

HB

278

<target><bill>HB 278</bill><subject>HB
278</subject><comm>HENE26</comm></target>



Representative Chris Tuck

Alaska State Legislature

District 29 - Representing Dimond Estates, Foxridge, Taku, Southwood Manor, Campbell, and Independence Park

MEMORANDUM

Date: February 3, 2010

To: Representative Charisse Millett, Co-Chair
Representative Bryce Edgmon, Co-Chair
House Special Committee on Energy

From: Representative Chris Tuck

RE: **Hearing Request for HB 278 (Home Energy Voucher)**

I respectfully request that House Bill 278 (Home Energy Voucher) be scheduled for a hearing in the House Energy Committee.

HB 278 will make it easier for more Alaskans to live more comfortably and save money on their energy bills by participating in the state's home energy efficiency program. The bill will also help stretch State energy subsidies, by ensuring that heating dollars don't literally go out the window.

The following items are included in this packet:

- HB 287;
- Sponsor statement;
- Sectional;
- Affected statute; and
- Background.

Please contact my staffer, Aurah Landau, at 465-2095, aurah_landau@legis.state.ak.us with any questions.

Thank you for your consideration.

Year-Round
Phone (907) 269-0240
Toll-free (866) 465-2095
Rep.Chris.Tuck@legis.state.ak.us

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Rep. Chris Tuck

rep.chris.tuck@legis.state.ak.us
Phone: 465-2095 • Fax: 465-3810

Rep. Bob Herron

rep.bob.herron@legis.state.ak.us
Phone: 465-4942 • Fax: 465-4589

Rep. Neal Foster

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Phone: 465-3789 • Fax: 465-3242

Rep. Pete Petersen

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Rep. Reggie Joule

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Rep. Cathy Munoz

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SPONSOR STATEMENT

House Bill 278 – Home Energy Voucher

The existing home energy rebate program is successfully helping some Alaskan families improve their homes and save money on energy bills. Many homeowners, however, are stuck between earning too much to qualify for free weatherization and not having cash available to pay for energy efficiency work up front.

HB 278 will make it easier for more Alaskans to participate in the state's energy efficiency rebate program.

Right now, homeowners spend their own funds up front to pay for energy efficiency work. Up to \$10,000 may be reimbursed by the state, as certified by the final energy rating for payment. HB 278 would simply allow the homeowner to get a voucher which says the state is good for that same amount of money. The homeowner can use that voucher to work with contractors and supply shops who want to accept the voucher, to get energy efficiency work done without needing cash in hand.

HB278:

- Adds a voucher option to the current program which will assure that state payment is approved as soon as efficiency improvement requirements are met.
- Does not change the amount of payments, or the state's level of participation in the home energy efficiency program.
- Grants Alaska Housing and Finance Corporation discretion to administer the home energy voucher, just as it does with the current energy rebate program.

Many families have less discretionary cash on hand because of the tough economy, so HB 278 is designed to put energy efficiency opportunities at their fingertips. The payback is huge for Alaskans who can reduce their energy costs and live in more comfortable homes. HB 278 will also help stretch energy subsidies, by ensuring that heating dollars don't literally go out the window.

The home energy rebate program is also keeping Alaska's energy efficiency trades jobs growing. For example, orders for doors, windows and insulation are filling construction supply shops. Alaskan plumbers, electricians, heating suppliers, drywallers, and other contractors are keeping busy year-round with the work coming from residential home energy improvements.

Contact: Aurah Landau, Legislative Aide to Representative Chris Tuck, (907) 465-2095



Representative Chris Tuck

Alaska State Legislature

District 29 - Representing Dimond Estates, Foxridge, Taku,
Southwood Manor, Campbell, and Independence Park

HB 278 – HOME ENERGY VOUCHER SECTIONAL

Section 1 grants Alaska Housing and Finance Corporation the authority to offer home energy efficiency funds via a voucher mechanism.

Page 1, Lines 8-11

Codify the existing home energy rebate program

Page 1, Lines 13-14 and Page 2, Lines 1-4

Add the voucher capability, giving Alaska Housing and Finance Corporation discretion to develop implementing regulations that grant the voucher in a manner that ensures energy improvements are completed and the voucher is fulfilled by the correct parties.

Year-Round

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Representative Chris Tuck

Alaska State Legislature

District 29 - Representing Dimond Estates, Foxridge, Taku,
Southwood Manor, Campbell, and Independence Park

HB 278 – HOME ENERGY VOUCHER QUESTIONS & ANSWERS

Is there really a need for a voucher system?

- Anecdotally from working with constituents, we know that many homeowners have been hit pretty hard by the 2009 economic collapse. The families make too much to qualify for a low-income state weatherization program, but are dealing with high credit card debt, receding retirement accounts and investments, and, at times, negative equity in their homes.
- Those circumstances can make it pretty tough to pay several thousand dollars up front for efficiency upgrades, even with a state reimbursement likely down the road. Some families are going into high credit card debt and trying to keep afloat until they get reimbursed. That puts people in a dangerous situation. The people who need energy upgrades the most are ones already pinching dimes.
- AHFC is surveying people enrolled in the rebate program, and found that about 1/5 of the homeowners who haven't completed their energy work aren't doing it because they don't have the funds.
- If we extrapolate that out to the 28,000 people who have signed up for the energy rating, we know that we already have about 1620 homeowners who could use the voucher program.
- That doesn't even include the people who haven't applied for the rebate because they don't think they could squeeze a few thousand dollars out of their household budget.

