

# *Financing Clean Energy in Alaska*

**Chris Rose**  
**Executive Director**  
**Renewable Energy Alaska Project (REAP)**

**House Labor and Commerce Committee**  
**April 26, 2021**



Renewable Energy  
Alaska Project

Founded in 2004, REAP is a statewide non-profit coalition of over 60 electric utilities, Alaska Native Corporations, clean energy developers, businesses and other NGOs

***REAP's mission is to increase renewable energy development and promote energy efficiency in Alaska***

# REAP Education & Programs

STEM educators promoting *AK EnergySmart* and *Wind for Schools* reach hundreds of classrooms annually

Alaska Network for Energy Education and Employment (ANEED)

Sustainable Southeast Partnership (SSP)

Alaska Wind Working Group

Energy Transition Initiative Partnership Program


Conferences, Workshops, Renewable Energy Fairs, Public Presentations



# REAP Advocacy

2008:	Renewable Energy Fund, \$100 million (\$270 million total)
2008:	\$360 million to AHFC for home weatherization (\$640 million total)
2010:	Emerging Energy Technology Fund House Bill 306 (State Energy Policy)
2016:	SB 196 (PCE Endowment)
2017:	Property Assessed Clean Energy (C-PACE)
2014-2021:	Railbelt Electric Grid Reform
2017-2021:	Green Bank

# **Alaska's Annual Billion Dollar Bonfire**

A stylized illustration of a bonfire. The flames are depicted in shades of orange, yellow, and red. Several dollar signs (\$) are shown as if they are being burned in the fire. In the background, more dollar signs are visible, some appearing as faint, dotted outlines, suggesting a large amount of money being wasted.

**Each year, Alaskans collectively spend approximately \$5 billion on electric, heating, and transportation energy. At least 20% of that energy is wasted and goes up in smoke.**

# Energy Efficiency: The “First Fuel”



Alaskans will spend an estimated \$5 BILLION on diesel fuel, natural gas and gasoline for our electricity, heat and transportation in the next year – *and approximately 20% will be wasted*



# Weatherization and Rebate Programs

- \$640 million appropriated by the state since 2008
- Over 50,000 homes - average savings: 30%
- Average annual fuel savings is over 25 million gallons of diesel equivalent



*Photo courtesy of  
AHFC*

# Renewable Energy Grant Fund



Established in 2008

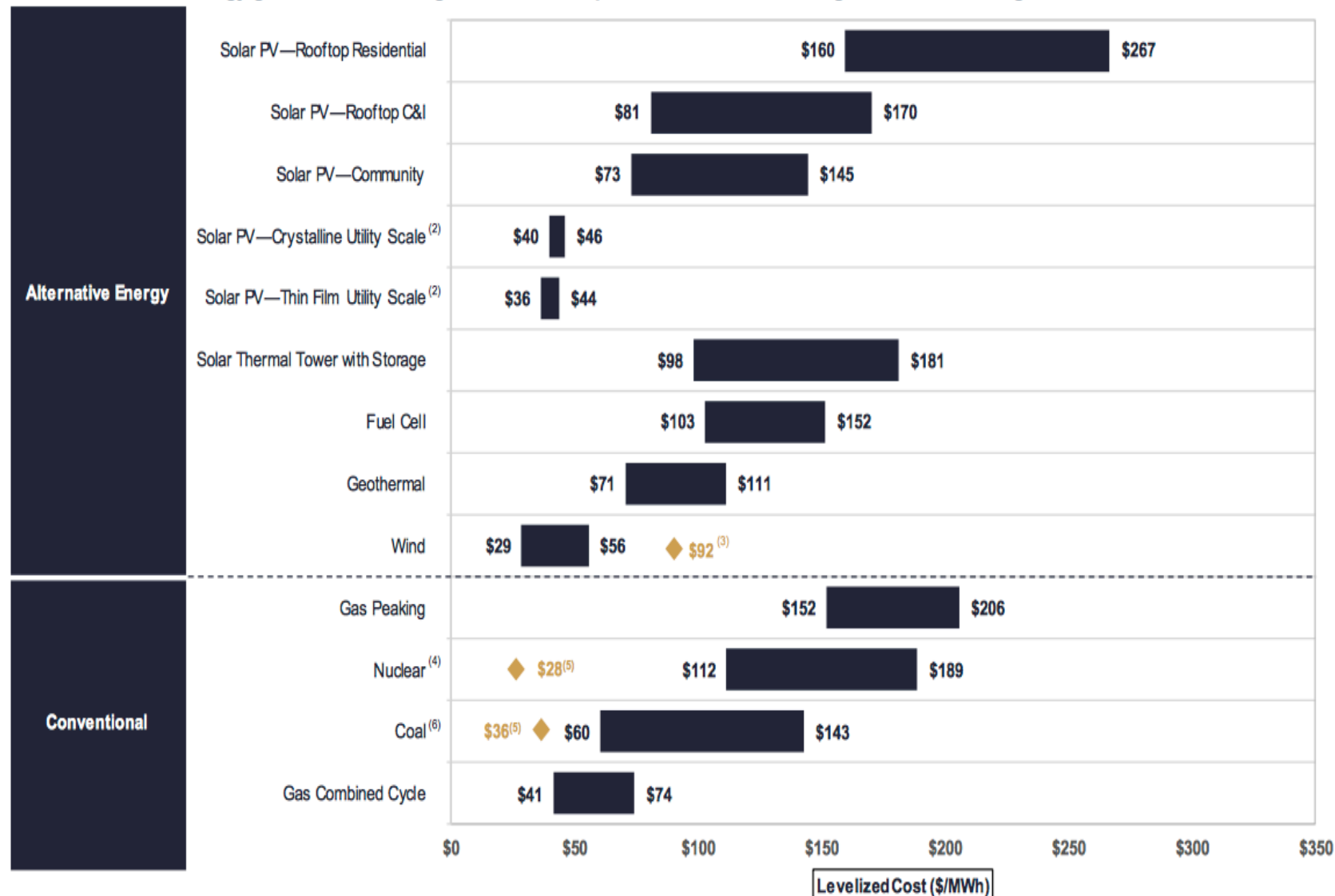
\$270 million in state appropriations have leveraged another \$200 million in federal and private dollars

In 2020, 80+ projects displaced the equivalent of 30 million gallons of diesel fuel



# Levelized Cost of Energy Comparison—Unsubsidized Analysis

Certain Alternative Energy generation technologies are cost-competitive with conventional generation technologies under certain circumstances<sup>(1)</sup>



# Why Private Financing for Clean Energy is Lacking

- Short track record for clean energy financing
- Clean energy projects are small and distributed
- Lack of capital market liquidity and maturity
- Human and organizational behavior

# Elements of Green Banks

A focus on commercial technologies

A dedicated source of capital

A focus on leveraging private investment

A relationship with government

# Functions of Green Banks

*Design* Loan Products & Programs to De-Risk

*Educate* Private Banks on the Opportunity

*Market* Loan Products and Programs

*Leverage* Private Investment Capital

# C-PACE (Commercial Property Assessed Clean Energy)



- \$0 down financing
- Decreases costs, improves value
- Long repayment
- Low, fixed interest rate
- Projects are cash flow positive
- Secured by property, not owner
- Obligation transfers at sale



# Passage of HB 170 Will:

- Lower the energy burden of Alaskans
- Develop investment opportunities for Alaskan lending institutions
- Create jobs and promote business development
- Keep precious energy dollars circulating in the economy
- Position the state to receive federal operating and investment capital



# Thank you

[www.realaska.org](http://www.realaska.org)

[chris@realaska.org](mailto:chris@realaska.org)

