



Governor Mike Dunleavy
STATE OF ALASKA

April 8, 2021

The Honorable Peter Micciche
Senate President
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Micciche:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to the Alaska Energy Independence Fund.

This legislation amends AS 44.88 to establish the Alaska Energy Independence Fund within the Alaska Industrial Development and Export Authority (AIDEA).

AS 44.88.450 – 44.88.456 provides AIDEA with the ability to receive private and public funding, manage the fund and arrange affordable financing for defined sustainable energy developments to suit Alaska's unique energy needs, particularly with regard to addressing urban and rural energy requirements.

Alaska's total energy expenditures per capita of \$8,060, \$5.8 billion per annum, is the third highest in the country and is nearly double the national average of \$4,291. The Alaska Energy Independence Fund is designed to make a meaningful economic development and fiscal impact as it gains scale and adoption throughout Alaskan communities. A reduction in total energy expenditures by Alaskans provides a tangible reduction in Alaska's cost of energy and allows Alaskans to redeploy energy savings back into Alaska's economy to drive incremental GDP growth.

The Alaska Energy Independence Fund would be established to make loans, provide credit enhancement structures, purchase loans, provide development funding and other forms of financing for sustainable energy development in Alaska's residential, commercial, and industrial market sectors. The Alaska Energy Independence Fund would make capital more accessible to borrowers for clean energy projects and incentivize co-investment in Alaska's emerging clean energy sector between the public sector, Alaska's financial sector, and private investors. This bill

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would take effect January 1, 2022, to provide time to develop the program and ensure a successful and robust launch.

Please join me in acting to provide this pathway to create new jobs and businesses, decrease commercial and household energy costs for redeployment in Alaska's economy, and increase Alaska's energy independence.

Sincerely,



Mike Dunleavy
Governor

Enclosure