

HB

323

<TARGET><BILL>HB 323</BILL><SUBJECT>HB
323</SUBJECT><COMM>HENE27</COMM></TARGET>

**Alaska State Legislature
House of Representatives
Representative Tammie Wilson**

Interim
301 Santa Claus Lane
North Pole, AK 99705
Phone - (907) 451-2806
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Rep.Tammie.Wilson@legis.state.ak.us

Session
State Capitol
Juneau, AK 99801
Phone - (907) 465-4797
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House Bill 323:

"An Act relating to the Alaska energy efficient home grant fund; and creating a grant program for converting homes in regions designated."

House Bill 323 is intended to assist a community that is facing air quality issues as designated by the EPA through a PM 2.5 nonattainment air quality area.

HB 323 amends the Alaska energy efficient home grant fund, which is administered by the Alaska Housing Finance Corporation, to allow homeowners who reside within a PM 2.5 nonattainment area to be eligible for up to a \$10,000 grant so they can upgrade their inefficient and dirty oil fired heating device or non EPA certified wood stove to a cleaner, more efficient oil fired heating device or EPA certified wood stove.

An important component of HB 323 is only available to those who do not qualify for the AHFC's income based weatherization program or has not taken advantage of the energy rebate program. Instead, upon an inspection by an AHFC certified energy auditor, the homeowner will be able to receive a voucher to assist in the heating device upgrading process.

Currently, an EPA designated PM 2.5 nonattainment area has been established within the Fairbanks North Star Borough. During the winter season, the air quality status can reach levels which are unhealthy for many of the people who reside within the nonattainment area. HB 323 will help mitigate the air quality health concerns by installing cleaner burning heating devices in the homes of residents who are left out of the current weatherization programs offered by the state.

The consequences of not reaching EPA PM 2.5 attainment status stretch beyond health concerns. If attainment is not reached by 2014, the EPA could sanction the state of Alaska by withholding Federal highway funds amounting in the millions of dollars. This would prevent many of Alaska's roads and transportation infrastructure from being constructed or upgraded. HB 323 will be another tool avoid EPA sanctions, while also improving energy efficiency and the health of Alaska's residents.



FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB323
 Fiscal Note Number 1
 () Publish Date 3/2/2012

Identifier (file name) HB323-DOR-AHFC-03-01-12 Dept. Affected Revenue
 Title Nonattainment Area Home Heating System Grants Appropriation Alaska Housing Finance Corp.
 Allocation AHFC Operations
 Sponsor Representative Tammie Wilson
 Requester (H) ENE OMB Component Number 110

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS

Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES

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Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial version

Prepared by Cary Bolling, Officer Governmental Relations & Public Affairs
 Division Alaska Housing Finance Corporation
 Approved by Dan Fauske, CEO
Alaska Housing Finance Corporation

Phone 907-350-2479
 Date/Time 4:45pm; 3/2/2012
 Date 5:45pm; 3/2/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB323

Analysis

HB 323 would establish a home energy efficient grant fund for converting homes in regions designated as particulate matter nonattainment areas to efficient home heating systems.

The bill amends AS18.56.410, and subject to appropriation, requires Alaska Housing Finance Corporation (AHFC) to provide grants of up to \$10,000 to individual homeowners based on an energy rating. Homeowners who have participated in the AHFC Weatherization program or Home Energy Rebate program would be ineligible. Homes with heating systems at 80% efficiency or above, or homes with wood heating systems certified by US EPA would also be ineligible.

There is currently no appropriation for the grant fund. If no appropriation is made for the fund, additional staff and management costs will not be needed.

Should there be an appropriation by the legislature for HB 323 that would exceed \$100 million, the Corporation would require at minimum the addition of 6 new staff positions, as well as funds for marketing, outreach and contractual considerations. The estimate for program administration would be approximately \$1.8 million annually. This would be funded through the needed legislative appropriation for HB 323.

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House of Representatives
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State Implementation Plan (SIP)

Section 110 of the Clean Air Act, 42 U.S.C. §7410, requires state and local air pollution control agencies to adopt Federally approved control strategies to minimize air pollution. The resulting body of regulations is known as a State Implementation Plan (SIP).

