

04/02/15

**ALASKA ENERGY
ISSUES &
POLICY: AHAA,
RURAL CAP,
ACDC, INTERIOR
WEATHERIZATION
INC.**

<TARGET><BILL></BILL><SUBJECT>04-02-15 ALASKA ENERGY ISSUES
and POLICY AHAA, RURAL CAP, ACDC, INTERIOR WEATHERIZATION
INC.</SUBJECT><COMM>SNRG29</COMM></TARGET>



**ASSOCIATION OF
ALASKA HOUSING AUTHORITIES**

Building communities, empowering Alaskans.

March 16, 2015

Senate Committee on Energy

Senator Click Bishop, Co-Chair
State Capitol Room 115
Juneau, AK 99801

Senator Peter Micciche, Co-Chair
State Capitol Room 514
Juneau, AK 99801

Dear Senate Committee on Energy Co-Chairs,

Energy issues permeate all aspects of life in Alaska. The high cost of energy and implementing successful strategies to address the consequences of these costs, particularly in rural Alaska, has been an on-going statewide concern and Legislative priority. The Walker Administration has also expressed its interest in addressing energy issues as a top priority.

The 14 regional housing authorities represented through the Association of Alaska Housing Authorities (AAHA), along with our statewide counterpart energy program providers, Rural Alaska Community Action Program (RuralCAP), Alaska Community Development Corporation and Interior Weatherization, Inc., have long been at the forefront of delivering energy efficiency related programs and services to thousands of Alaskan families and communities in virtually every corner of the state.

These 4 entities noted above would like to respectfully request an opportunity to appear before the Senate Committee on Energy to communicate our collective, statewide contributions and impact on Alaska energy issues and policy. While our primary focus would be on activities related to energy efficiency and our collective role in advancing statewide energy policy related interests, our impact is much broader than this and extends to community economic development, infrastructure, workforce development and other related interests.

We are aware that our close partner, AHFC, has been given many opportunities to come before the Committee to discuss its energy related programs and statewide energy policies in general. However, although semi-autonomous, AHFC is part of the Administration. We are "the boots on the ground," actually administering the programs and producing the impressive results that have been achieved, particularly as to the Supplemental Housing Development and Weatherization Programs. We believe we can bring a very different perspective to the table that will help in future Committee deliberations as to both energy policy and related resource allocation issues.

Our request can be coordinated through AAHA's Statewide Administrator, Colleen Dushkin. Ms. Dushkin's office is located at AHFC headquarters in Anchorage. Contact: cdushkin@aahaak.org; 907-338-3980.

Sincerely,

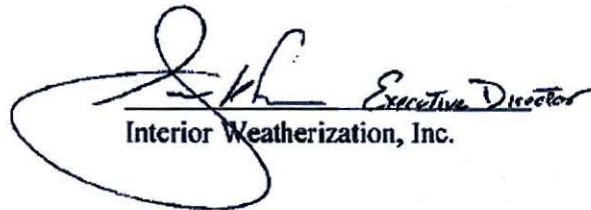

on behalf of,

Teri Nutter, President
Association of Alaska Housing Authorities



Mitzi Barker,
RuralCAP


ACDC


Executive Director
Interior Weatherization, Inc.

cc: AAHA Board of Directors
Senator Lyman Hoffman, Senate Committee on Energy Member
Senator Bert Stedman, Senate Committee on Energy Member
Senator Dennis Egan, Senate Committee on Energy Member

Senate Special Committee on Energy

April 2, 2015

Association of Alaska Housing Authorities,
Alaska Community Development Corporation,
Interior Weatherization, RurAL CAP



**ASSOCIATION OF
ALASKA HOUSING AUTHORITIES**

Building communities, empowering Alaskans.



**Alaska Community
Development Corporation**

Providing healthy, safe and energy efficient housing for Alaskans.



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INTERIOR WEATHERIZATION, INC.



**RURAL ALASKA COMMUNITY
ACTION PROGRAM, INC.**

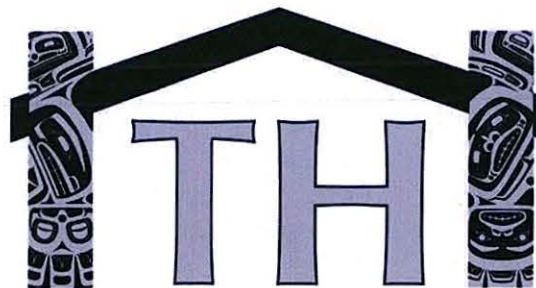
Introductions

- Carol Gore, Cook Inlet Housing Authority, President/CEO
- Craig Moore, Tlingit-Haida Regional Housing Authority, V.P. Planning & Development
- David Hardenbergh, RurAL CAP, Executive Director
- Etta Kuzakin, King Cove Resident, Agdaagux Tribal Council President

