

**ALASKA STATE LEGISLATURE  
HOUSE SPECIAL COMMITTEE ON ENERGY**

February 18, 2010  
3:07 p.m.

**MEMBERS PRESENT**

Representative Bryce Edgmon, Co-Chair  
Representative Charisse Millett, Co-Chair (via teleconference)  
Representative Kyle Johansen  
Representative Pete Petersen  
Representative Chris Tuck

**MEMBERS ABSENT**

Representative Nancy Dahlstrom  
Representative Jay Ramras

**OTHER MEMBERS PRESENT**

Representative Neal Foster

**COMMITTEE CALENDAR**

OVERVIEW: RURAL ENERGY ISSUES

- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

RON KREHER, Chief  
Field Services  
Division of Public Assistance  
Department of Health and Social Services (DHSS)  
Anchorage, Alaska

**POSITION STATEMENT:** Testified and answered questions during the hearing on rural energy issues.

STEVEN HAAGENSON, Executive Director  
Alaska Energy Authority (AEA)  
Department of Commerce, Community, & Economic Development  
Anchorage, Alaska

**POSITION STATEMENT:** Testified and answered questions during the hearing on rural energy issues.

TARA JOLLIE, Director  
Division of Community and Regional Affairs (DCRA)  
Department of Commerce, Community, & Economic Development  
(DCCED)  
Anchorage, Alaska

**POSITION STATEMENT:** Testified and answered questions during the hearing on rural energy issues.

MEERA KOHLER, President and CEO  
Alaska Village Electric Cooperative (AVEC)  
Anchorage, Alaska

**POSITION STATEMENT:** Testified and answered questions during the hearing on rural energy issues.

BOB BREAN, Director  
Research & Rural Development  
Alaska Housing Finance Corporation (AHFC)  
Department of Revenue  
Anchorage, Alaska

**POSITION STATEMENT:** Testified and answered questions during the hearing on rural energy issues.

JOEL NEIMEYER, Federal Co-Chair  
Denali Commission  
Anchorage, Alaska

**POSITION STATEMENT:** Testified and answered questions during the hearing on rural energy issues.

DENALI DANIELS, Senior Energy Program Manager  
Denali Commission  
Anchorage, Alaska

**POSITION STATEMENT:** Testified and answered questions during the hearing on rural energy issues.

## **ACTION NARRATIVE**

[3:07:15 PM](#)

**CO-CHAIR BRYCE EDGMON** called the House Special Committee on Energy meeting to order at 3:07 p.m. Present at the call to order were Representatives Tuck, Millett (via teleconference) and Edgmon. Representatives Johansen and Petersen arrived as

the meeting was in progress. Representative Foster was also present.

[3:07:25 PM](#)

**OVERVIEW: RURAL ENERGY ISSUES**

[Contains discussion of HB 305]

[3:07:27 PM](#)

CO-CHAIR EDGMON announced the only order of business would be an overview on rural energy issues. The purpose of the overview is to hear a structured conversation about the services that are provided to rural Alaska regarding energy, including recommendations from the providers for improvements to those services. Participating in the roundtable are representatives from the following organizations: Alaska Housing Finance Corporation (AHFC), Alaska Village Electric Cooperative (AVEC), Alaska Energy Authority (AEA), Denali Commission (DC), Division of Community & Regional Affairs, Department of Commerce, Community, & Economic Development (DCCED), and Department of Health and Social Services (DHSS).

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RON KREHER, Chief, Field Services, Division of Public Assistance, Department of Health and Social Services (DHSS), stated that he oversees the operation of the state's heating assistance programs. Mr. Kreher informed the committee that the heating assistance programs are performing well. The programs began issuing benefits 11/1/09, and applications will be accepted through 4/30/10. There are two programs; the Low Income Home Energy Assistance Program (LIHEAP) and the Alaska Heating Assistance Program (AKHAP). LIHEAP is federally funded and serves families with incomes below 150 percent of poverty; AKHAP is state funded and serves families with incomes between 151 percent and 225 percent of poverty. In FY 2009, the state served 10,983 households through the LIHEAP program, and tribal organizations served 6,833 households, using federal funds. Also in FY 2009, the state served 2,047 households and tribal organizations served 339 households using state funds. Overall, 20,191 households were served, and he anticipated receiving a similar number of applications this year.

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CO-CHAIR EDGMON asked whether "last year" was 10/08 through 04/09.

