

May 12, 2023

The Honorable Senator Donald Olson  
Co-Chair Senate Finance

Submitted electronically to [Ken.Alper@akleg.gov](mailto:Ken.Alper@akleg.gov)

From: Akis Gialopsos, Deputy Executive Director, Alaska Housing Finance Corporation  
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CC: Laura Stidolph, Legislative Director for the Honorable Governor Mike Dunleavy  
Bryan Butcher, CEO/Executive Director, Alaska Housing Finance Corporation

Dear Senator Olson:

In response to questions posed in Senate Finance this morning about avoiding duplication of effort by agencies involved in Senate Bill 125, "Alaska Housing Finance Corp: Sustain Energy," we respectfully offer the following response:

The subsidiary of Alaska Housing Finance Corporation proposed in SB 125 is intended to leverage public funding to attract private capital to support energy efficiency and renewable energy for residential buildings, commercial buildings, and community facilities. The type and quantity of projects will vary depending on the available and restricted capital as well as nature of projects proposed.

Alaska Energy Authority's regulatory framework is specific to the financing, ownership, operation, and maintenance of power projects and bulk fuel, waste energy, energy conservation, energy efficiency, and alternative energy facilities and equipment. AEA's established programs are limited in scope and subject to capacity caps, restrictive eligibility requirements, and generally limited to utility scale projects.

Additionally AEA has limited experience with and lacks capacity to administer residential-focused programs while AHFC has a long-history in the residential space. The bill as proposed would allow both AHFC and AEA to share their experience with the subsidiary but the legally separate and independent instrument would make decisions consistent with powers granted in the bill.

In response to the question about projects that may receive loans through the Alaska Independent Energy Fund, the examples on the next page reflect projects undertaken by Green Banks in other states.

All three examples were taken from a report by the Coalition for Green Capital published in 2021 titled [\*Green Banks in the United States: 2021 U.S. Green Bank Annual Industry Report\*](#).

1. The Connecticut Green Bank is working with the State of Connecticut to help bring the first large-scale solar project to state buildings resulting in a capacity of 11 MegaWatts. EPC (Energy Performance Contracts) “were executed on the first round of projects in 2020, representing 11 MWs and a total investment of \$18.6m.”
2. Michigan Saves launched a new project management portal and residential loan application system and call center that supports their existing energy efficiency programs as well as facilitated the launch of an on-bill financing program for Traverse City Light and Power residential customers.
3. The Hawaii Green Infrastructure Authority is expanding their financing to include community based solar projects and electric vehicle charging stations. Per the report, “Aggregate loan funds committed as of December 31, 2020 totaled \$87.4 million, facilitating over \$114.0 million in clean energy projects.”