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## Committee Substitute for House Bill 154 (ENE): Sectional Analysis

**Section 1:** Adds a new subsection (AS 18.56.010(h)) acknowledging the public benefit of a subsidiary corporation in Alaska Housing Finance Corporation (AHFC) to assist in financing sustainable energy development.

**Section 2:** Amends existing AHFC statutes (AS 18.56.086(a)) to authorize creation of a subsidiary corporation for the purpose of sustainable energy development.

**Section 3:** Amends AHFC's statutes (AS 18.56.090(e)) to, in cooperation with the Alaska Energy Authority, create or work with public, quasi-public or nonprofit organizations that provide financial assistance for sustainable energy projects.

**Section 4:** Adds a new section to AHFC's statutes (AS 18.56.870) establishing the Alaska Energy Independence Fund (the Fund) and its operations.

- (a) Creates the Fund within AHFC and describes what moneys and assets would go into the Fund.
- (b) Outlines how the money within the Fund can be used, including for issuing loans and financing sustainable energy development projects, and for paying the costs of administering the Fund and enforcing the terms of its loans
- (c) Names AHFC as the fiduciary of the Fund, and allows deviation from the prudent investor rule to promote sustainable energy development in the state. Allows AHFC to disburse money from the Fund according to established laws governing the procedure. Requires AHFC to adhere to annual reporting according to Generally Accepted Accounting Principles (GAAP)
- (d) Requires AHFC to establish the financial terms of loans made from the Fund, and requires consideration of costs to the Fund and AHFC in the process.
- (e) Allows AHFC to require deeds of trust on buildings subject to loans from the Fund as well as its real estate.
- (f) Allows AHFC to contract with the Alaska Energy Authority for technical expertise when evaluating sustainable energy development loans.

- (g) Restricts AHFC to loan guarantees without legislative approval to an amount less than \$20 million.
- (h) Requires AHFC to consider the State of Alaska energy policy when managing the Fund, and prioritizing sustainable energy development on energy efficiency and renewable energy for residential, commercial, and community buildings.
- (i) Requires AHFC to administer the Fund according to regulations adopted for the Fund's management.
- (j) Explicitly states nothing in Section 4 creates a dedicated fund.

**Section 5:** Amends the general provisions' portion of AHFC's statutes (AS 18.56.900) by adding a definition of sustainable energy development.

**Section 6:** Provides an immediate effective date.