Don't existing programs cover the need?

- No. Weatherization is income limited. Rebate requires people to have money in their pocket, which many folks don't have. The loan program is a second mortgage, and only about 100 people have done it around Alaska. It's understandable that many families might not want to take out a second mortgage, go through the paper work, have the impact to their credit rating, and more to just access a few thousand dollars for 18 months.

How does the home energy efficiency program work right now?

- The homeowner requests an energy rating by signing-up on the AHFC energy rating list. An energy rater will contact the homeowner and perform an As-Is energy rating of the

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home. The rating includes an Improvement Options Report listing specific improvement measures to increase the home's energy efficiency.

- The homeowner pays the rater and submits the completed rating reimbursement form (provided by the rater), with the required documentation, to AHFC, which will reimburse the homeowner up to \$325 of the As-Is rating cost. AHFC will set aside funds to cover up to \$10,000 for the pending energy-efficiency rebate.
- The homeowner then completes work on measures chosen from the Improvement Options Report within 18 months, and then requests a Post-Improvement rating by signing-up on the AHFC energy rating list.
- An energy rater will contact the homeowner to perform the rating. The homeowner pays the energy rater for the Post-Improvement rating and sends the required rebate documentation to AHFC.
- The homeowner receives a rebate from AHFC for some of the cost of the improvements, including up to \$175 for the Post-Improvement rating cost. The amount of the rebate is determined by the points and step increase in the home's energy rating, not to exceed actual expenditures supported.

How would HB 278 change things?

The only change is in giving a voucher to the homeowner which says the state is good for whatever amount of money is certified by the final energy rating for reimbursement. The homeowner can use that voucher to work with contractors and supply shops who want to accept the voucher, to get the work done without needing cash in hand.

How would a voucher system work?

The statute authorizing the energy rebate program is very general, and AHFC has done a great job developing procedures that implement the program to make it accessible and accountable. AHFC would do the same with this concept.

Here's an example of one of many ways that it could work: Once the final rating is done to certify energy gains and the amount available on the voucher, both the contractor/supply house and the homeowner have to sign off and the contractor/supply house gets the funds.

Who qualifies for the home energy rebate right now?

- Individuals who are not in the Weatherization Program.
- Owner-occupied, year-round residences.
- Homeowners pay upfront & are then rebated for making eligible improvements they choose.

- “Before & After” energy ratings required.
- Individuals may not participate in both the Weatherization Program and Home Energy Rebate Program.

Does the State have any liability for energy efficiency work that costs more than the final audit authorizes for voucher fulfillment?

- No. The State maintains the same role it currently has, with the homeowner taking full responsibility for making sound financial decisions on how to maximize energy improvements for the funds available.
- The voucher should certainly include language that spells out roles and responsibilities in a way that’s legally clear about liability.

What happens with expenses above those paid by the voucher program?

- Homeowners are responsible for all expenses not reimbursed by AHFC.
- Many homeowners are currently doing more work than is covered by the rebate. Contractors and supply shops will continue to choose which projects to accept. Those are their business decisions, and they’re best equipped to make them.
- Alaska House and Finance Corporation is expert at finding creative ways to ensure its programs are successful. As with the existing voucher program, AHFC will work with interested parties to implement a voucher program in the best manner possible.

Will contractors want to work with voucher clients?

- That’s up for each individual contractor to decide.
- Some contractors and supply yards would be fine with waiting a few extra days or months. Some wouldn’t. That’s a business decision that each company is best suited to make on their own.
- We definitely don’t want to tell folks how to run their businesses!

How long would it take to get the voucher fulfilled?

Currently, homeowners are reimbursed within 2-8 weeks of filing for the rebate. AHFC would certainly work to keep a voucher fulfillment timeline tight. Contractors or construction supply shops could include a voucher payment timeline in their contracts with homeowners, just as they do in any other contract.

Can we limit the types of contractors who can participate in the voucher program?

- We want to give homeowners the responsibility and latitude to get the energy work done in the way that suits them best. Some homeowners will choose to do the work themselves, and use the voucher to cover the cost of supplies. Others will choose contractors who best meet their needs, based on their individual situations.
- In addition, we want to give Alaska Housing and Finance the ability to administer a voucher program in the best way possible.

Do lumber yards and contractors have to become purchasing agents with the state or otherwise do lots of paperwork to get funds, if AHFC decides to set up the voucher program so that they are the ones getting the voucher fulfilled?

- No. For the state's receipt-based refund, including ours here in the Legislature for office accounts and the home energy efficiency program, all receipts are considered valid for payment to whomever they are owed to -- as long as the receipts are included in list of qualified expenses.
- The beauty of the home energy program is that the as-is audit provides a very tight list of what is considered qualified expenses. So, the voucher could be technically be fulfilled by anybody who turns in receipts associated with a particular home project.

How much funding is available for home energy efficiency?

