2-18-10 Alaska Heating Assistance Programs

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ALASKA HEATING ASSISTANCE PROGRAMS

PROGRAMS

- **LIHEAP** – Low Income Home Energy Assistance Program
  - SOA served 10,983 households in FY 2009
  - Tribal Organizations served 6,833 households in FY 2009
  - For households with income up to 150% of poverty

- **AKHAP** – Alaska Heating Assistance Program
  - SOA served 2,047 households in FY 2009
  - Tribal Organizations served 339 households in FY 2009
  - For households with income 151% to 225% of poverty
  - FY 2009 was the first year of this program

- **A total of 20,191 households received assistance in FY 2009 through HAP and tribal organizations. This includes LIHEAP or AKHAP recipients.**

PROGRAMS

- Both are statewide programs
- The Division's Heating Assistance Program (HAP) office in Juneau serves 163 communities.
- Tribal organizations serve 120 communities.

TRIBAL LIHEAP

- Eleven tribal organizations administer heating assistance programs in Alaska in their respective service areas. All administer LIHEAP.
  - Aleutian/Pribilof Island Association (APIA)
  - Association of Village Council Presidents (AVCP)
  - Bristol Bay Native Association (BBNA)
  - Kenaitze Indian Tribe (KIT)
  - Kodiak Area Native Association (KANA)
  - Kuskokwim Native Association (KNA)
  - Orutsararmiut Native Council (ONC)
  - Seldovia Village Tribe (SVT)
  - Tanana Chiefs Conference (TCC)
  - Tlingit-Haida Regional Housing Authority (THRHA)
  - Yakutat Tlingit Tribe (YTT)
- Tribal LIHEAP accounts for about 36% of the total block grant.

TRIBAL AKHAP

- Eight of the eleven tribal organizations administer a regional AKHAP.
- The state serves AKHAP eligible households living in the service areas of the Seldovia Village Tribe, Yakutat Tlingit Tribe and Kodiak Area Native Association.
- Tribal organizations receive their funding through a state grant.
- Tribes administer approximately 31% of the AKHAP funding.

ELIGIBILITY

- Must be residing in AK in the community listed in the address on the application.
- Must be living in the home for which you are applying for assistance.
- Available to renters and homeowners.
- Gross income must be less than $41,352 for a family of four to qualify under LIHEAP.
- Gross income must be less than $62,028 for a family of four to qualify under AKHAP.
- Must have heating costs of $200 a year or more.
- Some (not all) residents living in subsidized housing may qualify.

AWARD DETERMINATIONS

- Payments are based upon information provided by the client on their application and the Community Heating Points calculated for applicant's community.
- Contributing factors include heating degree days, fuel type used by the household, type of dwelling the household resides in, and family size and income.
- One extra point is given if an elderly, disabled, or child under 6 years of age live in the household. Only one point total (not one for each).
- The total number of points awarded to the household is multiplied by the price per point to determine the monetary award.
- In FY 2009 the State paid $316 per point. FY 2010 are based on $115 per point.

OUTREACH ACTIVITIES

- Radio spots ran across the state on the Alaska Public Radio Network and the Alaska Broadcast System. Ads ran in October, November and January
- Display ads ran in *Senior Voice* in October, November, January and March
- A two-sided informational flyer explaining the program and income guidelines was mailed to all households who receive any type of public assistance through the state. A list of the tribal organizations and their service areas is on the back side of the flyer.
- Seasonal start-up packets including applications, posters and informational materials were sent 700 entities including vendors, fee agents, concerned agencies, DPA offices, and legal services.
- Applications were pre-mailed to applicants from the previous year in August and September.

PROGRAM YEAR TIMELINE

- August & September - Applications are pre-mailed to award recipients from the previous season including elderly and disabled households.
- October 1 - Program opens to the general public.
- November 1 - First benefit checks issued
- April 30 – Last day to submit an application.
- November 1 through April 30 - Expedite/Emergency Processing Requests accepted.
- May or June – Supplements issued if there is sufficient funding to do so.

2010 Stats YTD

SOA HAP Only

- 12,260 applications received to date more are received every day. The last day to apply is April 30.
- 5,921 LIHEAP households were eligible for awards totaling the $5,040,431 for an average benefit of $851.
- 1,126 AKHAP households were eligible for 514,130 for an average benefit of $457.
- Prevented disconnects and/or enabled reconnects for 677 households since November 2.

Community List

"*" Indicates the tribe serves Alaska Native/American Indians only
"0" Indicates the tribe serves all residents
"+" Indicates the State serves for AKHAP & tribes serve for LIHEAP
All remaining communities served by the state of Alaska