Craig Moore

Tlingit-Haida Regional Housing Authority,

V.P of Development & Construction Management



Regional Housing Authority

David Hardenbergh

Rural Alaska Community Action Program,
Executive Director



**RURAL ALASKA COMMUNITY
ACTION PROGRAM, INC.**

Carol Gore

Cook Inlet Housing Authority,
President/CEO



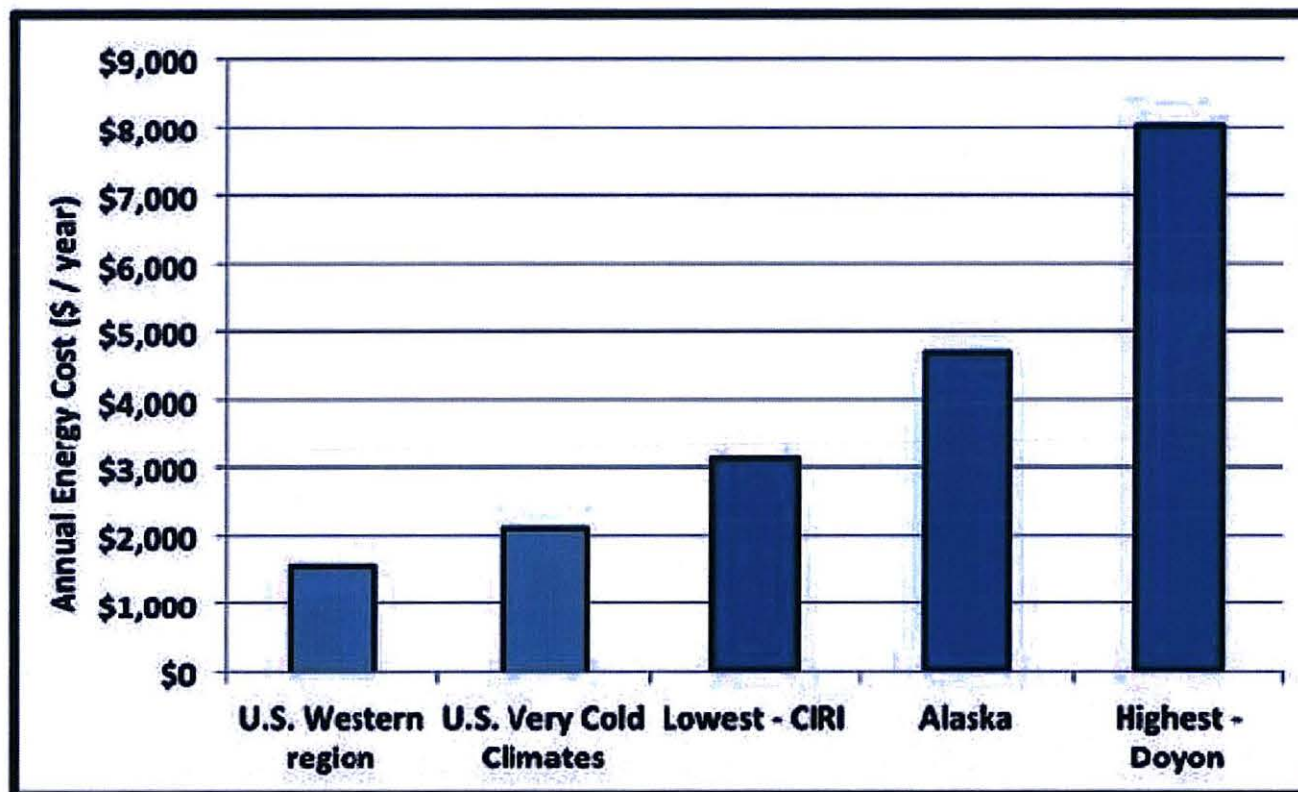
Alaska's Energy Policies at Work



Mission: To create housing opportunities that empower our people and build our community



Figure 11: Annual Energy Cost in Alaska vs. National Residential Energy Consumption Survey Estimates



Supplemental Housing Development Grant Program

- Provides safe, energy efficient housing
- Energy-efficient design and construction
- Limited State investment (20% of costs or less)
- RHAs have built and rehabilitated 11,700 homes in 250 Alaskan communities

Rural Alaska



Federal IHBG Funds
17%

Federally Guaranteed
Commercial Bank Loan
70%

SOA Supplemental Housing
Development Grant
15%

Tagiugmiullu Nunamiullu Housing Authority, Barrow

Urban Alaska



Grass Creek North

PROMOTING INDEPENDENCE THROUGH HOUSING



3
3
1
4



Thank you

Carol Gore
President/CEO

Cook Inlet Housing Authority

© Ken Graham Photography.com

PROMOTING INDEPENDENCE THROUGH HOUSING

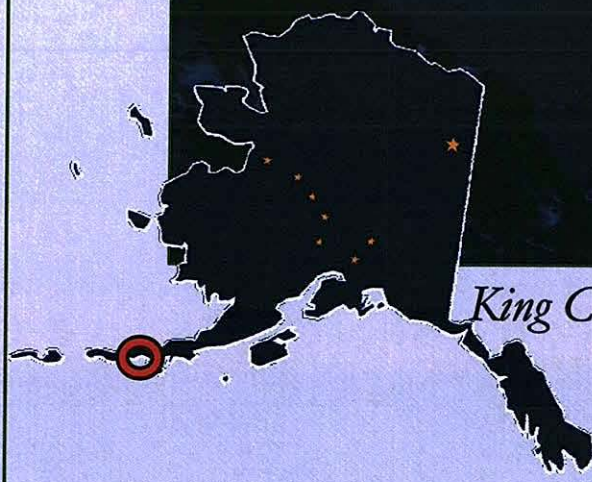


Rural Perspective

Etta Kuzakin

- Resident of King Cove
- Agdaagux (Ah-dog-o)
Tribal Council President
- Weatherization Recipient





