
Senate Bill 125: Alaska's Energy Independence Fund

Presented by Alaska Housing Finance Corporation &
Alaska Energy Authority
to the Senate Finance Committee
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INTRODUCTION



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PRESENTATION OUTLINE



- Senate Bill 125 overview & implementation
- Policy objectives
- Role of Alaska Housing Finance Corporation
- Role of Alaska Energy Authority

SENATE BILL 125: OVERVIEW

Senate Bill 125 (and House Bill 154) proposes two actions for the Legislature's consideration:

1. Empowers AHFC to work with AEA on developing sustainable energy development through several tools, including establishing non-profit subsidiary corporations.
2. Establishes the Alaska Energy Independence Fund (AEIF) with the intent to be managed by AHFC's non-profit subsidiary corporation. The fund is capitalized with General Funds initially and federal receipt authority .

SENATE BILL 125: PROPOSED POLICY IMPLEMENTATION PROCESS



1. Legislation creating the Alaska Energy Independence Fund & empowering AHFC to create a non-profit subsidiary passes and is enacted
2. The AHFC Board of Directors, in consultation with legal counsel, creates a non-profit subsidiary corporation to manage the AEIF. That creation includes bylaws and initial regulations by AHFC for the non-profit subsidiary
3. The created non-profit subsidiary acquires relevant staff, and works with the Alaska Energy Authority and AHFC on crafting the sustainable energy development programs articulated in Senate Bill 125
4. The created non-profit subsidiary pursues federal funding opportunities and establishes relationships with financial institutions to begin capital aggregation

POLICY OBJECTIVES

Creating and capitalizing Alaska Energy Independence Fund may help Alaska compete for federal funding opportunities to improve the energy profile for homes and businesses:

- U.S. Environmental Protection Agency's Greenhouse Gas Reduction Fund grant opportunity from a pool of \$27 billion in available funding (no Notice of Funding Opportunity yet; application period estimated summer 2023)
- Waivers from the Department of Energy for loan guarantees if funded through a State Energy Finance Institute (e.g. AEIF)
- Stacked with energy tax credits for businesses

ROLE OF AHFC

AHFC has a 50-year tradition of meeting needs of Alaskans.

- Standing up programs to help Alaskans in need
 - Emergency Rental Assistance and Homeowner Assistance
 - Home Energy Rebate
- Standing up subsidiaries to meet policy needs of Alaskans
 - Alaska Corporation on Affordable Housing
 - Alaska Gasline Development Corporation (originally a subsidiary of AHFC)



Alaska Corporation for Affordable Housing is constructing 58 new energy-efficient units for seniors and families in Fairbanks at Ninth Avenue & Denali and 22nd/23rd and Wilson/Barnette.

Anticipated project completion: Sept. 2024.



At the request of Department of Transportation & Public Facilities, AHFC's director of public housing operations visited Nome and Golovin to inspect emergency repairs following Typhoon Merbok.

ABOUT AEA

AEA's mission is to reduce the cost of energy in Alaska. To achieve this mission, AEA strives to diversify Alaska's energy portfolio — increasing resiliency, reliability, and redundancy.



Railbelt Energy – AEA owns the Bradley Lake Hydroelectric Project, the Alaska Intertie, and the Sterling to Quartz Creek Transmission Line — all of which benefit Railbelt consumers by reducing the cost of power.



Renewable Energy and Energy Efficiency – AEA provides funding, technical assistance, and analysis on alternative energy technologies to benefit Alaskans. These include biomass, hydro, solar, wind, and others.



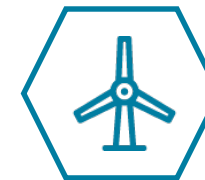
Power Cost Equalization (PCE) – PCE reduces the cost of electricity in rural Alaska for residential customers and community facilities, which helps ensure the sustainability of centralized power.



Grants and Loans – AEA provides loans to local utilities, local governments, and independent power producers for the construction or upgrade of power generation and other energy facilities.



