SIPs generally establish limits or work practice standards to minimize emissions of the criteria air pollutants or their precursors.

Pollutants of concern include sulfur dioxide, particulate matter, nitrogen oxides, lead, carbon monoxide, and ozone.

EPA has established national ambient air quality standards (NAAQS) for these pollutants. SIPs also include special control strategies for nonattainment areas -- areas that are not meeting the NAAQS.

These control strategies often include items such as vehicle inspection and maintenance, lower gasoline vapor pressures, gas pump vapor recovery, and other reasonably available control technologies (RACT).

Finally, SIPs include preconstruction permit requirements for projects that may result in emission increases.¹

1

<http://yosemite.epa.gov/r10/AIRPAGE.NSF/f3f22921988a261b882569e5005ee8bb/b2ce4780021daa07882569de007ba77f?OpenDocument>

ALASKA STATE LEGISLATURE ~ REPRESENTATIVE TAMMIE WILSON

TITLE 42 > CHAPTER 77 > SUBCHAPTER III > Part A > § 6295
§ 6295. ENERGY CONSERVATION STANDARDS

(a) Purposes

The purposes of this section are to—

- (1) provide Federal energy conservation standards applicable to covered products; and
- (2) authorize the Secretary to prescribe amended or new energy conservation standards for each type (or class) of covered product.

[...]

(f) Standards for furnaces and boilers

(1) Furnaces (other than furnaces designed solely for installation in mobile homes) manufactured on or after January 1, 1992, shall have an annual fuel utilization efficiency of not less than 78 percent, except that—

(A) boilers (other than gas steam boilers) shall have an annual fuel utilization efficiency of not less than 80 percent and gas steam boilers shall have an annual fuel utilization efficiency of not less than 75 percent; and

(B) the Secretary shall prescribe a final rule not later than January 1, 1989, establishing an energy conservation standard—

(i) which is for furnaces (other than furnaces designed solely for installation in mobile homes) having an input of less than 45,000 Btu per hour and manufactured on or after January 1, 1992;

(ii) which provides that the annual fuel utilization efficiency of such furnaces shall be a specific percent which is not less than 71 percent and not more than 78 percent; and

(iii) which the Secretary determines is not likely to result in a significant shift from gas heating to electric resistance heating with respect to either residential construction or furnace replacement.

(2) Furnaces which are designed solely for installation in mobile homes and which are manufactured on or after September 1, 1990, shall have an annual fuel utilization efficiency of not less than 75 percent.

(3) Boilers.—

(A) In general.— Subject to subparagraphs (B) and (C), boilers manufactured on or after September 1, 2012, shall meet the following requirements:

Boiler Type	Minimum Annual Fuel Utilization Efficiency	Design Requirements
Gas Hot Water	82%	No Constant Burning Pilot, Automatic Means for Adjusting Water Temperature
Gas Steam	80%	No Constant Burning Pilot
Oil Hot Water	84%	Automatic Means for Adjusting Temperature
Oil Steam	82%	None
Electric Hot Water	None	Automatic Means for Adjusting Temperature
Electric Steam	None	None

Air Quality

Highway Sanctions

Status of Sanction Clocks under the Clean Air Act **Updated: 7/30/12**

- [Automatic Sanctions](#)
- [Discretionary Sanctions](#)
- [FHWA Sanction Exemption Criteria](#)
- [Programs and Projects Subject to Highway Sanctions](#)
- [Programs and Projects Exempt from Highway Sanctions](#)
 - [Safety Programs and Projects](#)
 - [Congressionally Authorized Activities](#)
 - [Air Quality Improvement Programs That Do Not Encourage Single Occupant Vehicle Capacity](#)
 - [Projects That Have Virtually No Air Quality Impact and Provide Other Environmental or Aesthetic Benefits](#)
 - [Planning and Research Activities](#)
 - [Project Development Activities](#)
- [What is the Difference Between Sanctions and a Conformity Lapse](#)
- [Other References](#)
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Automatic Sanctions

Section 179 of the Clean Air Act (42 USC 7509) requires automatic sanctions when:

- EPA finds that a State has failed to submit a required SIP or revision
- EPA disapproves a required SIP or revision
- EPA finds that a requirement of an approved SIP is not being implemented

Sanctions must be applied unless the deficiency is corrected within 18 months after the finding or disapproval. Highway sanctions are used for purposes of enforcing deadlines for SIP submittals and the implementation of approved SIP measures or elements required under the CAA. Sanctions are intended to induce States to develop strategies to attain the air quality standards. There are two sanctions required by Section 179 (42 USC 7509).