- The Legislature appropriates funds for the home energy efficiency program every year.
- When a homeowner gets the energy rating, \$10,000 is encumbered for them. The average rebate to homeowners is roughly \$6,000. Once the homeowner completes the work and gets the rebate, then the unspent money goes back into the pool for the program.
- Right now, all current funds are encumbered so AHFC is only dispatching raters when funds become available.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 278
 () Publish Date: _____

Identifier (file name): HB278-REV-AHFC-3-8-10
 Title: ENERGY EFFICIENT HOME GRANT FUND
 Sponsor: Representative Tuck
 Requester: (H) Energy
 Dept. Affected: Revenue
 RDU: Alaska Housing Finance Corp.
 Component: Operations
 Component Number: 110

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
Personal Services	486.0		486.0	486.0	486.0	486.0	486.0	486.0
Travel	40.0		40.0	40.0	40.0	40.0	40.0	40.0
Contractual								
Supplies	5.0		5.0	5.0	5.0	5.0	5.0	5.0
Equipment	5.0		5.0	5.0	5.0	5.0	5.0	5.0
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	536.0	0.0	536.0	536.0	536.0	536.0	536.0	536.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
1103 AHFC Receipts	536.0		536.0	536.0	536.0	536.0	536.0	536.0
TOTAL	536.0	0.0	536.0	536.0	536.0	536.0	536.0	536.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time	7.0		7	7	7	7	7
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

House Bill 278 would establish a voucher system in the Alaska Housing Finance Corporation's current energy efficient home energy rebate program.

The best estimate by the Corporation is that implementing a voucher system between the AHFC, the homeowner and a contractor would require the hiring of four Grants Administrators and three Administrative Assistants. Including travel, equipment and supplies, this totals \$536,000.

Prepared by: Bryan Butcher, Director, Governmental Relations/Public Affairs Phone 330-8445
 Division: Alaska Housing Finance Corporation Date/Time 03-08-10; 2:28pm
 Approved by: Ginger Blaisdell, Director Date 03-08-10; 2:30pm
Administrative Services Division

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CHANGE IN REVENUES ()								
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 Division: Alaska Housing Finance Corporation Date/Time 03-08-10; 2:28pm
 Approved by: Ginger Blaisdell, Director Date 03-08-10; 2:30pm
Administrative Services Division

(Revised 11/6/2009 OMB)



KAWERAK, INC. • P.O. Box 948 • Nome, AK 99762

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T MICHAEL
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NALAKLEET
ALES
HITE MOUNTAIN

January 25, 2010

The Honorable Representative Neal Foster
Alaska State Legislature
State Capitol Building, Room 410
Juneau, AK 99801

RE: HB 278

Dear Representative Foster:

Kawerak, Incorporated is the regional Native non-profit organization providing services to 16 communities in the Bering Strait Region. One of the services Kawerak provides is to help each community identify their top priorities. The vast majority of these communities have identified "Housing" as one of their top three priorities. While the Alaska Housing Finance Corporation (AHFC) provides many services to rural Alaska, there are some programs that could be made more accessible.

House Bill Number 278, if passed, would be of benefit to the residents of this region. As you know, many people who would otherwise qualify for AHFC's rebate program are not in a financial position to afford the up to \$10,000 in construction costs participate in the program. These are people who typically make too much money to qualify for the low-income programs afforded by AHFC, yet are also not well off enough to afford the initial costs of retrofitting their homes – currently a requirement under the rebate program. We believe that a voucher system would increase the number of retrofitted homes in our region. Kawerak is thus in support of HB 278 and any other initiatives to make the AHFC programs more accessible. We also request that the Alaska State Legislature consider the lack of certified energy raters in our villages and seek a solution to rectify the situation since certified energy ratings are needed to participate in at least two of the AHFC programs.

Thank you for your work to increase the accessibility of the AHFC rebate program. Please keep us informed about the progress of this bill, and let us know if there are any other steps that Kawerak can take to support your efforts.

Sincerely,

KAWERAK, INCORPORATED

Melanie Edwards,
Executive Vice President



AARP Alaska
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March 8, 2010

The Honorable Bryce Edgmon, Co-Chair
House Energy Committee
Alaska State Capitol, Room 416
Juneau, AK 99801-1182

The Honorable Charisse Millet, Co-Chair
House Energy Committee
Alaska State Capitol, Room 412
Juneau, AK 99801-1182

RE: HB 278 (Tuck, Munoz, Peterson, Herron, Joule, Foster)--Support

Dear Co-Chairs Edgmon and Millet:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the House Energy Committee to support HB 278, co-authored by Representatives Tuck, Munoz, Peterson, Herron, Joule, and Foster and co-sponsored by Representative Gara.

When the Legislature passed the home energy efficiency program it was a historic effort to enable homes throughout Alaska to be weatherized. Certainly assistance with utility bills is welcome. However, weatherization that permanently reduces those bills is even more desirable and good public policy.

However, there can be significant up-front costs that the homeowner pays before they are eligible for the rebate. There can also be a significant time delay between when the homeowner first makes his/her payment and the house is re-examined to find out if they have met the energy saving goals for the rebate.

HB 278 addresses that issue. We have many Alaskans who are just getting by financially. Their houses need to be weatherized and, as a result, their monthly housing costs will decline. For those Alaskans who simply don't have the capability of paying upfront, HB 278 will provide another option.

AARP requests an "AYE" vote on HB 278.

