

Introduced: 2/18/80  
Referred: Resources

1 IN THE HOUSE

BY MCKINNON, COTTEN AND MILLER

2

HOUSE BILL NO. 875

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to energy conservation."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 \* Section 1. AS 18.56.090(2) is amended to read:

9 (2) make or participate in the making of mortgage loans to  
10 sponsors, developers, builders, and purchasers of residential housing,  
11 if the corporation determines that mortgage loans are not otherwise  
12 available, wholly or in part, from private lenders upon reasonably  
13 equivalent terms and conditions and that the residential housing for  
14 which the mortgage loans are made is in compliance with AS 46.11.040(a)  
15 or (b), whichever applies;

16 \* Sec. 2. AS 18.56.090(3) is amended by adding a new subparagraph to  
17 read:

18 (C) has determined that the residential housing covered  
19 by the mortgage loan is in compliance with AS 46.11.040(a) or (b),  
20 whichever applies;

21 \* Sec. 3. AS 29.33.085 is amended by adding a new subsection to read:

22 (c) The comprehensive plan shall be designed to promote energy  
23 efficient patterns of development, the use of solar energy and other  
24 forms of renewable energy, and energy conservation.

25 \* Sec. 4. AS 29.33.090(c) is amended by adding new paragraphs to read:

26 (7) promote energy efficient land use;

27 (8) accommodate the use of incident solar and other renewable  
28 energy resources.

29 \* Sec. 5. AS 29.33.090 is amended by adding a new subsection to read:

1 (e) Prohibition of solar or other renewable energy systems shall  
2 be based only on health and safety considerations.

3 \* Sec. 6. AS 29.33.150 is amended by adding a new subsection to read:

4 (c) Platting regulations adopted under (a) of this section shall  
5 take into consideration the use of incident solar energy.

6 \* Sec. 7. AS 44.56.224 is amended to read:

7 Sec. 44.56.224. ENERGY AND CONSERVATION [LONG-TERM] PLAN. The  
8 Department of Commerce and Economic Development, assisted by the author-  
9 ity, shall prepare, after public hearings, and [, AS APPROPRIATE,]  
10 revise annually a long-term energy [ELECTRICAL POWER] development plan  
11 for meeting projected thermal, electrical, and transportation energy  
12 demand in Alaska at the lowest reasonable cost, including environmental  
13 and social costs, consistent with acceptable standards of reliability.  
14 The plan must give as equal consideration as practicable to all types  
15 of power production facilities (except those based on nuclear fuels)  
16 which are technologically feasible, and must promote the efficient use  
17 of facilities and fuels consistent with energy conservation goals. The  
18 plan must include, but is not limited to, considerations specified in  
19 AS 44.56.180(e). The plan and any revision of it shall be submitted to  
20 the governor for his approval and shall be reviewed by all appropriate  
21 state agencies. After approval by the governor the plan shall be sub-  
22 mitted to the legislature.

23 \* Sec. 8. AS 44.56.224 is amended by adding new subsections to read:

24 (b) The plan required by (a) of this section shall include a  
25 section on energy conservation including, but not limited to,

26 (1) a study showing the current and projected energy use in  
27 the state divided into categories showing the regional use of energy,  
28 the final purpose for which the energy is used, and the source and type  
29 of energy;

1 (2) proposed short-term and long-term energy conservation  
2 goals divided into categories showing the goals as they relate to re-  
3 gional use of energy, the final purpose for which the energy is used,  
4 and the source and type of energy;

5 (3) the proposed specific methods for achieving the energy  
6 conservation goals proposed in the plan, including but not limited to,

7 (A) government financing and subsidy programs;

8 (B) educational and marketing efforts;

9 (C) promotion and development of energy conservation  
10 businesses;

11 (D) revisions to building codes and standards;

12 (E) new methods of public utility rate design and load  
13 management;

14 (F) alternative transportation fuels or modes of trans-  
15 portation;

16 (4) a plan for emergency energy conservation measures to be  
17 used in case of a national, state, or local emergency.

18 (c) The plan required by (a) of this section shall include a  
19 report on the areas of research, development, and demonstration which  
20 are needed to adequately develop renewable energy resources and promote  
21 energy conservation in the regions of the state.

22 \* Sec. 9. AS 46 is amended by adding a new chapter to read:

23 TITLE 46. WATER, AIR, ENERGY AND ENVIRONMENTAL CONSERVATION.

24 CHAPTER 11. ENERGY CONSERVATION.

25 Sec. 46.11.010. THERMAL AND LIGHTING ENERGY STANDARDS. (a) Each  
26 public, commercial, and residential building (including a building  
27 undergoing substantial renovation) intended for human occupancy, the  
28 designs for which have not received final approval before the effective  
29 date of this Act, if approval is required by state or municipal law,

1 must be built in accordance with thermal and lighting energy standards.