18 months after the finding or disapproval, the offset sanction is imposed. The offset sanction is related to the fact that owners of new or expanded stationary sources of a pollutant for which an area is in nonattainment must "offset" their increased emissions by reducing existing emissions by at least the amount of the increase. This requirement is related to air quality since it prevents economic development from increasing emissions in areas that are already violating the air quality standards. In areas that are not sanctioned, offsets are required on a sliding scale from 1.1 to 1 in cleaner nonattainment areas to 1.5 to 1 in the dirtier nonattainment areas. However, offset sanction requires new or expanded stationary sources to reduce emissions by 2 tons for every 1 ton of emission growth. Because offsets are expensive and difficult to obtain, this is a very serious penalty.

If the deficiency is not corrected within 6 months of the imposition of the offset sanction, highway sanctions are imposed. The highway sanction is a prohibition on Federal funds for transportation projects within an area, except for certain safety, transit, and air quality beneficial projects. This sanction could be air quality related in an area that is nonattainment for transportation related pollutants, but is intended primarily as an economic incentive to SIP submission. Therefore, highway sanctions could be imposed even when the SIP deficiency is not transportation related. Sanctions apply for all types of nonattainment areas, including those without transportation-related pollutant problems.

These automatic sanctions imposed under Section 179 (42 USC 7509) apply only in nonattainment areas. They do not apply in attainment or maintenance areas. EPA does have the option, under Section 110(m) (42 USC 7410) of the Clean Air Act, to apply discretionary sanctions more widely.

Discretionary Sanctions

Section 110(m) (42 USC 7410) of the Clean Air Act allows EPA to apply sanctions at any time, or any time after, making a finding, disapproval, or determination that some CAA provision has not been met, and also allows those sanctions to be applied to any portion of a State that EPA finds reasonable to ensure that CAA requirements are met. The only restriction is that EPA may not apply sanctions statewide for two years when a political subdivision is responsible for the failure to comply with the law. After two years, EPA can sanction an entire State for the failing of a single city, and it can sanction at any time a whole state for the failure of a state agency or entity, such as the State legislature.

The imposition of statewide sanctions is subject to notice and comment in the Federal Register.

FHWA Sanction Exemption Criteria

On March 11, 1996 the FHWA released a guidance document entitled "FHWA Sanction Exemption Criteria" and this memo defines the exemption criteria that will be used to determine which projects can go forward and which grants may be awarded in the event EPA imposes highway sanctions under Section 179(b) (42 USC 7509) or Section 110(m) (42 USC 7410) of the Clean Air Act. The policy information identifies which categories of highway projects are exempt from highway sanctions, such as safety, environmentally-beneficial, and planning and research activities funded under Title 23 of United States Code (Federal-aid Highway Program). The EPA and DOT have agreed that additional programs such as TCMS in EPA-approved SIPs, inspection and maintenance facilities, bicycle and pedestrian facilities, carpool/vanpool programs, and conversion of existing lanes for HOV use during peak periods are also categorically exempt during EPA highway sanctions. Additional information may be obtained via the guidance memorandum which was published in the Federal Register on April 1, 1996 (61 FR14363).

Programs and Projects Subject to Highway Sanctions

Highway sanctions, when applied, halt the approval of projects and the award of any grants funded under Title 23, United States Code, except as for those types of projects, such as safety projects, that are defined in the Clean Air Act. This applies to the following major funding programs:

1. Surface Transportation Program (STP)
2. National Highway System (NHS)
3. Interstate Maintenance Program
4. Highway Bridge Replacement and Rehabilitation Program
5. Congestion Mitigation and Air Quality Improvement Program (CMAQ)

Projects funded under all other Title 23 programs and other authorizations are also subject to sanctions, including High Priority Projects identified by Congress. Projects funded under Title 49, U.S.C. chapter 53, the Federal Transit Act, as amended, are categorically exempt from sanctions by law as are other transportation programs authorized by statutes other than Title 23.