HEALTH / FINANCES / CONNECTING / GIVING / ENJOYING

Jennie Chin Hansen, President
William D. Novelli, Chief Executive Officer

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,

Marie Darlin

Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Representative Nancy Dahlstrom
Representative Kyle Johansen
Representative Jay Ramras
Representative Pete Peterson
Representative Chris Tuck
Representative Cathy Munoz
Representative Bob Herron
Representative Reggie Joule
Representative Neal Foster



International Mechanical, Inc.

646 E. DOWLING RD. ANCHORAGE, ALASKA 99518
(907) 563-3044 FAX (907) 561-7689

March 9, 2010

The Honorable Bryce Edgmon, Co-Chair
House Energy Committee
Alaska State Capitol, Room 416
Juneau, AK 99801

The Honorable Charisse Millett, Co-Chair
House Energy Committee
Alaska State Capitol, Room 412
Juneau, AK 99801

Dear Co-Chairs Edgmon and Millett,

I am writing you because my business supports HB 278.

We do many weatherization jobs, about thirty each year, but perform relatively few home energy efficiency rebate jobs. I believe that's because people are having a hard time affording to pay for the work while waiting for a rebate.

HB 278 will let contractors secure more work by opening up the option for more families to do energy upgrades. It will help our business and keep our employees working, and help families.

Please support our jobs and our industry and pass HB 278.

Thank you in advance for sharing my business support with other committee members.

Warm Regards,

Kevin Carey: President

Aurah Landau

From: hilaryh52@gci.net on behalf of Hilary Hardwick [hilaryh52@gci.net]
Date: Saturday, March 06, 2010 5:14 PM
Subject: Rep. Chris Tuck
Home Energy Bill

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: NonConstituent

Dear Rep. Tuck,

Please pass this bill. I am one of those would like to weatherize my home and I know it would make a huge change but I don't have enough extra income to pay for the up front costs - at least not within the timelines. It's taken me 4 years to save enough to get new windows - I have the original windows from 1970 and they are very leaky. I urge you to support this bill.

Thank you for your consideration.

Hilary Hardwick, Anchorage

Aurah Landau

From: Hugh Brown [lobbypublic@yahoo.com]
Sent: Friday, March 05, 2010 11:42 AM
To: Rep. Chris Tuck
Subject: Keep Up the Good Work.

I support the energy efficiency bill. Keep up the good work.

Hugh Brown III
907-884-9968
lobbypublic@yahoo.com

**Abbott Loop
Community
Council**


7001 Oakwood Dr.
Anchorage, AK 99507

Phone: WK 562-7421 HM 349-1736
Fax: 907-562-1366

Facsimile

To: Members of House Special Committee on Energy
@Fax: 907-465-3810
From: A.L. Tamagni, Sr., President
Date: 03/09/2010
Re: HB 278
Pages: 1, including this

This is to advise the Abbott Loop Community supports this bill as it would be beneficial for a number of families in our area. It would streamline the process and benefit those who cannot afford to front the money up front.



March 9, 2010

Members of the Committee:

I urge your support for House Bill 278, the Home Energy Voucher program.

This proposal will help many homeowners like me, who earn too much to qualify for the existing free weatherization program, but don't have available funds to pay for energy efficiency upgrades. Because of challenging economic times, many homeowners are unable to pay for upgrades up front and are currently excluded from the process. Offering vouchers will extend the benefits of the program to many more Alaskans, increasing both individual quality of life and the positive impacts of responsible energy use on the environment.

The weatherization program is an effective and worthwhile program. The measure has already helped thousands of Alaskans upgrade the energy efficiency of their homes. It has helped spur job growth in related trades industries as businesses work to fill orders. It is moving Alaska into the forefront of cutting-edge environmentally conscious states. By extending all of these benefits to more Alaskans, House Bill 278 makes a good thing better.

Respectfully,

Cindy Lelake



Anchorage

February 9th, 2010

Co-chairs

Honorable Representative Bryce Edgmon

Honorable Representative Charisse Millett

I would like to comment on the need for hb278

While the initial burst of applicants for home energy improvements has greatly subsided, I would like to share this observation. The most organized and "together" and in some cases, yes, "greediest" of Alaskans were the first applicants. Those who actually need this the most, who are less organized, who are less educated on the benefits of energy conservation, and especially those who are less savvy about navigating any beaurocratic process, and less savvy or less capable of navigating bank loans are still living in homes with the perhaps the greatest need for improvement.

What is the greatest impediment to those who have not participated in the process? I believe it is the requirement that they first make the improvement out of their own pocket before they are reimbursed. That requirement limits the program to people who have the cash available, and not many people have 10k kicking around unencumbered, or adds the additional step of securing a loan, which again knocks out a good number of people who are in greatest need of this program.

If you choose to move this bill forward, which I hope you do, you will now be serving those who are the hardest to reach, many of whom have the houses in greatest need of help. Additionally let me add this comment. Our state has a long history of aiding people who have very high heating costs. In stead of giving people heating oil assistance, this is a more cost effective way to reduce their heating costs. This program will spend money in Alaska, on things that will STAY in Alaska. If the owners of the improved houses leave the state, they sure cannot take the improvements they purchased for the house with them.

thanks for your kind consideration

please distribute this letter to your committee members

Thanks again

Bill Rotecki
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billrotecki@gmail.com
cell 907-617-0409
home 907-247-8189

Bill Rotecki
Rainforest Construction LLC
office 907-225-5078
fax 907-247-6357
cell 907-617-0409
home 907-247-8189

Aurah Landau

From: Kendra Kloster
Sent: Monday, March 08, 2010 2:37 PM
To: Aurah Landau
Subject: FW: HB278 follow up

Follow Up Flag: Follow up
Flag Status: Flagged

FYI – email from Judy Mason at Tlingit & Haida Regional Housing Authority.