2 (b) The department shall annually review thermal and lighting ener-  
3 gy standards. The commissioner may, by regulation adopted in accordance  
4 with the Administrative Procedure Act (AS 44.62), revise thermal and  
5 lighting energy standards to accommodate different geographic, climactic,  
6 and economic factors existing in the various regions of the state.

7 (c) The commissioner shall adopt regulations, in accordance with  
8 the Administrative Procedure Act (AS 44.62), which exempt the following  
9 from (a) of this section:

10 (1) a home which

11 (A) was not constructed or purchased with state financial  
12 assistance;

13 (B) is not in a municipality which has adopted a building  
14 code; and

15 (C) is used as the principal place of residence by the  
16 builder for at least 36 consecutive months after completion;

17 (2) a building for which the cost of implementing thermal and  
18 lighting energy standards exceeds the estimated energy savings from the  
19 implementation.

20 (e) State financial assistance may not be granted for the purchase  
21 or construction of a new residential or commercial building or for the  
22 renovation of a residential or commercial building unless the building  
23 is in compliance with this section.

24 (f) In this section "building code" means a municipal ordinance  
25 establishing standards and requirements for the construction, mainte-  
26 nance, operation, occupancy, or use of buildings.

27 Sec. 46.11.020. VIOLATIONS OF THERMAL AND LIGHTING ENERGY STAN-  
28 DARDS. It is unlawful to permit occupancy of a building which is not in  
29 compliance with thermal and lighting energy standards as provided in

1 AS 46.11.010. The owner of a building in violation of this section is  
2 subject to a civil penalty of not more than \$500. Each day that a  
3 building is occupied in violation of this section constitutes a separate  
4 violation.

5 Sec. 46.11.030. RESIDENTIAL ENERGY CONSERVATION STANDARDS. (a)  
6 Class A and class B residential energy conservation standards are estab-  
7 lished.

8 (b) The class A residential energy conservation standard consists  
9 of the following:

10 (1) installation of insulation with a minimum thermal resist-  
11 ance rating of R-38 over the entire accessible attic space, if any;

12 (2) installation of weatherstripping on all doors, except  
13 sliding glass doors, which lead to the outside or other unheated area;

14 (3) installation around an electric or gas water heater of  
15 blanket insulation of a minimum thermal resistance rating of R-11; the  
16 commissioner may waive this standard if the owner of the residence in  
17 which the water heater is located demonstrates that the insulation will  
18 not significantly increase the thermal efficiency of the water heater;

19 (4) installation of a device which restricts the flow through  
20 all shower heads to a maximum rate of three gallons per minute;

21 (5) installation of double glazed or storm windows.

22 (c) The commissioner shall determine the total annual number of  
23 British thermal units saved per family in the average residential struc-  
24 ture by compliance with the class A residential energy conservation  
25 standard.

26 (d) The class B residential energy conservation standard is an  
27 alternative to the class A standard and consists of the installation of  
28 any energy conservation device or the use of any energy conservation  
29 technique, approved under (e) of this section, which results in a total

1 annual savings in British thermal units per family occupying the resi-  
2 dential structure that is not less than the value determined under (c)  
3 of this section. An energy conservation device or technique which has  
4 not been approved for use in complying with the class B standard may be  
5 used if the owner of a residence submits evidence to the commissioner  
6 establishing the expected annual energy savings in British thermal units  
7 resulting from the installation or use of the device or technique.

8 (e) Not later than December 31, 1980, the commissioner shall by  
9 regulation, adopted in accordance with the Administrative Procedure Act  
10 (AS 44.62), approve a list of energy conservation devices and techniques  
11 which qualify for use in complying with the class B residential energy  
12 conservation standard.

13 (f) The commissioner shall annually review and may revise, by  
14 regulation adopted in accordance with the Administrative Procedure Act  
15 (AS 44.62), the class A or B residential energy conservation standards.  
16 In reviewing the standards the commissioner shall consider the public  
17 interest in increasing energy conservation, the need to use new and more  
18 efficient energy technologies and building designs, and the geographic,  
19 climatic, and economic conditions of the various regions of the state.

20 (g) State financial assistance may not be granted for the purchase  
21 or construction of a new residential building unless the building is in  
22 compliance with the class A residential energy conservation standard.

23 Sec. 46.11.040. COMPLIANCE WITH RESIDENTIAL ENERGY CONSERVATION  
24 STANDARDS. (a) A unit of residential housing that has been substan-  
25 tially completed on the effective date of this Act shall comply with the  
26 residential energy conservation standards established in AS 46.11.030(b)  
27 or (d).

28 (b) A unit of residential housing the construction of which begins  
29 after the effective date of this Act shall comply with the residential

1 energy conservation standards in effect at the time construction begins.