The following types of projects generally do not meet the exemption criteria of the Clean Air Act and would be subject to highway sanctions. These include projects that expand highway capacity, nonexempt project development activities, and any other project that does not explicitly meet exemption criteria. These may include activities for:

1. The addition of general purpose through lanes to existing roads.
2. New highway facilities on new locations.
3. New interchanges on existing highways.
4. Improvements to, or reconfiguration of existing interchanges.
5. Additions of new access points to the existing road network.
6. Increasing functional capacity of the facility.
7. Relocating existing highway facilities.
8. Repaving or resurfacing except for safety purposes, as defined by section 179(b) (42 USC 7509) .
9. Project development activities, including NEPA documentation and preliminary engineering, right-of-way purchase, equipment purchase, and construction solely for non-exempt projects.
10. Transportation enhancement activities associated with the rehabilitation and operation of historic transportation buildings, structures, or facilities not categorically exempted.

Programs and Projects Exempt from Highway Sanctions

Under section 179(b)(1) of the CAA (42 USC 7509) , once EPA imposes highway sanctions, the Federal Highway Administration may not approve or award any grants in the sanctioned area except those that are specifically exempted. These exempted projects fall under three categories:

1. Safety programs and projects
2. Seven congressionally-authorized activities
3. Air quality improvement projects that would not encourage single occupancy vehicle (SOV) capacity

Safety Programs and Projects

Safety projects are those for which the principal purpose is an improvement in safety but the projects may also have other important benefits. These projects must resolve a demonstrated safety problem with the likely result being a significant reduction in or avoidance of accidents as determined by the FHWA. Such demonstration must be supported by accident or other data submitted by the State or appropriate local government. Examples of

projects generally exempt from highway sanctions include Emergency Relief (ER) projects, statewide safety improvement programs, and programs administered by NHTSA.

Justification for an exemption on the grounds of safety must be based on accident or other data. Projects exempted under the safety provision may not involve substantial functional (such as upgrading major arterial to freeways), locational, or capacity changes except when the safety problem could not otherwise be solved.

Congressionally Authorized Activities

Seven project types are identified specifically in the CAA section as exempt from highway sanctions. They include:

1. Capital programs for public transit
2. Construction or restriction of certain roads or lanes solely for the use of passenger buses or High Occupancy Vehicles (HOV) 24-hours a day.
3. Planning for requirements for employers to reduce employee work-trip related vehicle emissions.
4. Highway ramp metering, traffic signalization, and related programs that improve traffic flow and achieve a new emission reduction.
5. Fringe and transportation corridor parking facilities serving multiple occupancy vehicle programs or transit operations.
6. Programs to limit or restrict vehicle use in downtown areas or other areas of emission concentration, particularly during periods of peak use, through road use charges, tolls, parking surcharges, or other pricing mechanisms, vehicle restricted zones or periods, or vehicle registration programs.
7. Programs for breakdown and accident scene management, non-recurring congestion, and vehicle information systems, to reduce congestion and emissions.

Air Quality Improvement Programs That Do Not Encourage Single Occupant Vehicle Capacity

Transportation programs not otherwise exempt that improve air quality and which would not encourage SOV capacity (as determined by EPA in consultation with DOT) are also exempt from highway sanctions.

The EPA and DOT have agreed that the following projects will be categorically exempt from highway sanctions, and will not require additional EPA review or an individual finding by EPA:

1. The transportation control measures (TCMs) contained in an EPA-approved SIP which will not encourage SOV capacity.
2. Inspection and maintenance facilities and activities eligible for CMAQ funding.
3. Bicycle and pedestrian facilities and programs.
4. Carpool/Vanpool programs.
5. Conversion of existing lanes for HOV use during peak hour periods.

Projects That Have Virtually No Air Quality Impact and Provide Other Environmental or Aesthetic Benefits

The following projects are likely to have virtually no environmental impacts, provide other aesthetic benefits, do not promote SOV capacity, and are, therefore considered exempt from highway sanctions:

1. Wetland Mitigation.
2. Planting Trees, Shrubs, Wildflowers.
3. Landscaping.
4. Purchase of Scenic Easements.
5. Billboard and Other Sign Removal.
6. Historic Preservation.
7. Transportation Enhancement Activities (except rehabilitation and operation of historic transportation buildings, structures, or facilities).
8. Noise Abatement.