Kendra Kloster
Chief of Staff
Rep. Cathy Muñoz
907-465-4712

From: Judy Mason [mailto:jmason@thrha.org]
Sent: Monday, March 08, 2010 2:29 PM
To: Kendra Kloster
Cc: Craig Moore
Subject: RE: HB278 follow up

Thank you. The voucher program won't affect our program or clients since it basically goes hand-in-hand with the rebate program. However we do support the voucher program as it will assist Southeast families that don't qualify for our program. We're looking forward to the new AHFC weatherization rules – hopefully any day now. Thanks! Judy

From: Kendra Kloster [mailto:Kendra_Kloster@legis.state.ak.us]
Sent: Monday, March 08, 2010 1:50 PM
To: Judy Mason
Subject: HB278 follow up

Hi Judy,

I was just following up on the conversation we had last week regarding the voucher program, HB278, and wondering if there was any feedback at the housing authority. I still have a note to check in on the "road remote" and will be in touch with you soon regarding that.

Thanks,

Kendra Kloster
Chief of Staff
Rep. Cathy Muñoz
907-465-4712



International Mechanical, Inc.

646 E. DOWLING RD. ANCHORAGE, ALASKA 99518
(907) 563-3044 FAX (907) 561-7689

March 9, 2010

The Honorable Bryce Edgmon, Co-Chair
House Energy Committee
Alaska State Capitol, Room 416
Juneau, AK 99801

The Honorable Charisse Millett, Co-Chair
House Energy Committee
Alaska State Capitol, Room 412
Juneau, AK 99801

Dear Co-Chairs Edgmon and Millett,

I am writing you because my business supports HB 278.

We do many weatherization jobs, about thirty each year, but perform relatively few home energy efficiency rebate jobs. I believe that's because people are having a hard time affording to pay for the work while waiting for a rebate.

HB 278 will let contractors secure more work by opening up the option for more families to do energy upgrades. It will help our business and keep our employees working, and help families.

Please support our jobs and our industry and pass HB 278.

Thank you in advance for sharing my business support with other committee members.

Warm Regards,

Kevin Carey: President

Aurah Landau

From: Rebecca Goodrich [scribing@hotmail.com]
Sent: Sunday, March 07, 2010 8:28 PM
To: Rep. Chris Tuck
Subject: RE: Message from Rep. Tuck -- Relief for Anchorage Ratepayers

Dear Rep. Tuck:

I like this voucher idea. Good work!

Thanks,

Rebecca A. Goodrich
Anchorage, Alaska
GHOSTWRITERS
Manuscripts, Editing, Publishing
Ideas rendered with clarity and strength.
907.333.9638 907.243.0159
scribing@hotmail.com

Sample Home Energy Voucher Language for HB 278

Pre-Work Authorization

Alaska Housing and Finance Corporation guarantees up to \$____ for the home energy efficiency work to be completed at the property located at _____ and owned by _____.

The actual amount of payment by Alaska Housing Finance Corporation is determined by the increase in home energy ratings by comparing the pre and post-improvement energy audits, and capped at \$10,000.

If the amount of the expenditures for the improvements exceeds the amount of the reimbursement authorized by AHFC, the amount owing shall be the sole responsibility of the homeowner.

In any case, the vendor's sole remedy is to pursue payment from the homeowner.

The homeowner and vendor acknowledge their responsibilities and duties before work is begun by signing below.

Homeowner Name

Homeowner signature

Homeowner Address

Vendor 1 Name

Vendor 1 signature

Vendor 1 Address

Vendor 2 Name

Vendor 2 signature

Vendor 2 Address

Vendor 3 Name

Vendor 3 signature

Vendor 3 Address

Vendor 4 Name

Vendor 4 signature

Vendor 4 Address

Post-Work Payment Authorization

Alaska Housing and Finance Corporation will pay \$_____ for the home energy efficiency work completed at the property located at _____ and owned by _____.

The actual amount of payment by Alaska Housing Finance Corporation is determined by the increase in home energy ratings by comparing the pre and post-improvement energy audits, and capped at \$10,000.

If the amount of the expenditures for the improvements exceeds the amount of the reimbursement authorized by AHFC, the amount owing shall be the sole responsibility of the homeowner. The vendor's sole remedy will be to pursue payment from the homeowner.

The homeowner will indicate amount of payment to each vendor and collect signatures within five business days of receiving the post-improvement rating. The homeowner will submit this form to AHFC, along with required supporting documentation within 10 business days of receiving the post-improvement rating.

Alaska Housing and Finance will send payment to each entity listed below.