King Cove is located on the south side of the *Alaska* Peninsula



A different view

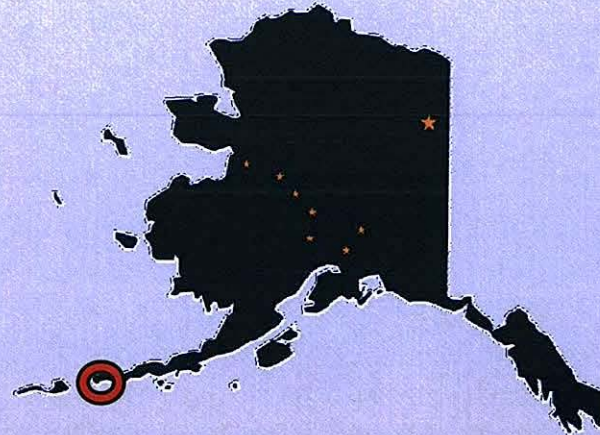
The Aleut people have lived in this remote area of the *Alaska* Peninsula for more than 4,000 years.

~City of King Cove



Atka

Post Weatherization
Average Client Savings **42%**



Agnes Gould
Weatherization Client

“Before the work was done on my home, I was going through 200 gallons of fuel a month. After they installed the new heating system, windows and insulation, I now use about half of that.”



Thank You!!!



**PREPARED STATEMENT OF CAROL GORE
President/CEO of Cook Inlet Housing Authority
Serving the Cook Inlet Region of Southcentral Alaska**

**TO THE ALASKA SENATE
SPECIAL COMMITTEE ON ENERGY**

“ALASKA’S ENERGY POLICIES AT WORK”

April 2, 2015

Co-Chairs Bishop and Micciche, distinguished members of the Special Committee on Energy, thank you for the opportunity to speak with you briefly this morning regarding the important work being done on the State’s behalf through its energy efficiency programs.

My name is Carol Gore. For fifteen years, I have been privileged to serve as the President and CEO of Cook Inlet Housing Authority, which serves most of Southcentral Alaska. During that time, I have learned a great deal about the relationship between energy consumption, housing affordability, and fiscal responsibility at both the household and statewide levels.

No organization has done a better job of summarizing the data on energy consumption and housing affordability than the Alaska Housing Finance Corporation, which in 2014 released its Alaska Housing Needs Assessment. We all know that Alaskan homes use more energy than homes in the Lower 48. Yet it is startling to learn how much more energy we use. On average, housing in Alaska uses more than twice as much energy as housing located in *cold climate* regions in the Lower 48 and nearly three times as much energy per square foot as the national average.

Why is our energy consumption so high in Alaska? Because of a combination of extreme climate and poor quality housing stock. Most of Alaska’s housing stock is not energy efficient, having been hurriedly built during the pipeline boom in the 1970s and 1980s. In Anchorage, which has some of the best quality housing in the State, the average energy rating of the 33,000 homes built in the 70s and 80s is 2-Star-Plus to 3-Star. The 14,400 homes built between 2000 and 2011 average 4-Star-Plus. Statewide, nearly 20,000 homes have an energy rating of 1-Star, the lowest energy rating a home can have.

As you know, energy costs are also higher in Alaska. In Southcentral Alaska, which has the most affordable energy in the state, residential energy costs are 50% greater than in “cold climate” regions in the Lower 48. In the Interior, energy costs are more than four times higher than in the colder portions of the Lower 48.

Across Alaska, high energy costs combined with high energy consumption have put a financial squeeze on both Alaska families and the State itself. Families in Interior Alaska, for example, pay on average more than \$8,000 per year in energy costs. The State bears a significant fiscal burden due to energy costs and consumption, in part through programs like Power Cost Equalization and the Heating Assistance Program.

In 2013, at the Legislature's request, Economists from UAA's Institute of Social and Economic Research (ISER) evaluated different approaches to addressing Alaska's energy challenges. ISER found that energy efficiency programs were the most conservative and cost effective option, saving both energy and money, creating short-term and permanent jobs, and yielding a timely and low-risk return on state dollars. ISER's Sue Libenson wrote in an Alaska Dispatch News article, "Few other programs have demonstrated the capacity to reduce costs for Alaska and create jobs to this degree. These programs have statewide impacts and have saved Alaskans millions of dollars."

The Supplemental Housing Development Program

In particular, I would call the Committee's attention to a small but highly impactful program administered through the Alaska Housing Finance Corporation, called the Supplemental Housing Development Grant Program. The program is designed to encourage the delivery of safe, energy-efficient housing throughout Alaska. Supplemental Housing Development Grant Funds can be used for energy efficient design features, electrical distribution systems, on-site water and sewer facilities, and road infrastructure.