Planning and Research Activities

Planning and research activities for transportation and/or air quality purposes are exempt from highway sanctions. Such planning and research is critical for the development of projects that improve safety and address an area's transportation/air quality needs.

Project Development Activities

Development and completion of studies to meet requirements under NEPA are exempt from highway sanctions as long as consideration of projects that would be exempt under this policy memorandum, such as transit or other Transportation Demand Management (TDM) measures, are actively pursued as reasonable independent alternatives. Once all alternatives that could be considered exempt from highway sanctions under this policy memorandum are eliminated, project development activities for NEPA or other purposes are no longer exempt and can no longer be approved or funded under Title 23. For example, if prior to completion of NEPA documentation, all TDM measures are eliminated from consideration and the sole remaining question is the determination of an alignment for a highway capacity-expanding project (which may include TDM), subsequent project development activities are not exempt from highway sanctions.

The FHWA may not approve preliminary engineering for final design of a project, nor can approval be granted for a project's plans, specifications, and estimates after initiation of highway sanctions for projects that are not exempt from sanctions. Neither right-of-way nor any necessary equipment may be purchased or leased with Federal funds for nonexempt projects while an area is under sanction. Federally-funded construction may not in any way begin on a project that is not exempt while an area is under sanction.

What is the Difference Between Sanctions and a Conformity Lapse?

There are two separate legislative requirements for conformity and sanctions under the CAA. The above sections discuss the sanctions provisions.

The conformity provisions of the of the CAA require that the MPO and the U.S. DOT determine the conformity of transportation plans and transportation improvement programs (TIPs) with State air quality plans. A conformity lapse results from the failure to establish conformity within required time frames or the failure to meet emissions budgets or to pass one of the conformity tests. Unlike sanctions, a conformity lapse occurs immediately, if the requirements are not met. When a conformity lapse occurs, only limited types of projects can proceed. And, unlike highways sanctions, conformity lapses affect transit capacity projects and regionally significant non-Federal projects.

For more information regarding transportation conformity, please visit our [conformity website](#).

Other References:

- Clean Air Act Section 179 (42 USC 7509) - [Sanctions and Consequences of Failure to Attain](#)
- [Clean Air Act Section 110\(m\) \(42 USC 7410\)](#)
- EPA Regulations on Sanctions ([40 CFR Chapter 1 '52.30 - 52.32](#))

For More Information

For additional information regarding sanctions please contact Cecilia Ho, FHWA Office of Natural and Human Environment at (202) 366-9862 or cecilia.ho@dot.gov, or see additional [contacts](#).

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House of Representatives
Representative Tammie Wilson