Zip Code	Community Name	Served By	Points Oil / N Gas
99502	Adak (Station)	/	06/00/
99615	Akhiok	*+/KANA	08/00/
99551	Akiachak	0/AVCP	21/00/
99552	Akiak	0/AVCP	21/00/
99553	Akutan	*/APIA	11/00/
99554	Alakanuk	0/AVCP	21/00/
99790	Alatna	0/TCC	27/00/
99555	Aleknagik	0/BBNA	13/00/
99695	Alexander Creek	/	07/00/
99720	Allakaket	0/TCC	27/00/
99786	Ambler	/	35/00/
99721	Anaktuvuk Pass	/	16/00/
99556	Anchor Point	/	06/00/
99501	Anchorage	/	08/05/
99744	Anderson	*/TCC	11/00/
99820	Angoon	*/THRHA	08/00/
99557	Aniak	0/KNA	21/00/
99920	Annette	/	06/00/
99558	Anvik	0/TCC	19/00/
99722	Arctic Village	0/TCC	32/00/
99547	Atka	*/APIA	06/00/
99559	Atmautluak	0/AVCP	19/00/
99791	Atqasuk	/	24/00/
99821	Auke Bay	*/THRHA	05/00/
99723	Barrow	/	21/06/
99724	Beaver	0/TCC	24/00/
99695	Beluga	/	07/00/
99559	Bethel	0/ONC	16/00/
99790	Bettles	0/TCC	29/00/
99652	Big Lake	/	07/05/
99790	Birch Creek	0/TCC	27/00/
99790	Boundary	0/TCC	
99785	Brevig Mission	/	23/00/
99727	Buckland	/	33/00/
99729	Cantwell	/	11/00/
99790	Canyon Village	0/TCC	
99730	Central	0/TCC	23/00/
99788	Chalkyitsik	0/TCC	28/00/
99790	Chandalar	0/TCC	
99695	Chaniliut	0/AVCP	
99695	Chase	/	08/00/
99561	Chefornak	0/AVCP	20/00/
99790	Chena Hot Springs	/	11/00/
99574	Chenega Bay	/	08/00/
99563	Chevak	0/AVCP	25/00/

FY 2010 HAP Awards
Gallons of Fuel Covered By Award

Community	Av. CHP[1]	Fuel Oil $/Gal.[2]	Est. Avg. HH Award[3]	Est. # Gal.
Anchorage	6	$2.95	$ 690	234
Fairbanks	9	$3.07	$1,035	337
Juneau[4]	5	$3.18	$575	181
Noorvik	23	$5.28	$2,645	501
Chitina	6	$3.99	$690	173
Nome	13	$4.38	$1,495	341
Shishmaref	24	$5.25	$2,760	526
Homer	5	$2.88	$575	200
Ouzinkie	5	$3.49	$575	165

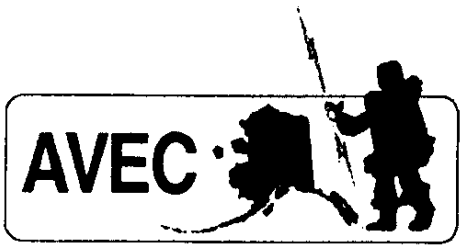
Price per CHP is $115[4]

[1]Average CHP - Based on 2010 ytd approved Heating Assistance Applications (through 2-15-10)

[2]Fuel Oil Price from CDRA "Current Community Conditions: Fuel Prices Across Alaska January 2010 Update" all communities except Anchorage and Nome. Anchorage price is from Crowley Petroleum and Nome price is from Bonanza Fuel in Nome - quoted on 2-17-10

[3]Est. Avg. HH Award - Estimated award for average household based on the average number of Adjusted CommunityHeating Points for the community multiplied by calculated dollar value per CHP

[4]Price per point based upon an estimated statewide average CHP of (9), the projected number of eligible households (13,000) and the amount of appropriation available for the HAP Unit's portion of FY 2010 LIHEAP block grant ($16.3 M)



House Energy Committee
February 18, 2010

1. **Strengths and weaknesses of delivering energy-related services to rural Alaska.**

Energy related services are two-fold – electricity and liquid fuels. Nowhere in the modern world are residents of hundreds of communities as economically and situationally disadvantaged as are rural Alaskans. Communities are extremely small (from less than 40 to a few thousand, with more than 200 being smaller than 500) and spread out geographically over a vast and inhospitable terrain.

The generation and distribution of electricity is a complex system, yet such systems are operated on an isolated basis in virtually every location. The state attempts to provide a modest level of technical support for stand-alone communities but such services fall dismally short as a stand-in for competent local operations.

Per capita electricity consumption in rural Alaska is about 50% of that in urban Alaska, reflecting classic price elasticity. The high cost of electricity is compensated for through conservation, leaving little for additional conservation measures.

Petroleum fuels represent 2/3 to ¾ of the energy consumed by Alaskans and drive the enormous cost that energy represents in the average rural Alaskan budget. Again, the miniscule local market necessarily results in very high local fuel costs. There is currently much confusion about implementation of ULSD rules in rural Alaska.

I see very few strengths in the rural Alaska energy situation, however one of those would be virtual immunity to terrorism/cyber-attacks.

The weaknesses are:

- Extremely small markets
- Very high investment per consumer for electric systems
- Modest human capacity for highly technical generation systems – especially alternative/renewable energy systems

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- Market isolation resulting in vulnerability to extended outages due to storm and other conditions
- Conservation and efficiency efforts resulting in further compression of already marginal 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 towards better opportunities

2. **Tools the legislature could provide to help in delivering that service.**

The legislature needs to adopt and fund an aggressive plan to connect Alaskan communities to a common grid – in some cases physical, in many cases virtual. Consolidation of power generation systems will deliver:

- Lower operating costs as numbers of generation units decrease
- Higher efficiencies as larger generators are typically more efficient
- Better economies of scale to spread fix costs over
- Ability to pay more to attract higher caliber staff
- Higher capacity to incorporate renewable technologies as transmission lines make more prospects viable

The legislature, working with private industry, needs to aggressively assure broadband Internet access across rural Alaska. The lack of true commercial grade service has severely hampered operation of management and control capability for extremely sophisticated control systems necessary to properly integrate renewable/alternative energy technologies in rural Alaska.

The legislature needs to ensure that a comprehensive communication plan is developed to assist rural Alaska in complying with EPA rules regarding conversion to ULSD.

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