The State's investment of Supplemental Housing Development funds is limited. By statute, the program may fund no more than 20% of development costs for any project. Historically, the recipients have matched every dollar of Supplemental funding with five additional dollars. The program has been widely successful; Alaska's Regional Housing Authorities have used Supplemental Housing Development grants to attract other funding investments, allowing them to build and rehabilitate 11,700 homes in more than 250 Alaskan communities.

In Rural Alaska

The State's Supplemental Housing Development program plays a critical role in ensuring that housing built and rehabilitated in rural Alaska is energy efficient. Alaska is one of 12 states that do not have a mandatory building energy code that meets 2006 International Energy Conservation Code. However, the use of Supplemental Housing Development Grant funds triggers compliance with Alaska's Building Energy Efficiency Standard (BEES) program, which is administered by AHFC. In rural parts of the state that do not have energy efficiency building standards, the program both triggers energy efficiency requirements and helps to fund some of the costs of energy efficient design and construction.

The Supplemental Housing Development program represents a proportionately small investment of State funding when compared to non-State sources. In Rural Alaska, however, that investment insures that the housing being built and rehabilitated is energy efficient, more economical, and lasts longer. This, in turn, reduces dependency on programs like Power Cost Equalization and the Heating Assistance Program.

The impact of the Supplemental Housing Development program is clear throughout rural Alaska. Based in Barrow, Tagiugmiullu Nunamiullu Housing Authority ("TNHA") serves Alaska's northernmost communities. Recognizing the harshness of their climate, TNHA launched their *Sustainable Northern Shelter Project* to address the need for sustainable rural housing that uses simple construction techniques and results in dwellings that use very little energy. TNHA's sustainable Northern Shelter model combines the time-tested method of earth banking with numerous innovative design and construction techniques such as spray-on soy-based urethane foam insulated walls. The result is the production of homes that are designed to last 100 years or more and use just 18% of the heating fuel consumed by typical homes in the same climate.



Sustainable Northern Shelter

Funding Sources	Amount
Federal Indian Housing Block Grant Funds	\$ 1,671,180
Federally Guaranteed Commercial Bank Loan	\$ 6,672,170
Alaska Supplemental Housing Development Grant	\$ 1,478,468
Percentage of State Funds in Project	15%
Total Project Funds	\$ 9,821,818

Another example of the importance of the Supplemental Housing Development program can be found in the village of Hooper Bay. In 2006, the community was ravaged by a fire, which destroyed much of the available housing. AVCP Regional Housing Authority sought to quickly rebuild, but they wanted to construct quality, energy efficient housing that would withstand the harsh climate and limit energy consumption. A Supplemental Housing Development grant made it feasible to build 19 new, energy efficient homes in Hooper Bay, even though the State's total investment in the project was only 1/5 of the project costs. The remaining 80% of funds came from HUD and federal housing tax credits.



The 2006 Hooper Bay Fire



New, Energy Efficient Housing in Hooper Bay

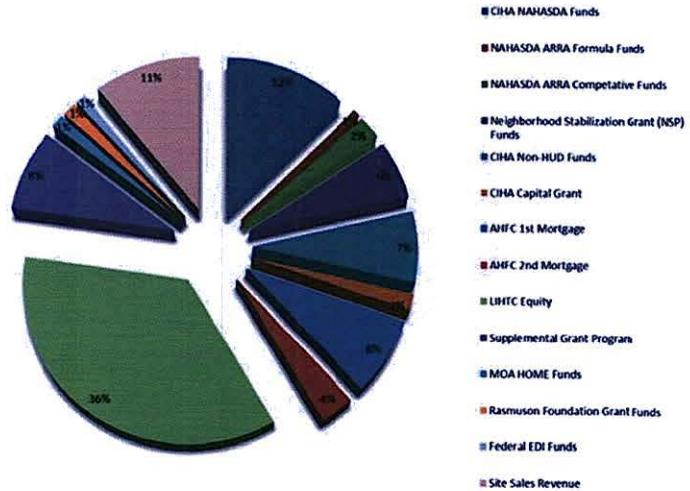
The impacts of the Supplemental Housing Development program in rural Alaska extend beyond housing. Because the program is often used to close funding gaps and advance developments that are otherwise infeasible, it has significant labor force impacts throughout Alaska. The Regional Housing Authorities employ more than 1,000 Alaskans, and their activities support the employment of 2,250 Alaskans in total.

In Urban Alaska

The impact of the Supplemental Housing Development program is not limited to Rural Alaska. It has had a substantial and lasting impact in urban communities as well.

In Anchorage, Cook Inlet Housing Authority is moving forward with a development called Grass Creek North, a multi-phase development in East Anchorage that will consist of 100 apartment homes for families and seniors. Because of the availability of Supplemental Housing Development funds, all homes in Grass Creek North will be built to new 6-star energy efficient design standards.

In urban communities, the Supplemental Housing Development program helps RHAs to secure federal and other non-state resources to develop and rehabilitate housing to energy efficient standards. For example, in Anchorage’s Mountain View neighborhood, Cook Inlet Housing Authority has since 2002 facilitated approximately \$88 million in energy-efficient housing development and redevelopment. The State’s portion of that investment, excluding Alaska Housing Finance Corporation debt, was just 8%.