_____ Homeowner Name	_____ Homeowner signature	_____ Homeowner Voucher Value	_____ Homeowner Address
_____ Vendor 1 Name	_____ Vendor 1 signature	_____ Vendor 1 Voucher Value	_____ Vendor 1 Address
_____ Vendor 2 Name	_____ Vendor 2 signature	_____ Vendor 2 Voucher Value	_____ Vendor 2 Address
_____ Vendor 3 Name	_____ Vendor 3 signature	_____ Vendor 3 Voucher Value	_____ Vendor 3 Address
_____ Vendor 4 Name	_____ Vendor 4 signature	_____ Vendor 4 Voucher Value	_____ Vendor 4 Address

chase of residential housing
those in effect in other

primarily to provide dwellings
occupancy, whether rental, under
mobile home, or other laws

and, buildings, and improve
incidental or appurtenant to

s of persons with specific and

ity or mental illness;

corporations, associations,
profit; and consumer housing
organized under law for the
of lower and moderate
n, origin, and develop-
nancial assistance under 42
0 ch 4 FSSLA 1992; am § 5

numbered as (7) — (14).
amendments. — The 2008 amendment,
2008, added paragraph (14) (now

ce.

e loss reserve account

on and servicing

exemption
phone number
contract services; assistance to oth-

projects and information
multi-family housing

effective June 26, 1992, and
July 1, 1992. AS 44.47.370 —
repealed under § 140, ch. 4,
July 1, 1992. For the law in
effect from July 1, 1992,
through June 30, 1992,
see the Temporary and Special

For transitional provisions
under the former housing pro-

the Department of Community and Regional
Affairs, the Alaska Housing Finance Corporation,
ch. 4, FSSLA 1992 in the Temporary and
Special Acts.
Administrative Code. — For AHFC rural hous-
ing, see 15 AAC 152.

Legislative history reports. — For governor's
transmittal letter for ch. 134, SLA 2004 (SB 274),
proposing amendments to various housing assistance
programs described in this article, see 2004 Senate
Journal 1985 - 1986.

18.56.400. Powers of corporation related to housing assistance. The board

- (1) adopt regulations in accordance with AS 18.56.088 to implement AS 18.56.400 — 18.56.600;
- (2) make and execute agreements, contracts, and other instruments necessary or convenient in the exercise of the powers and functions granted under AS 18.56.400 — 18.56.600;
- (3) purchase or participate in the purchase of small community housing mortgage loans under AS 18.56.400 — 18.56.600;
- (4) purchase or participate in the purchase of loans for building materials for small community housing under AS 18.56.400 — 18.56.600;
- (5) procure insurance against loss in connection with the corporation's functions under AS 18.56.400 — 18.56.600;
- (6) acquire real or personal property, or an interest in real or personal property, by purchase, transfer, or foreclosure, when the acquisition is necessary or appropriate to secure a loan in which the corporation has an interest; sell, transfer and convey that property to a buyer; and, if the sale, transfer or conveyance cannot be effected with reasonable promptness or at a reasonable price, rent or lease the property to a tenant pending the sale, transfer or conveyance;
- (7) do all acts necessary, convenient, or desirable to carry out the powers expressly granted or necessarily implied in AS 18.56.400 — 18.56.600;
- (8) originate and service direct loans made to qualified buyers under AS 18.56.400 — 18.56.600. (§ 100 ch 4 FSSLA 1992)

Affected State

Sec. 18.56.410. Alaska energy efficient home grant fund. (a) There is established in the corporation the Alaska energy efficient home grant fund consisting of money appropriated to it by the legislature and deposited in it by the corporation. The corporation shall administer the Alaska energy efficient home grant fund under the provisions of this section.

(b) Subject to appropriation, the corporation may grant funds from the Alaska energy efficient home grant fund to agencies of the state or federal government, individuals, or businesses that retrofit existing single family dwellings or build new single family dwellings that meet criteria adopted by the corporation.

(c) The corporation shall adopt guidelines and procedures for the fund. (§ 100 ch 4 FSSLA 1992; am § 2 ch 73 SLA 2008)

Effect of amendments. — The 2008 amendment, effective September 2, 2008, deleted "after consultation with the board of directors of the Alaska craftsman home program" at the end of subsection (c).

Sec. 18.56.420. Housing assistance loan program. (a) There is created in the corporation the housing assistance loan program. The corporation shall provide money to originate, purchase, participate in the purchase of, or refinance

- (1) small community housing mortgage loans;
- (2) loans made for building materials for small community housing;
- (3) loans made for renovations or improvements to small community housing; and

Energy**Homeowners are passing on energy rebates**

Rena Delbridge

Dec 23, 2009



Massive initial interest in a state program to help people make their homes more energy efficient could be tapering off, even as some areas of the state face the likelihood of increased home heating costs in coming years.

As of Dec. 16, nearly 19,000 Alaskans have started the multi-step Home Energy Rebate Program funded by Gov. Sarah Palin and the Legislature and managed by the Alaska Housing Finance Corp.

They've paid for certified technicians to rate their current home energy efficiency and recommend upgrades that would be eligible for a state refund, up to \$10,000. But of about 200 people who had pre-audits done and hit the end of an 18-month deadline, about 152 followed through with improvements and filed their claims. Thousands more started the program but haven't wrapped it up, and the window to do so is closing daily for the flood of folks who jumped at the chance.

If this trend continues during the next several months, the program will end up with a financial cushion of funds set aside for improvements that weren't cashed in on. But it's leaving some to wonder: In a state with some of the highest energy costs in the nation, where homeowners stood to benefit significantly -- exactly what happened?

