a maintenance agreement is included in the notification requirements of this legislation.**

**Page 3, line 12; Page 4, line 3; and Page 4, line 15:**

“purchaser” was **DELETED** and “owner” was **INSERTED**

**Page 4, line 5 and Page 4, line 14:**

“purchasers” was **DELETED** and “owners” was **INSERTED**

**With these changes, the legislation now covers instances of property transfer that don’t involved a purchase, such as inheriting property.**