Projects are being built today that could not advance without modest investments of State Supplemental Housing Development funds. For example, Creekview Plaza 49 is a mixed-used commercial/residential development that will break ground in East Anchorage this spring. It will provide 49 units of energy efficient senior housing and 6,600 square feet of retail space. Supplemental grant funding is just 11% of the total project funding, but the project could not have been built without that investment. Projects like Creekview Plaza 49, made possible by a relatively modest state investment of Supplemental Housing Development Grant funds, have also proven to stimulate economic development. In Mountain View, for example, such developments have attracted dentists, telecommunications outlets, restaurants, and a credit union.



Creekview Plaza 49

Again, I extend my sincere appreciation to the Co-Chairs and Members of the Senate's Special Committee on energy for the opportunity to appear today. I look forward to addressing any questions you may have.

Senate Special Committee on Energy
Hearing on the Weatherization Program
April 2, 2015

David Hardenbergh, Executive Director
Rural Alaska Community Action Program, Inc.
731 East 8th Avenue
Anchorage, AK 99501
907-244-0482

Good afternoon. My name is David Hardenbergh and I am the Executive Director of the Rural Alaska Community Action Program, also known as RurAL CAP.

I'd like to thank Senator Micciche and Senator Bishop, Co-Chairs of the Senate Special Committee on Energy, and the other members of the committee for the opportunity to speak to you today about the measurable results and tremendous impact of the Weatherization program.

The State of Alaska's investment in the Weatherization program, which is administered by the Alaska Housing Finance Corporation, has a long history – indeed the original concept for what has now become a national program was born right here in Alaska, in the community of Fort Yukon in the 1970s.

Weatherization assistance provides income-eligible households with energy-efficiency improvements. The program saves money, saves energy, keeps people healthy, extends the life of the home, and creates skilled jobs. 70% of households served include a senior citizen or a person with a disability. More than half of the households served include children under the age of six.

One of the factors that makes the return on investment and energy savings so compelling in our state is that low-income Alaskans experience the highest energy burden in the country. Defined as the percentage of total family annual income spent on energy, the energy burden for low-income families in rural Alaska often exceeds 50% just for home heating fuel.

Thus, a program that reduces the amount of fuel needed to heat a home by 30% on a statewide average and more than 40% in much of rural Alaska can be life changing for a low-income family. Average rural families save more than \$2,300 a year on home heating fuel. Statewide, the average family saves \$1,300 a year after their home has been weatherized. And the amount of savings to a family budget increases to more than \$4,000 per year in those parts of the state where both fuel prices and energy burdens are highest.

The Weatherization program includes health and safety benefits ranging from smoke and carbon monoxide detectors to improved indoor air quality and the mitigation of mold and mildew problems. It improves Alaska's housing stock by adding more than 20 years to the life span of the average home weatherized.

AHFC has calculated that the aggregate return on investment from the Weatherization program is \$46 million in annual energy cost savings. And once a house is weatherized, these savings compound year after year with a total payback that exceeds the program costs.

The economic impact on local communities resulting from the Weatherization program includes wages paid to locally-hired crews and payments made to local vendors. Rural CAP works with dozens of local businesses in Anchorage and Juneau who provide materials and deliver services for the Weatherization program. Economists at UAA's Institute of Social and Economic Research found that energy-efficiency programs were the most conservative and cost-effective option for state energy policy, saving both energy and money, creating jobs, and yielding a timely and low-risk return on state dollars.

But perhaps the best view of this program is from the perspective of one of the more than 16,000 owners of homes weatherized since 2009. The following excerpts come from a letter shared by an Elder in Chevak where locally-hired crews completed work on 107 homes last year:

"I want to express my gratitude as a community Elder, as well as for the people of the community of Chevak. Houses were provided with new windows, doors, insulation, and ventilation to make our home environment safe for many years to come. With new painted homes, the old weathered houses look new once again which will improve the morale of the people. I know in my heart that many of the people are grateful for what you have done and what you are doing to help our community. As an Elder, I am more at peace in my home knowing my family will be warm and will save heating fuel. Our utilities have sky rocketed because of fuel costs. We will be able to withstand the cold winters and be comfortable in our home environment with our families. Quyanara for your hard work, God Bless you."
- John F. Pingayak

The Weatherization program has been operating in Alaska for decades at the intersection of energy efficiency and Arctic building science. It's a science-based, data driven program that consistently produces measurable results and an excellent return on investment.

For years, Weatherization has functioned like an operating fund program even though it is funded from the capital budget. As program providers, we recognize the need for fiscal austerity. We are willing to share in the painful process of further cutting the budget. But what we respectfully ask is that rather than cutting the program to \$6.6 million as in the Governor's budget, that you consider a cut of 27% from last year's level of \$27.5 million down to \$20 million. Our belief is that this would keep the program sustainable.

I'd like to close with a quote from an Elder in the village of Savoonga on Saint Lawrence Island. When asked what she thought about the work done on her home, she paused, and then replied, "*Good ... now I don't have to wear my slippers to bed anymore.*"

Thank you for your time.