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MR. KREHER said correct. He then explained that both programs are statewide with 163 communities served by the state office and 120 communities served by tribal organizations. For example, in Juneau, the Tlingit-Haida Regional Housing Authority (THRHA) is the tribal grantee that administers AKHAP and LIHEAP for Native applicants, while the state administers the programs for non-Native applicants. Across the state there are eleven tribal organizations administering heating assistance for LIHEAP and of those, eight are also AKHAP providers. Mr. Kreher said that tribal organizations receive funding through their share of the LIHEAP block grant to the state; actually, the tribes administer about 30 percent each of the federal and state monies supporting LIHEAP and AKHAP. He turned to the subject of award determinations. Each community is assigned heating degrees according to AkWarm guidelines from the Alaska Housing Finance Corporation (AHFC). Basically, his office looks at the type of housing, the location of the community, and heating degree days to determine the base heating needs for each household. Upon receipt of an application, the staff will determine the number of community heating points the household is eligible for and then make further adjustments, based on the aforementioned variables, plus income, and the type of fuel used. The value of the points and the heating assistance award is further based on the amount of the funding that is anticipated for the program, the number of applicants that is anticipated, and the average number of community heating points issued in the prior year. For example, FY 2010 LIHEAP points are estimated to be \$115 per community heating point, thus a household with ten points will receive a heating assistance award of \$1,150 to give to the vendor of the applicant's choice. He opined the programs supplement a portion of the households' need for heating assistance, but do not pay the entire bill. Furthermore, the intent of the programs is that households with the lowest income and the highest number of heating degree days would get the highest award; in fact, the program is heavily weighted to provide the most benefit for those with the highest need. The result is that the bulk of the payments go to rural communities because rural areas more often have higher community heating points and lower incomes.

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CO-CHAIR EDGMON observed that the number of participants is larger in urban communities, but most of the money goes to rural areas throughout the state.

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MR. KREHER said yes. In further response to Co-Chair Edgmon, he confirmed that "it works out the same way for both programs ... the very same point system is used." There is also an adjustment by income in that an applicant with no income will receive 100 percent of the allowable points, and those with incomes will receive a smaller percentage. For example, in the AKHAP program, an applicant with an income of above 150 percent of poverty will receive 40 percent of the allowable points. He then referred to a chart in the committee packet titled, "FY 2010 HAP Awards, Gallons of Fuel Covered by Award," that showed the average points allowed by location, the average price of heating fuel by location, and the estimated average awards. He concluded that the programs are meeting a significant need for low income households across the state, especially in rural Alaska. Although recent funding sources have been fairly stable, 2009 was an interesting anomaly in that the programs received emergency contingency funds from federal and state sources. Last year his office received \$51 million dollars to use towards energy assistance. However, this year, \$5 million was appropriated for AKHAP and Alaska's share of the federal block grant was \$25 million, of which about \$9 million goes to tribal organizations.

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REPRESENTATIVE TUCK asked whether the assistance from President Chavez of Venezuela goes through DHSS.

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MR. KREHER indicated no.

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REPRESENTATIVE FOSTER asked whether fuel received through the CITGO program would affect an applicant's award through AKHAP or LIHEAP.

MR. KREHER said that is correct.

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REPRESENTATIVE JOHANSEN observed that he would qualify for the program.

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MR. KREHER, in response to Representative Petersen, further explained that the total funding level for this year is \$32.6 million; therefore, his office has determined that the heating point value is \$115 per community heating point.

REPRESENTATIVE PETERSEN asked whether \$32.6 million is adequate.

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MR. KREHER indicated that given the challenges many households face, and the work opportunities throughout the state, many working families are "feeling the pinch pretty hard." He anticipated that the community heating point value of \$115 would meet less than one-half of a household's heating cost, and he was unable to say whether this amount was adequate. Mr. Kreher, in response to Co-Chair Edgmon, said his department would disperse any additional funds to participants.

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CO-CHAIR MILLETT asked how many of the applicants are elders and seniors.

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MR. KREHER responded that elders and seniors are a priority population, as well as households with children. As of 2/15, awards were made to 5,900 LIHEAP households and about 1,100 AKHAP households. Of those, 2,000 households had a disabled resident, 2,200 households had an elderly resident, and 840 households had a disabled and an elderly resident. Mr. Kreher, in further response to Co-Chair Millett, indicated that DHSS advertises the programs in rural newspapers.