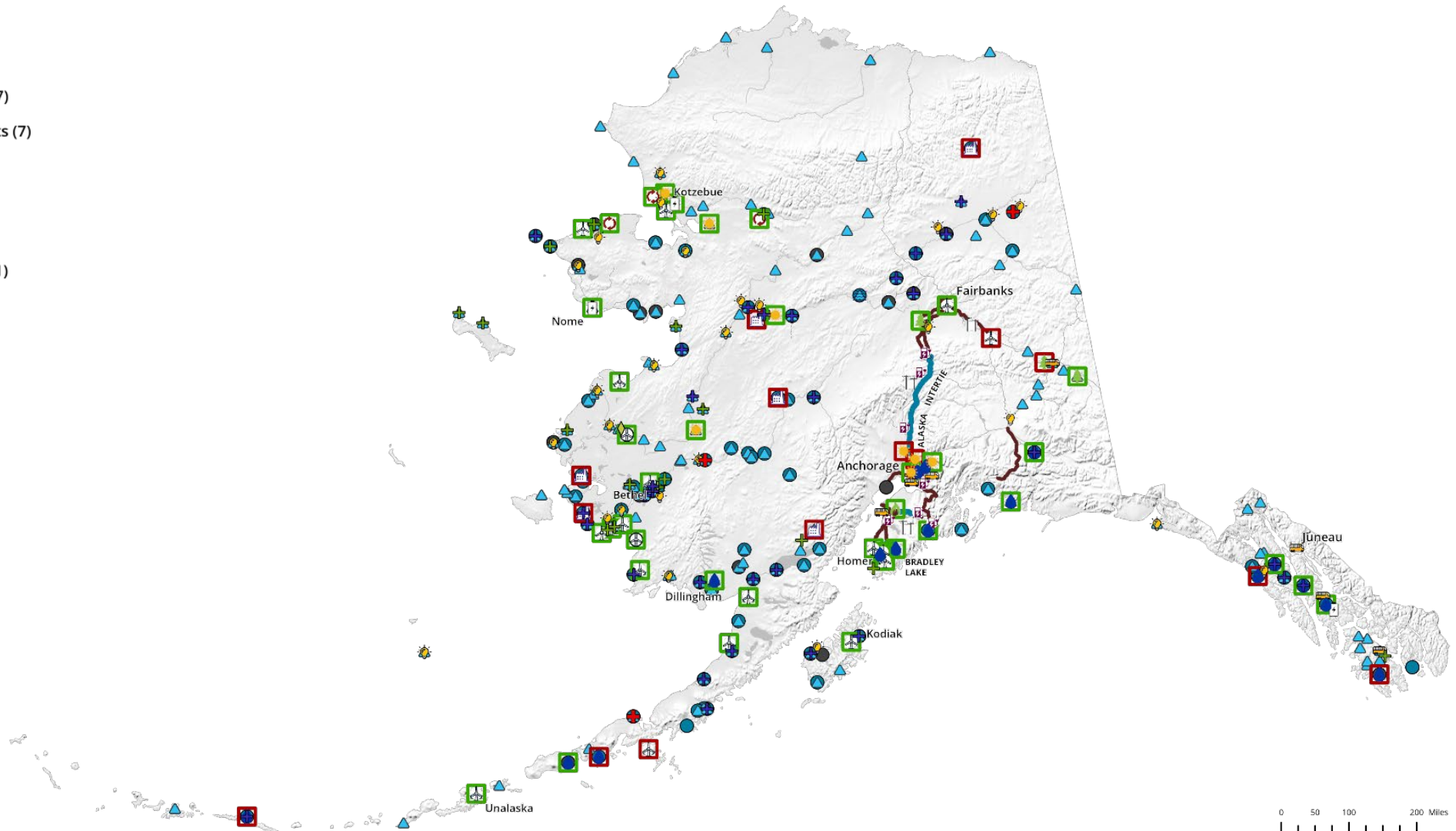
Rural Energy – AEA constructs bulk fuel tank farms, diesel powerhouses, and electrical distribution grids in rural villages. AEA supports the operation of these facilities through circuit rider and emergency response programs.



Energy Planning – In collaboration with local and regional partners, AEA provides economic and engineering analysis to plan the development of cost-effective energy infrastructure.

AEA ACTIVE PROJECTS AND SERVICES

-  Rural Power System Upgrades (33)
-  Bulk Fuel Upgrades (25)
-  Village Energy Efficiency Program (27)
-  Volkswagen Diesel Settlement Grants (7)
-  Biogas (1)
-  Biomass (4)
-  Diesel (6)
-  Emerging Energy Technology Fund (1)
-  Electric Vehicles (9)
-  Heat Recovery (3)
-  Hydroelectric (18)
-  Hydrokinetic (1)
-  Solar (8)
-  Storage (3)
-  Transmission (3)
-  Wind (21)
-  Transmission Line owned by AEA
-  Other Transmission Line
-  Power Project Fund (16)
-  Renewable Energy Fund (44)
-  PCE Communities (193)
-  Emergency Assistance (3)
-  Circuit Rider Assistance (93)
-  Utility Training (81)



QUESTIONS?