Senate Special Committee on Energy
Hearing on the Weatherization Program
April 2, 2015

Craig Moore, Vice President of Planning and Development
Tlingit-Haida Regional Housing Authority
5446 Jenkins, Juneau AK 99802
907-780-6868

Good afternoon. My name is Craig Moore. I'm the Vice President of Tlingit-Haida Regional Housing Authority (THRHA) in Juneau. I oversee the Weatherization Program at the Housing Authority, as well as new construction and rehabs.

I want to thank Senator Micciche and Senator Bishop, Co-Chairs of the Senate Special Committee on Energy, and other members of the committee for the opportunity to speak to you today about the State's Weatherization Program, and the positive impact it has brought to our region.

THRHA serves rural communities in our SE Alaska region, from Yakutat in the north, to Hydaburg in the south, and many communities in between. Few programs that I have been involved with at the Housing Authority are as important to the well-being of our rural communities as the Weatherization Program. Since 2008, THRHA has received funding to weatherize 915 homes in our region. Yet there are still many that need this service. At an average cost per unit of \$11,000 per home, this is a significant infusion into our local economy, and has benefited our communities in far-reaching ways.

It has reduced heating costs for our residents. Most of our rural homes were not built to modern codes. They were poorly insulated, with high air leakage, resulting in high heat loss. Our energy assessors find many older rural homes are in the 1 to 2 Star range. They are typically heated with fuel oil. Some are heated with wood. There is no natural gas heating in SE. We find there are huge opportunities for energy saving just by airsealing against heat loss, adding insulation to floors and ceilings, servicing and tuning heating systems, and in some cases replacing failed or very inefficient heating systems with new, energy efficient systems. We can often raise these old homes to 3 or 4 Star ratings with our limited budget.

It has provided healthier homes for our families. Our trained assessors use blower door tests, combustion analyzers, backdraft testing, IR cameras, fan flow measurements, and their trained eyes to test and identify health hazards in the homes. We then take measures to reduce health hazards from carbon monoxide, mold and mildew, poor indoor air quality, and fire hazards. This program is one of the most effective for providing healthier, safer homes.

It has provided much-needed jobs in our economically-depressed communities. These aren't glamorous jobs, they are hard work. But they provide welcome income for our young men and women. It helps them support their homes and subsistence lifestyles, and helps provide food and affordable shelter for their families and elders.

It has provided economic benefits to local businesses. Materials are purchased from local vendors. Contractors are hired for many weatherization services. Transportation companies benefit. Local stores benefit from the cash infusion from wage earners. All this helps sustain the local economies.

It has raised the level of knowledge in our workforce. Our crews receive training in building science, energy efficient construction, indoor air quality, and health factors in our built environment. Workers are trained to identify and seal heat loss bypasses in attics, floors and walls. They are trained to test and repair defective heating systems, and to call in heating contractor when failed systems need to be replaced. They test for adequate ventilation and install high quality fans for good indoor air quality. These skills and knowledge are invaluable in the villages, a benefit that carries forward into the future.

It helps slow the outmigration of village families. The jobs give young men and women in our villages the chance to earn good incomes and gain self-respect while they improve the quality of life for their elders. It makes their homes more affordable to operate. These all affect their decisions to stay in their beloved communities and not move to the larger urban hubs.

In Summary, I see all of these benefits of the Weatherization Program on a regular basis, and I am thankful to be a part of a program that positively affects so many people. All Alaskans know the tough budget decisions that the Legislature is facing this session. We urge you to consider the cost-benefits of the Weatherization Program, and the enormous beneficial impacts it has on our lower income Alaskan residents.

Thank you for this opportunity to testify on behalf of this excellent program.

Senate Special Committee on Energy
Verbal Testimony
April 2, 2015

Etta Kuzakin, President
Agdaagux Tribe of King Cove
18 Main Street
King Cove, Alaska 99612

Good morning, Senator Micciche, Senator Bishop and other distinguished members of this Committee. I want to begin by thanking you for the opportunity to speak with you today about the Weatherization Program.

My name is Etta Kuzakin. I am the President of the Agdaagux Tribe of King Cove. I am also the tribal board representative for the regional non-profit, Aleutian Pribilof Islands Association.

Perhaps most important for today's presentation, I am a recipient of the Weatherization Program and am proud to have this opportunity to share briefly how important this program has been not only myself and my family, but to so many other families and communities across Alaska.

Let me start by telling you a little bit about the great community of King Cove.

I have lived in King Cove all my life and I am currently employed by the school as a Site Tech. I married my high school sweetheart, also a life-long King Cove resident. Together we are raising our three beautiful daughters.

King Cove is located on the south side of the Alaska Peninsula, 625 miles southwest of Anchorage. Like many other Alaskan communities, King Cove has an active, federally recognized tribal government, an active and progressive municipal government, and a successful ANCSA village corporation. King Cove is also home to the federally recognized tribe of Belkofski.

King Cove is accessible only by plane or boat. Flights are served by a state-owned 3,500' long by 100' wide gravel runway. Gale force crosswinds are common, as the airport lies in a valley between two volcanic peaks.

Our economy depends primarily on the year-round commercial fishing and seafood processing industries. Although a mainstay of the local economy, as all of you are probably aware, the fishing industry has a history of severe economic "ups and downs" and many in my community, like most rural communities, struggle year to year to make ends meet.

Let me shift gears and take a few moments to give you my perspective on the Weatherization program.