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CO-CHAIR EDGMON asked for the percentages of seniors and disabled who participate in the programs.

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MR. KREHER offered to provide the committee data from a full year.

REPRESENTATIVE JOHANSEN asked for clarification on the application process and eligibility.

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MR. KREHER explained that about 30 percent of applicants are not eligible for a variety of reasons. In further response, he said that the funding amount has not been a problem in the recent past, except for tribal organizations that have had more eligible households than they can serve.

REPRESENTATIVE JOHANSEN asked for further clarification on the scoring factors. He asked, "Do these scoring factors, is that the attempt to ... push the money where I would be less likely to get a grant if I were competing with somebody who lived out ... who really needs it...?"

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MR. KREHER, referring to the AKHAP program, informed Representative Johansen that an applicant who meets the eligibility criteria must complete an application and provide proof of heating utility costs. Based on the size of the household and whether there was an elderly or disabled member of the household, the applicant would receive an award; however, the size of the award would be adjusted also on the location of the home, the applicant's income bracket, the type of heat used, and other factors. As awards are not paid to households with fewer than two points, the amount of the award could vary significantly.

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REPRESENTATIVE JOHANSEN cautioned that unscrupulous applicants may attempt to "work the system."

MR. KREHER noted that 950 applications have been denied, mostly due to income.

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REPRESENTATIVE PETERSEN asked whether more points are given for a home in a colder climate.

MR. KREHER said that is correct.

CO-CHAIR EDGMON posed a question to the remaining witnesses: What are the strengths and weaknesses in terms of delivering energy related services to rural Alaska?

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STEVEN HAAGENSON, Executive Director, Alaska Energy Authority (AEA), Department of Commerce, Community, & Economic Development, said that since AEA is not a direct supplier of energy services, or the end user of services, he would discuss the areas of energy utility assistance being provided by AEA to some of the utilities. The nature of the requests for assistance indicate the areas in which utilities need higher levels of assistance, and discussion of these requests may lead to ideas for expansion, or a re-focusing of services to rural utilities. He indicated there are requests for AEA to provide training programs for small diesel plant operators, hydroelectric plant operators, bulk fuel tank operators, power cost equalization clerks, utility managers, bulk fuel bookkeepers, and electric utility bookkeepers. Requests for technical assistance are also received, and technical assistance is provided in many areas such as searching for parts, and help with malfunctioning equipment. Mr. Haagensen gave examples of questions that are asked regarding the operation of small power plants. AEA has a team that is available to assist on-site, or by remote monitoring. Remote monitoring is available to about 30 small utilities and could be expanded to serve larger utilities or multiple sites. This system could also provide data on the need for an oil change to prevent equipment failure, or to monitor generator efficiency to ensure the lowest cost power. Innovation and technology sharing have resulted in stacked heat recovery systems to increase efficiencies, and the use of used oil blenders. He opined that networking is critical to optimize electrical utilities because utilities can participate in the Alaska Rural Energy Conference, and other forums, to share information; in fact, emerging technologies can be risky, and shared information is valuable.

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TARA JOLLIE, Director, Division of Community and Regional Affairs (DCRA), Department of Commerce, Community, & Economic Development (DCCED), informed the committee of the need to directly connect community stability and consistent administration. On the subject of energy, the direct connection

is between having an economy or business, and the supply of energy "keeping the lights on in any public utility." She opined that the strength of DCRA is in providing technical assistance at the community level. As a matter of fact, DCRA estimates that 40 percent of small communities off of the road system are less than able to adequately manage their energy supply, and are in need of technical support. Where the local utilities get technical support, businesses can operate. However, in a very small community it is possible for one user to "run the utility bill up" and almost shut down power to the entire community. Although DCRA has local government specialists who can offer technical assistance to communities, there is a need for more staff. Ms. Jollie stressed that funding for community revenue sharing is extremely important to small communities that need help with cash flow to pay for barge deliveries. DCRA can guarantee payment to the fuel vendor, or provide bridge loans to communities that could not get bulk fuel loans. Assisting communities in this way enables them to purchase fuel at better prices; in fact, many of the shared revenue funds are used to purchase fuel. Ms. Jollie concluded that the two most important DCRA programs are community revenue sharing at its present level of funding, and the expansion of local technical assistance to communities.