The home energy rebate program is designed for Alaskans who don't qualify for low-income weatherization assistance. Homeowners start with a pre-rating that also generates a report specifying fixes and their expected efficiency upgrades. Each upgrade has a point value attached, based on how much improvement is likely.

The homeowner, who then has 18 months in which to make improvements, shoulders the upfront repair costs -- labor and materials if done by a contractor, or just materials if done by the homeowner. A post-rating reveals how much energy efficiency was gained, and the points boost the home rating on the scale. The state reimburses costs up to \$10,000, depending on how many efficiency levels are gained.

Legislators pushed \$100 million to the program during the 2008 session, as oil prices continued an upward spike that would peak at an unprecedented \$140 per barrel that summer. While the state treasury was flush with the upturn, Alaskans faced near-catastrophic increases in home heating fuel costs, already the highest in the

BY THE NUMBERS:

As of Dec. 16, here's how the Alaska Housing Finance Corp.'s Home Energy Rebate program is shaping up:

-- Of \$160 million allocated to the program, \$23.6 million has been spent.

-- Another \$139 million has been encumbered, or set aside, to cover homeowners who have had their houses pre-rated, but need to complete upgrades and apply for rebates.

-- So far, 2,313 rebates have been paid out, at an average of \$6,114 each.

About 1,282 people are on a waiting list to have their homes pre-rated so they can start the program.

-- The average annual energy savings for people who made upgrades is \$1,335.

-- Together, those same people are saving an estimated 197 billion BTUs of energy and nearly 34,000 barrels of crude oil per year and have reduced energy use by 31 percent per home.

nation. By August, much of the Interior was in a state of crisis as winter weather approached. Gov. Sarah Palin and lawmakers infused the program with another \$60 million during a special session on energy issues, using some of the state's oil largess to offset high prices paid by its residents.

-- They've also cut, cumulatively, an estimated 11,753 pounds per year of carbon dioxide being emitted into the atmosphere.

Interest was high at first, leaving many on waiting lists as AHFC embarked on a campaign to train raters. An estimated 70,000 to 75,000 homes were eligible. But applications slowed as oil prices took a dive through the winter, especially from homeowners in the Fairbanks area.

Some people followed through right away -- a couple hundred rebates have been paid out, mostly to homeowners in Fairbanks and Anchorage.

The 18-month rebate window started closing on the first applicants in mid-November. About 150 of the 200 or so people whose deadline expired then followed through and filed for rebates. AHFC spokesman Bryan Butcher said he didn't expect that high completion rate to continue, as many of the initial participants were the most committed, especially in the Fairbanks area.

"There was such a focus in that community of getting the ratings up and going," Butcher said. "Here in Southcentral, there wasn't the panic. The natural gas prices are not only considerably less expensive than fuel oil, but the 22 percent spike hadn't occurred yet."

For every pre-rating, AHFC sets aside \$10,000, funds that are tied up until the homeowner either cashes in or runs out of time. As of mid-December, only \$24 million of the program's \$160 million had been spent. The rest is still set aside pending those deadlines.

"Once the session starts (on Jan. 19), we'll have a better snapshot for the Legislature of what percentage of people are taking advantage of it, and where we are," Butcher said. "With every week, the number of people reaching the end of their 18 months increases."

The discrepancy isn't necessarily a cause for concern, Butcher said. A number of people found that their homes already rated four stars or higher on the state's five-star scale, and that improvements wouldn't offer much financial benefit.

Butcher referenced one of a number of notes received from grateful Alaskans with efficient homes who said they appreciate the knowledge gained through the rating process.

"They have the peace of mind of knowing the house is energy efficient," he said. "There's no question the residents of the state will be more educated in energy efficiency than in any other state in the country."

Homeowners can still sign up for the rebate program online at www.akrebate.com, at least until all available funds are reserved.

Contact Rena Delbridge at rena@alaskadispatch.com.

UPDATED: This article was updated on Jan. 15, 2010, to clarify a figure in the third paragraph. Of the 200 homeowners who had a pre-audit and who hit their 18-month deadline, 152 followed through by making upgrades, conducting a post-audit, and claiming a state rebate. As of Dec. 18, 2,857 people have completed the audits and upgrades and have applied for and received rebates.

Summary of Existing Program:

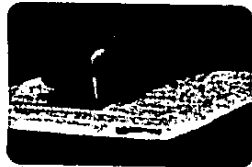
Home Energy Rebate PROGRAM

- For individuals who do not qualify for Weatherization Program.
- No income requirements.
- Owner-occupied, year-round residences.
- Homeowners pay upfront & are then rebated for making eligible improvements they choose.
- “Before & After” energy ratings required.
- Individuals may not participate in both the Weatherization Program and Home Energy Rebate Program.

Summary of Existing Program:

What You Have to Do

to Participate in the Home Energy Rebate Program



1. **Request a home energy rating.** Sign-up at www.akrebate.com or contact the AK-REBATE Call Center at 1-877-AK-REBATE.
2. **Get the first rating.** A rater will call to schedule and perform the first energy rating. Rater fees vary, so ask for their rate. Contact the Call Center if you would like a different rater.
3. **Fill out and send in the first energy rating paperwork.** You will be entered into the program and reimbursed up to \$325 for the rating. *You have 18 months from the first rating to complete the program.*
4. **Choose and make the energy-efficiency improvements** listed in your energy rating.
5. **Get a second energy rating** after the improvements are done.
6. **Fill out and send in the final rebate paperwork.** You will be reimbursed up to \$175 for the rating and receive a rebate based on your home's improved energy-efficiency and your eligible receipts.

