

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON ENERGY

February 14, 2017
10:17 a.m.

MEMBERS PRESENT

Representative Adam Wool, Chair
Representative Ivy Spohnholz, Vice Chair
Representative Matt Claman
Representative Dean Westlake
Representative DeLena Johnson
Representative Jennifer Johnston
Representative George Rauscher

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 81

"An Act making an entity that is exempt from federal taxation under 26 U.S.C. 501(c)(3), (4), (6), (12), or (19) (Internal Revenue Code) and a federally recognized tribe eligible for a loan from the Alaska energy efficiency revolving loan fund; relating to loans from the Alaska energy efficiency revolving loan fund; and relating to the annual report published by the Alaska Housing Finance Corporation."

- MOVED CSHB 81(ENE) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 81

SHORT TITLE: AK ENERGY EFFICIENCY LOANS: ELIGIBILITY

SPONSOR(S): REPRESENTATIVE(S) KREISS-TOMKINS

01/25/17	(H)	READ THE FIRST TIME - REFERRALS
01/25/17	(H)	ENE, FIN
01/31/17	(H)	ENE AT 10:15 AM CAPITOL 17
01/31/17	(H)	Heard & Held
01/31/17	(H)	MINUTE(ENE)
02/07/17	(H)	ENE AT 10:15 AM CAPITOL 17
02/07/17	(H)	Heard & Held
02/07/17	(H)	MINUTE(ENE)
02/14/17	(H)	ENE AT 10:15 AM CAPITOL 17

WITNESS REGISTER

CHRIS ROSE, Executive Director
Renewable Energy Alaska Project (REAP)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 81.

STACY SCHUBERT, Director
Governmental Affairs & Public Relations
Alaska Housing Finance Corporation (AHFC)
Department of Revenue
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 81.

REPRESENTATIVE JONATHAN KREISS-TOMKINS
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions as the sponsor of HB 81.

ACTION NARRATIVE

[10:17:58 AM](#)

CHAIR ADAM WOOL called the House Special Committee on Energy meeting to order at 10:17 a.m. Representatives Wool, Claman, Johnston, Johnson, Rauscher, and Spohnholz were present at the call to order. Representative Rauscher arrived as the meeting was in progress.

HB 81-AK ENERGY EFFICIENCY LOANS: ELIGIBILITY

[10:18:23 AM](#)

CHAIR WOOL announced that the only order of business would be HOUSE BILL NO. 81, "An Act making an entity that is exempt from federal taxation under 26 U.S.C. 501(c)(3), (4), (6), (12), or (19) (Internal Revenue Code) and a federally recognized tribe eligible for a loan from the Alaska energy efficiency revolving loan fund; relating to loans from the Alaska energy efficiency revolving loan fund; and relating to the annual report published by the Alaska Housing Finance Corporation."

[10:18:41 AM](#)

CHAIR WOOL re-opened public testimony.

[10:18:53 AM](#)

CHRIS ROSE, Executive Director, Renewable Energy Alaska Project (REAP), explained that REAP was a statewide coalition of more than 80 organizations which supported more renewable energy and energy efficiency in the state. He declared support for HB 81, and stated that energy efficiency worked, and it "saves a ton of money for the community" which helps the state economy. He reported that the average savings in the residential program was 30 percent, and he opined that there could be similar savings for public and other commercial buildings. He stated that, as this proposed bill addressed tribal and non-profit buildings, it could also make these buildings more efficient. He emphasized that this was "simply a loan program [and] AHFC's very good at making loans and doing the job at underwriting this money." He opined that the proposed bill could make money for the State of Alaska, as it would be part of the Alaska Housing Finance Corporation (AHFC) portfolio. He pointed out that this would be another tool for tribal entities and non-profits to make their buildings more energy efficient, and thereby keeping more money in the economy.

[10:20:42 AM](#)

REPRESENTATIVE RAUSCHER asked how the AHFC dividend to the state worked.

MR. ROSE explained that Alaska Housing Finance Corporation (AHFC) and Alaska Industrial Development and Export Authority (AIDEA) paid back dividends from the loan repayments which were part of their portfolios. He added that the loans resulting from proposed HB 81 would be part of these portfolios and would potentially increase the dividend.

[10:21:39 AM](#)

STACY SCHUBERT, Director, Governmental Affairs & Public Relations, Alaska Housing Finance Corporation (AHFC), Department of Revenue, in response to Representative Rauscher, acknowledged that AHFC paid a dividend to the State of Alaska, which added \$30 million to the current budget. She explained that this dividend was based on activity from the mortgages and returns from investments, and was calculated as 75 percent of the adjusted net earnings.

[10:23:09 AM](#)

REPRESENTATIVE JONATHAN KREISS-TOMKINS, Alaska State Legislature, expressed his appreciation for the diligence in vetting the proposed bill, stating that "we're all on the same team towards the common goal."

CHAIR WOOL mused about earlier questions for using assets of the loan, or depleting the loan, and the potential for not having enough money available for its original intent to public buildings.

[10:24:17 AM](#)

CHAIR WOOL closed public testimony.

[10:24:24 AM](#)

REPRESENTATIVE WESTLAKE offered his belief that the money realized from energy savings would be spent at the local level.

[10:25:01 AM](#)

REPRESENTATIVE SPOHNHOLZ moved to report HB 81, labeled 30-LS0353\A, as amended, out of committee with individual recommendations and the accompanying zero fiscal notes. There being no objection, CSHB 81(ENE) was moved from the House Special Committee on Energy.

[10:25:46 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Energy meeting was adjourned at 10:25 a.m.