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CO-CHAIR EDGMON asked whether more staff could be used to assist the communities with limited capabilities.

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MS. JOLLIE said yes, and added that these issues prevent communities from participating in available programs and from having sound financial management.

CO-CHAIR MILLETT asked all of the witnesses whether the creation of a department of energy is valuable to HB 305.

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CO-CHAIR EDGMON suggested that the question also include the consolidation or centralization of energy services, and should also address the current fragmented nature of all of the different programs and services.

MS. JOLLIE has heard that there is difficulty knowing where to go regarding state services. She acknowledged that it is

difficult to navigate the system; in fact, DCRA helps people do that and collaborates across agencies.

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MR. HAAGENSON pointed out that centralizing statewide services and centralizing energy services may be two different things. Referring just to energy services, he said he has not heard of concerns, but there are four or five places one can go, and "I'm sure there are places we can consolidate in that area."

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MEERA KOHLER, President and CEO, Alaska Village Electric Cooperative (AVEC), informed the committee energy related services are two-fold: electricity and liquid fuel. The geography of Alaska presents unique problems, such as small communities that are spread out over a vast and inhospitable terrain. The generation and distribution of electricity is a complex system, but isolated communities attempt to accomplish this task. Additionally, the modest level of technical support provided by the state is insufficient. Per capita consumption of electricity in rural Alaska is about 50 percent of that in cities and conservation efforts have already been put in place. Ms. Kohler explained that petroleum fuels represent two-thirds to three-fourths of the energy consumed by Alaskans, and also represents an enormous cost to rural budgets due to transportation costs to small markets. Furthermore, the ultra low sulfur diesel rules are adding confusion. Ms. Kohler noted that one of the few strengths in the rural Alaska energy situation is the virtual immunity to terrorism and cyber-attacks. The weaknesses are: very small markets; very high investment per consumer for electric systems; modest human capacity for highly technical generation systems, especially alternative and renewable energy systems; market isolation; conservation and efficiency efforts resulting in further compression of economies of scale; oppressed economic development due to high energy costs; limited local job opportunities resulting in out-migration of the most talented and capable workforce.

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CO-CHAIR EDGMON inquired as to how to provide technical services to villages in order to save them money and allow them to leverage money at the local level.

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MS. KOHLER advised that this is a unique situation in that the generation of electricity is on-site in every community; elsewhere in the country communities are connected by transmission lines, and generation takes place in a location central to the technicians. She noted that AVEC built a wind generation power plant in Toksook Bay and sent transmission lines out to small communities, thereby keeping the need for technical competence in one community. Accordingly, a further reduction in the number of communities with stand-alone generation systems from 300 to 100, would improve economies of scale, and focus the technical competence in larger communities. Ms. Kohler said, "That is part of the solution I do propose, is that we do have to get realistic and aggressive about interconnecting communities and creating, if nothing else, virtual grids to try and get these communities consolidated." In response to Co-Chair Millett, she agreed with the concept and described several different departments providing the same service. She questioned whether consolidation would include the larger programs such as gas, petroleum, and crude oil. Ms. Kohler concluded that retail-type services are closely related and would benefit from consolidation.

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BOB BREAN, Director, Research & Rural Development, Alaska Housing Finance Corporation (AHFC), Department of Revenue, informed the committee that AHFC is more involved in the demand side of the energy picture, as opposed to the supply side. Thus its work is directly relative to the residential and commercial use of energy. Regarding the strengths of energy delivery in rural Alaska, he advised that AHFC successfully sub-contracts out to regional entities. AHFC is currently working with five weatherization contractors statewide, and with twelve regional housing authorities, that are very effective in housing and infrastructure development throughout Bush Alaska and across the state. AHFC provides technical assistance and the financial aspect, but empowers regional housing authorities to deliver its program. In this way, the housing authorities are able to retain and create jobs. He stated that this model is one of AHFC's great strengths and has proven its value. Turning to the subject of weaknesses, Mr. Brean agreed with Ms. Jollie that energy issues in rural communities must be considered in the light of other aspects of community development in each community. For example, if a community has invested in capital projects there may still be debt, and the old debt to equity

ratio will prevent a community from beginning new projects that could result in energy savings. He recalled that DCRA used to coordinate all of the aspects of local economic development with new projects in a database. Continuing to address weaknesses, he stressed that all aspects of energy projects need to be coordinated with local economic development such as coordinating freighting of materials to gain economies of scale, coordinating dirt work with sewer and water projects, and doing a financial analysis of the community. Mr. Brean advised that there is a division in DCCED that is very good at the abovementioned task. Also, on the issue of the consolidation of state services, he re-stated that AHFC's part is only on the demand side and suggested the use of the original DCRA model; however, this is not limited to energy but must include the multiple aspects of economic development of rural Alaska. For AHFC's formal position, he deferred the question to its CEO and board of directors.