2 (c) The owner of a unit of residential housing may delay full  
3 compliance with the requirement of (a) of this section if he submits  
4 appropriate documentation to the commissioner which shows that he has,  
5 during the preceding 12 months, spent at least \$1,000 for a residence  
6 housing fewer than four families, or at least \$0.50 per square foot of  
7 living area for a residence housing four or more families. An annual  
8 expenditure under this subsection must be made until the unit of resi-  
9 dential housing is in full compliance with the class A or B residential  
10 energy conservation standard.

11 Sec. 46.11.050. FAILURE TO COMPLY. The department shall impose  
12 upon an owner of residential housing who fails to satisfy the require-  
13 ments of AS 46.11.040 a civil penalty of \$10 per day for each unit of  
14 residential housing affected until the requirements of AS 46.11.040 are  
15 satisfied.

16 Sec. 46.11.060. FALSIFICATION OF DOCUMENTATION. A person who  
17 knowingly submits falsified documentation of compliance with a residen-  
18 tial energy conservation standard is guilty of a class B misdemeanor.

19 Sec. 46.11.070. EXEMPTIONS. A unit of residential housing is  
20 exempt from the requirements of AS 46.11.040(a) and (b) if the owner  
21 submits appropriate documents to the commissioner showing that

22 (1) the purchasing and installing of a particular requirement  
23 of the class A residential energy conservation standard cannot be amor-  
24 tized by the energy savings, at current energy cost, over the next 10  
25 years; or

26 (2) no combination of energy conservation devices or tech-  
27 niques allowed under the class B residential energy conservation stan-  
28 dard can bring the residence into compliance with that standard.

29 Sec. 46.11.080. INSPECTIONS. The department may inspect buildings

1 to insure compliance with thermal and lighting energy standards and  
2 residential energy conservation standards.

3 Sec. 46.11.090. FINANCING OF ENERGY EFFICIENT HOMES AND BUILDINGS.

4 (a) A financial institution shall take into consideration the economic  
5 benefits of renewable energy sources, energy efficient building design,  
6 and energy conservation when financing homes and buildings.

7 (b) A financial institution that makes home mortgage loans shall

8 (1) require that heating and lighting costs be reported in  
9 housing appraisals;

10 (2) include estimated heating and lighting costs in standard  
11 principal, interest, taxes and insurance calculation of the cost of  
12 buying a housing unit.

13 (c) By January 1 of each year each financial institution that  
14 makes home mortgage loans shall provide the commissioner with a report  
15 that includes the following information:

16 (1) how the institution's home mortgage underwriting criteria  
17 takes into consideration the energy cost of a home to be financed;

18 (2) a description of loan programs available through the  
19 institution which may be used for energy conservation purposes, in-  
20 cluding, but not limited to, retrofitting of a building to higher  
21 thermal efficiency standards, and the installation of renewable energy  
22 systems,

23 (3) a description of programs designed to encourage energy  
24 conservation investments, including, but not limited to,

25 (A) marketing strategies designed to increase consumer  
26 awareness of the advantages of energy conservation investments;

27 (B) loan programs to cover the costs of upgrading homes  
28 to higher thermal efficiency standards;

29 (C) loans to small businesses engaged in providing

1 energy conservation devices, measures, or technology, or in de-  
2 veloping local or renewable energy sources.

3 (d) The commissioner shall adopt regulations in accordance with  
4 the Administrative Procedure Act (AS 44.62), requiring that life cycle  
5 cost of a commercial or industrial building or facility which receives  
6 state financial assistance be analyzed by the department.

7 (e) In this section

8 (1) "financial institution" means a bank, trust company,  
9 savings bank, savings and loan association, or credit union;

10 (2) "life-cycle cost" means the total cost of owning, opera-  
11 ting, and maintaining a building over its useful life, including its  
12 energy and fuel costs, determined on a basis of a systematic evaluation  
13 and comparison of alternative building systems, except that in the case  
14 of leased buildings the life-cycle cost shall be calculated over the  
15 effective remaining term of the lease.

16 Sec. 46.11.200. DEFINITIONS. In this chapter

17 (1) "commissioner" means the commissioner of commerce and  
18 economic development;

19 (2) "department" means the Department of Commerce and Eco-  
20 nomic Development;

21 (3) "state financial assistance" means a loan, grant, guaran-  
22 tee, insurance, payment, rebate, subsidy, or other form of direct or  
23 indirect state assistance (other than aid under AS 43.18), including the  
24 purchase by a state agency of a loan to finance the construction of a  
25 new residential or commercial building;

26 (4) "thermal and lighting energy standards" means the thermal  
27 and lighting energy standards established by the American Society of  
28 Heating, Refrigeration, and Air Conditioning Engineers (ASHRAE 90-75R).  
29