Summary of Existing Program:

Sample Energy Efficiency Improvement Options report

This comes with the energy rating.

It shows the eligible improvements which may be chosen to improve the home's energy efficiency.

ENERGY EFFICIENCY IMPROVEMENT OPTIONS

Property: Larry Inefficient
1060 Nuwhere Drive
Anchorage, Alaska

Rater: Joe Rater
Bubba's Rating Service
444 Energy Drive
Anchorage, AK 99508

House: Single Family
Living Floor Area: 1,150 square feet
1 Car Attached Garage

Rating: AS 15
ID: XXXX

COST-EFFECTIVE IMPROVEMENTS:

Improvement Description	Location	Savings to Cost Ratio	Installed Cost	Annual Savings	Break-Even Cost	Rating Points Gained	Note
Add R-19 fiberglass batts to masonry wall. Cost does not include studs or furring strips	Below- (part or all) Grade Wall Crawl, Bottom	6.50	\$100	\$34	\$597	2.1	
Install R-19 Fiberglass Batt on the Perimeter 2 feet of the Crawl Space Floor	On- or Below-Grade Floor, Perimeter Crawl	4.59	\$95	\$25	\$434	1.5	
Install 2" of R-10 rigid board insulation on Perimeter of Crawl Space Floor	On- or Below-Grade Floor, Perimeter Garage	2.24	\$71	\$9	\$158	0.0	
Add R-19 fiberglass batts to masonry wall. Cost does not include studs or furring strips	Below- (part or all) Grade Wall Crawl, Top	2.05	\$100	\$12	\$204	0.7	
Caulk and Seal so that Home Air Leakage is Reduced by 500 CFM at 50 Pascals		1.82	\$400	\$79	\$728	4.2	
Install R-10 rigid foam board to exterior. Costs do not include siding	Above-Grade Wall, House	1.26	\$1,359	\$97	\$1,710	5.6	
Add R-19 to existing insulation	Cathedral Ceiling, House	1.09	\$511	\$32	\$556	1.9	
Total, Cost-Effective Measures		1.67	\$2,635	\$288	\$4,389	16.2	

New Rating After Measures: Three Stars Plus, 73.7 points
Annual CO2 Reduction: 7,238 pounds per year

General Notes: Here is a general, user-entered note about all improvements

Improvement Notes

1 - Rigid Foam note

Summary of Existing Program:

Although you may choose to do as many improvements as you like, **be sure to look at the "Rating Points Gained" you receive for each listed improvement.**

COST-EFFECTIVE IMPROVEMENTS:

Improvement Description	Location	Savings to Cost Ratio	Installed Cost	Annual Savings	Break-Even Cost	Rating Points Gained	Note
Add R-19 fiberglass batts to masonry wall. Cost does not include studs or furring strips.	Below- (part or all) Grade Wall; Crawl, Bottom	6.00	\$100	\$34	\$597	2.1	
Install R-19 Fiberglass Batts on the Penmeter 2 feet of the Crawl Space Floor	On- or Below-Grade Floor, Penmeter, Crawl	4.59	\$95	\$25	\$434	1.5	

You must get enough points to move up the energy rating scale in order to qualify for a rebate!

Summary of Existing Program:

Points	Rating
0-39	1 Star
40-49	1 Star +
50-59	2 Star
60-67	2 Star +
68-72	3 Star
73-77	3 Star +
78-82	4 Star
83-87	4 Star +
88-91	5 Star
92-100	5 Star +

1 step

- **For example:** A home receiving 50-59 points would be a 2 Star home. If the home increased in efficiency to total 60-67 points, it would be a 2 Star Plus home.
- Therefore, the home moved **one step** on the star rating level. *

*A minimum number of points is required.
See the "Home Energy Rebate Program Consumer Guide" for details!
www.ahfc.us/energy

Summary of Existing Program:

Maximum Rebate Amounts

- **One Step - Up to \$4,000**
- Two Steps - Up to \$5,500
- Three Steps - Up to \$7,000
- Four Steps - Up to \$8,500
- Five Steps - Up to \$10,000

- Therefore your rebate would be up to \$4000, based on your receipts.
- Your rebate will never be more than the amount you have spent.
- Maximum rebate is \$10,000.
- For complete details see the "Home Energy Rebate Program Consumer Guide" at www.ahfc.us/energy.

Summary of Existing Program:

More Information

AHFC Energy Programs:

- For complete details on the **Home Energy Rebate Program**, the **5 Star Plus New Home Energy Rebate Program**, the **Weatherization Program**, the **Second Mortgage for Energy Conservation Loan** and other programs go to: www.ahfc.us/energy or call AHFC at 1-800-478-2432 or 1-907-338-6100.

Energy Efficiency Improvement Factsheets & Information

- AHFC Research Information Center (RIC Library) www.ahfc.us/energy/ric.cfm
- Energy Efficiency RE, U.S. Department of Energy www.eere.energy.gov/consumer
- Energy Star www.energystar.gov

Federal Tax Credits for Energy Improvements:

- For information on tax credits for caulking, insulation, windows, doors, water heaters and heating systems go to: www.energytaxincentives.org or www.energystar.gov.