It's AWESOME! I don't know how else to sum it up. I believe this perspective would be repeated by recipients and community leaders across the cross the state if they were given this

same opportunity to be with us today. I don't think you can underestimate how important the program has been to so many who have actually been able to benefit from it.

Sixty-one (61) homes have been weatherized in King Cove since the program began. Many of the homes received new high efficiency heating systems, doors, windows, improved ventilation and of course air sealing. The results have been incredible! Little did most of us realize how such a relatively small investment could have such a large impact in terms of energy efficiency, cash savings, comfort and improved health and safety.

For small communities with limited economies and financially struggling residents, this has been the ultimate "gift that keeps on giving!" In essence, this program has, for rural communities, been our mega-project when it comes to energy. While I can appreciate the pressing need to address the significant energy needs of those on the road system and in our large population centers, for rural off-road communities this has been the equivalent of our gas line project; or our Susitna dam project. Once a home is served the positive results are immediate and long-lasting.

Although precise numbers are still being calculated, it appears that average savings in diesel fuel not consumed and dollars staying within families and the community at-large has averaged around 35%. The \$80,000 to \$100,000 that was previously being spent annually solely on diesel fuel, is now available to our families to spend on other critical needs. This savings continues year after year. When multiplied by more than 16,000 homes the program has serviced across the state the overall statewide result is a staggering.

Another great program success in my region is Atka. Atka is a small, very remote community near the end of the Aleutian chain. Atka very carefully documented its 12 month pre-weatherization community fuel use and expenditures and 12 month post-weatherization use and expenditures for serviced homes (see Appendix). The result was an average of 43% savings in gallons consumed and dollars spent. Approximately \$4,100 per household on average!! Because of the high cost of living, Atka is struggling to keep families with children in the community. This program could be the difference between the community keeping the school open, or being forced to close it for lack of students.

When the local employment opportunities, job training, reduction in loss of residents, particularly families with children struggling with the high cost of living, and other secondary benefits are added to this direct community economic impact, it is hard to overestimate the importance of the program or imagine a program that has had a more direct significant impact on so many households and communities across the state.

Up on the screen is a picture of Agnes Gould. Agnes is a handicapped elder in my community whose home was weatherized this last year. She and her family are so grateful for the program. She has expressed to me not only how grateful they are for the reduction in utility bills, but how much more comfortable she is, how she feel healthier and basically, how her quality of life has been improved by the program.

She stated that "before the work was done on my home, I was going through 200 gallons of fuel a month. After they installed the new heating system, windows and insulation, I now use about half of that."

These sentiments are shared not only by the other (60) King Cove residents who have received weatherization, but I am sure by the thousands of other recipients across Alaska.

As Janet Wilson, a weatherization client from Sand Point has stated: "This program, in these bad economic times, is a Godsend."

In closing, I fully realize and appreciate the severe financial crisis the state is in, but in my humble opinion as a recipient of the program and a community leader, this is one program that needs to be prioritized and viewed as a critical and necessary investment by the state even in tough economic times. Continuing a strong, sustainable Weatherization Program, as documented in the ISER report, is sound economic and public policy.

Thank you for your time and this opportunity to discuss what I believe to be an amazingly successful program for the state. Thanks for your courage and wisdom to implement such a program in the first place. I only hope that you and your colleagues can find a way to continue the program at a level that allows the thousands of Alaskans still waiting patiently to be served the opportunity to receive the same benefits that I, Agnes and so many others have been so fortunate to receive. Again, thank you.

Atka, Alaska - Pre & Post Weatherization Analysis

10 Client Representative Sampling

Wx Client No.	Pre Weatherization			Post Weatherization			Savings					
	Annual Usage (gallons)	Annual Cost	Cost per gallon	Annual Usage (gallons)	Annual Cost	Cost per gallon	Annual Fuel Saving in gallons	Annual Cost Savings	Wx \$\$\$ Investment	Years to Break Even	5 Year Savings	10 Year Savings
15	885	\$7,071.00	\$7.99	583	\$3,964.40	\$6.80	302	\$3,106.60	\$16,164.93	5.20	-\$631.93	\$14,901.07
13	805	\$6,432.00	\$7.99	350	\$2,380.00	\$6.80	455	\$4,052.00	\$16,418.19	4.05	\$3,841.81	\$25,340.97
6	1,200	\$9,588.00	\$7.99	525	\$3,570.00	\$6.80	675	\$6,018.00	\$15,179.03	2.52	\$14,910.97	\$45,000.97
2	1200	\$9,588.00	\$7.99	620	\$4,216.00	\$6.80	580	\$5,372.00	\$17,119.29	3.19	\$9,740.71	\$36,600.71
12	1100	\$8,789.00	\$7.99	300	\$2,040.00	\$6.80	800	\$6,749.00	\$15,681.59	2.32	\$18,063.41	\$51,808.41
11	835	\$6,671.65	\$7.99	410	\$2,788.00	\$6.80	425	\$3,883.65	\$17,317.39	4.46	\$2,100.86	\$21,519.11
10	900	\$7,191.00	\$7.99	350	\$2,380.00	\$6.80	550	\$4,811.00	\$17,137.14	3.56	\$6,917.86	\$30,972.86
8	691	\$5,521.09	\$7.99	425	\$2,890.00	\$6.80	266	\$2,631.09	\$15,404.85	5.85	-\$2,249.40	\$10,906.05
7	712.5	\$5,692.86	\$7.99	510	\$3,468.00	\$6.80	203	\$2,224.86	\$16,538.25	7.43	-\$5,413.95	\$5,710.35
6	800	\$6,392.00	\$7.99	525	\$3,570.00	\$6.80	275	\$2,822.00	\$15,179.03	5.38	-\$1,069.03	\$13,040.97
Total												
10	9,129	\$ 72,937	\$7.99	4,598	\$31,266.40	\$6.80	4,531	\$41,670.20	\$162,139.69	3.9	\$46,211.31	\$255,801.47
Average												
	912.85	\$7,294		460	\$3,126.64		453	\$4,167.02	\$16,213.97		\$4,621.13	\$25,580.15