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JOEL NEIMEYER, Federal Co-Chair, Denali Commission, informed the committee that the Denali Commission has no position on the consolidation of state government. He deferred to Commissioner Karen Rehfeld to further address this question on behalf of the Denali Commission. He then pointed out that the Denali Commission is comprised of seven Alaskans who are delegated by Congress, and who have administered almost \$1 billion dollars over the last ten years, with support from many other Alaskans. Mr. Neimeyer stated that the question posed on the delivery of energy was given to the Denali Commission's energy advisory committee and the energy coordinator would speak to its position.

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DENALI DANIELS, Senior Energy Program Manager, Denali Commission, related that the commission has three points that represent the strengths of rural energy delivery. The first is an increased motivation by communities toward greater self-sufficiency, and an emerging entrepreneurial spirit in response to energy challenges. Secondly, regional entities of all types are strong; for example, in Chevak, the city and tribal governments are coordinating steps to become more effective and self-sufficient. Finally, she advised that over the past 11 years, the Denali Commission, along with other government and private funders, has elevated standards for communities pertaining to the sustainability of infrastructure development.

During that time, the Denali Commission has invested over \$350 million in basic energy infrastructure statewide such as bulk fuel storage, rural power system upgrades, renewable energy projects, and alternative energy projects. In fact, 93 communities received improvements to bulk fuel facilities, and 46 communities have received upgraded or new rural power systems.

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MS. DANIELS turned to the challenges facing rural areas, and noted that 66 communities remain on the bulk fuel facility deficiency list with an estimated cost for upgrades of \$257 million. Further, rural power system upgrades are needed in 78 communities. Secondly, the Denali Commission has limited authority to enforce adherence to the requirements attached to its grants; thus, alternatives for post-grant compliance are needed to ensure that the infrastructure funded will last 30 years. The final weakness noted was that Denali Commission funding is declining and there is a greater need for state support to leverage federal funding.

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REPRESENTATIVE JOHANSEN asked how many different divisions, departments, and agencies the Denali Commission deals with when working on energy projects within the state.

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MR. NIEMAYER stated in his 25 years of experience working in rural Alaska, what he has seen with state and federal agencies, and with stakeholder groups, are "silos of funding and silos of programs." This situation leads to lost opportunities. He encouraged the legislature to "reduce those silos, or make those silos work better with one another." For example, a rural community may have twenty to forty community buildings, and seven or eight different funding streams interested in weatherizing the buildings. An energy efficiency project on a 2,000 square foot building is a modest undertaking; however, if the funding streams are coordinated and the project includes buildings in 200 communities, it becomes very complex. Further, if the funding streams work together on a specific location, there would be an opportunity to leverage the funds, even a small community could participate, and a significant impact could be made.

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CO-CHAIR EDGMON observed that considering the way services are delivered in Bush Alaska, two key participants not present at this discussion are the regional not for profit organizations, and the regional housing authorities. For example, he opined the Bristol Bay Native Association (BBNA) serves as the de facto department of energy for the Bristol Bay region. He recalled testimony that there are silos throughout the statewide directory of services and programs. Co-Chair Edgmon asked the witnesses for recommendations as to what the legislature could do to improve the situation.

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MR. HAAGENSON pointed out Alaska's two curses: low usage and long distance. He encouraged the rural utilities to organize under one umbrella in a manner similar to the Greater Railbelt Energy Transmission Corporation (GRETC). This would allow for remote monitoring, bulk fuel purchasing, and planning for joint financing and deliveries, to develop needed economies of scale. He stressed that the business model must come from the utilities, and the ultimate solution must be picked by the communities.

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CO-CHAIR EDGMON announced the Alaska Rural Energy Conference will be held 4/27-29/10 in Fairbanks.

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MS. KOHLER agreed that rural utilities need a generation and transmission (G&T) concept for rural Alaska to consolidate competent operations under one roof, and to supply the technical support necessary to operate a competent utility. The issue, however, is how that would be funded. She suggested that there should be a rural connection to GRETC wherein savings on energy in the Railbelt would be spread across the state to operate competent utilities in rural Alaska. Ms. Kohler said this idea is supported by the fact that the benefits outweigh the costs. She encouraged the legislature to adopt and fund an aggressive plan to connect Alaskan communities to a common grid, physically or virtually, for a variety of reasons. Also, working with private industry, the legislature needs to ensure broadband access to rural Alaska. The lack of internet service has hampered the operation and management control capabilities vital

to the development of alternative and renewable energy technologies in rural Alaska, as well as economic development. Furthermore, the legislature needs to ensure that a comprehensive communication plan is developed to assist rural Alaska comply with Environmental Protection Agency (EPA) rules for conversion to ultra low sulfur diesel. Ms. Kohler cautioned that there is fear in the villages about this issue. In response to Co-Chair Millett, she said that although energy services are provided by numerous departments within the state, there is not a cabinet level position with a direct line to the governor, and she stated her strong support of consolidated energy programs. In conclusion, Ms. Kohler asked the committee to review the University of Alaska Anchorage (UAA) Institute on Social and Economic Research (ISER) report about rural fuel costs. She then announced that AVEC is building new tugs and barges to help bring competition to the Western Alaska fuel market.

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CO-CHAIR MILLETT asked how consumers are protected if there is no Regulatory Commission of Alaska (RCA) oversight of a large scale G&T cooperative.

MS. KOHLER explained that AVEC is a cooperative serving 53 villages, and it is not economically regulated by the RCA. AVEC is regulated by its Power Cost Equalization (PCE) rates and this process is similar, except for the investigation aspect. She opined that the relative size of rural Alaska allows for effective regulation by local boards of directors, with the possible exception of investor-owned utilities.

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CO-CHAIR MILLETT re-stated her search for guidance on the balance between the overregulation of utilities, and consumer protection.

MS. KOHLER advised that an acceptable model is a work in progress, but it can be more easily achieved in a smaller community than in a larger community.

CO-CHAIR EDGMON announced the presence of Kathie Wasserman from the Alaska Municipal League.

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MS. JOLLIE clarified that her previous comment on consolidation referred to statewide services, and was not specific to the subset of energy services. From the perspective of DCRA, she then recommended that the legislature provide full funding for community revenue sharing. She also agreed with Mr. Brean that the holistic approach to community development is key in smaller communities, and urged funding for three additional DCRA positions to provide the level of community assistance needed.

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CO-CHAIR EDGMON asked whether DCRA has partnership opportunities with the tribes.

MS. JOLLIE said DCRA works with the tribes all the time, in addition to working with non-profits, tribal councils, housing authorities, city administration, and municipalities. In response to Co-Chair Edgmon, she said there 386 entities in the state of which 232 are municipalities and unincorporated.

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MR. BREAN spoke of two of AHFC's goals for this legislative session. Firstly, AHFC has proposed an energy efficiency revolving loan fund. The intent of this proposal is to use \$18 million dollars of federal stimulus money as seed money to create a revolving loan fund. Using AHFC's vehicles and mechanisms, the \$18 million would then be leveraged into \$250 million to \$275 million. Retro-fits are not cheap in Alaska, and the higher amount would result in a meaningful program that could be made available to municipalities, schools, and state agencies for energy conservation retro-fits on larger facilities. Secondly, AHFC is having great success with the \$200 million weatherization program, and anticipates that the money will be fully encumbered by 2011. The \$160 million rebate program is also fully obligated. Contractors continue to "ramp-up" their capacities to provide the labor and materials needed for these programs, and he cautioned about a "boom and bust" situation when the program runs out of funds. In fact, between 10 percent and 15 percent of new program monies could be saved by a continuation of the program, as opposed to a "ramp down and ramp up." AHFC estimates that 2,000 jobs are being retained or created by the weatherization and rebate programs. Weatherization will be completed on 10 percent of the homes in need, and Mr. Brean concluded that if funding remains static, AHFC could do more.

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MS. KOHLER expressed her hope for additional progress on these issues.

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CO-CHAIR EDGMON announced that HB 296 is scheduled to be heard on 2/23/10, and he then reviewed the agenda for 2/20/10. He thanked the witnesses and invited further written comments.

4:46:32 PM

**ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Energy meeting was adjourned at 4:46 p.m.