Summary

Per Household

Community Total

Average Weatherization Investment

\$16,213.97

\$162,139.69

Average Annual Savings

\$4,167.02

\$41,670.20

5-year Savings Average

\$4,621.13

\$46,211.31

10-year Savings Average

\$25,580.15

\$255,801.47

* Appendix

Weatherization Assistance: Working for Alaska

Alaska Weatherization Assistance Program



Weatherization Works for Consumers

- Saves money (\$1,300 per house per year)
- Saves energy (30% average per house)
- Keeps people healthy



Weatherization Works for Alaska

- Extends life of housing
- Creates skilled jobs

Since 2009, **16,728 homes** have been weatherized!

Weatherization Assistance Program vs. Home Energy Rebate Program

The **Weatherization Assistance Program** is **Out of Money**. The remaining amount of funding for the **Rebate Program** is not available to the income-limited **Weatherization Assistance Program**.

The **Weatherization Assistance Program** provides Alaska income-qualified households (without any out-of-pocket cost) energy efficiency improvements. Priority is given to Elders, those with disabilities and families with young children.



The **Home Energy Rebate Program** provides Alaska homeowners (regardless of income) up to a \$10,000 rebate for pre-approved energy efficiency improvements, including materials and contracted labor.

How Long Will it Take Before the Work is Completed?

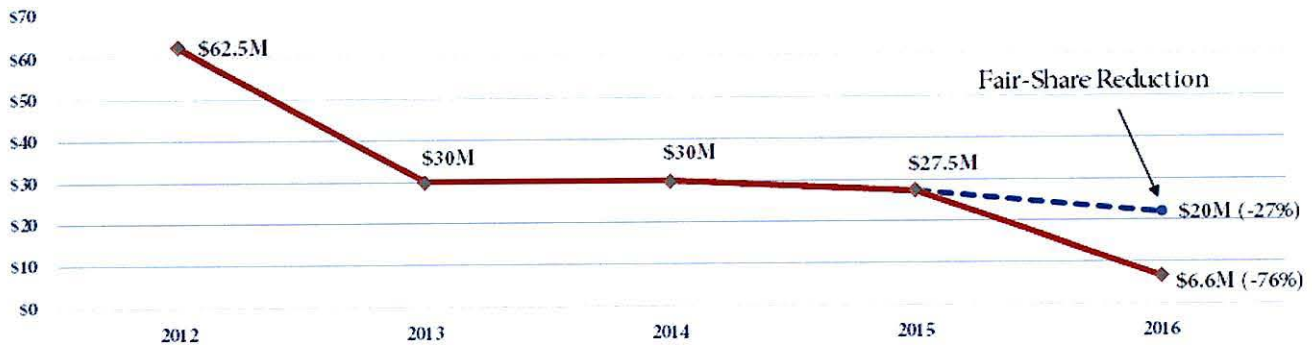
- At \$6.6 million per year, it will take us into the **next century** to weatherize the remaining 210,000 homes
- At \$22 million per year, it will take about **50 years** to weatherize the remaining 210,000 homes



Based on data from the Alaska Housing Finance Corporation

Alaskans Are Saving

Fair-Share Reduction Ensures a Sustainable Weatherization Program Reduction in line with those expected of similar programs



Alaskans Are Saying

“I want to express my gratitude as a community Elder, as well as for the people of the community of Chevak. **As an Elder, I am more at peace in my home knowing my family will be warm and will save heating fuel in which our utilities have skyrocketed because of fuel costs.** Qu yana for your hard work.”

-Chevak homeowner

“I wanted to acknowledge how grateful I am to receive your weatherization services. The improvements done with air quality and identifying heat leakage are items that I couldn't address myself, financially. It is good to know that any toxic fumes displaced by poor ventilation was taken care of. I shudder to think how many families are unknowingly poisoning their loved ones with back draft issues. **I suspect this program saves lives.**”

- Anchorage homeowner



Image from the Alaska Healthy Homes Initiatives' "Help Your Family To A Healthy House"

Alaska Weatherization Directors Association, Inc.

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The Association is a coalition of non-profit agencies who, since the 1970s, have partnered with the State of Alaska to deliver the Weatherization Assistance Program statewide and promote building science, retrofit practices, and consumer education that increase energy efficiency and reduce energy costs.