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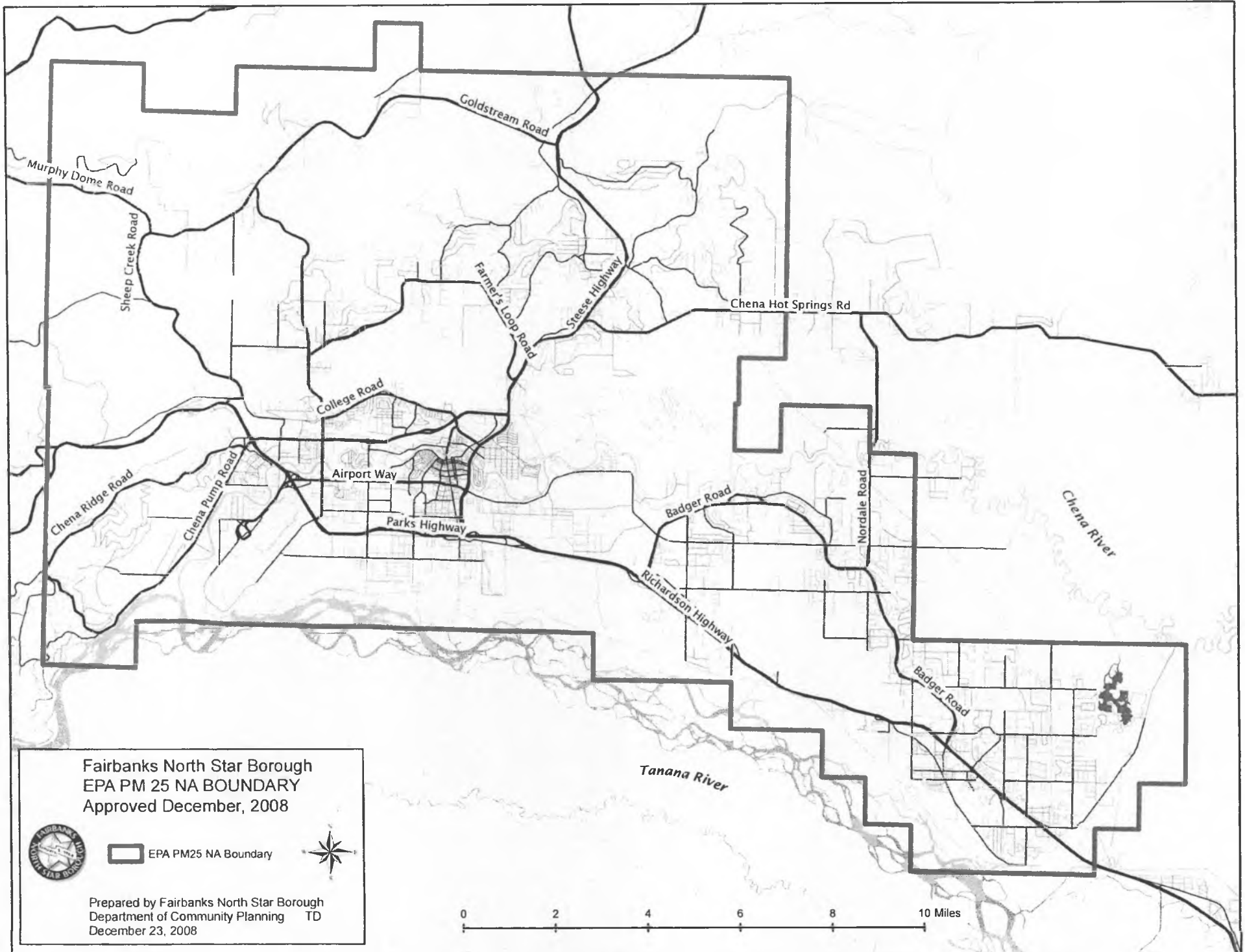
EPA Certified Wood Stoves

Since 1988, EPA has required manufacturers of wood stoves to certify that each model line of wood stoves offered for sale in the United States comply with the EPA particulate emissions guidelines in the Clean Air Act.

EPA-certified wood stoves are cleaner and more efficient than a wood stove manufactured before 1988. As part of the certification process, each wood stove model line is required to undergo emissions testing in accordance with EPA Reference Method 28 and sampling methods 5G or 5H by an EPA-accredited laboratory.

Only after successfully passing these tests can a wood stove be offered for sale in the United States.¹

¹ "Wood Stove Certification." *Compliance Monitoring*. Environmental Protection Agency, 6/16/2009. <<http://www.epa.gov/compliance/monitoring/programs/caa/whcert.html>>.





CITY OF FAIRBANKS

Jerry Cleworth, Mayor

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jcleworth@ci.fairbanks.ak.us

March 5, 2012

Representative Tammie Wilson
Alaska State Legislature
State Capitol, Room 415
Juneau, AK 99801-1182

Re: House Bill 323

Dear Representative Wilson:

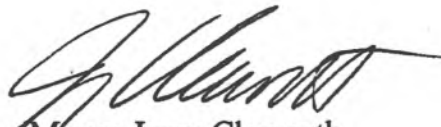
There are individuals residing in nonattainment areas in the Interior that would like to convert to more efficient energy systems for heating their homes, but cannot afford this on their own.

This bill gives them a tool that will help accomplish the conversion and take a positive step in achieving compliance with the PM 2.5 standard.

Taking advantage of the new technologies that are available is the only way areas in nonattainment status can hope to come into compliance.

Thank you for introducing HB323.

Sincerely,



Mayor Jerry Cleworth



Fairbanks North Star Borough

Office of the Mayor

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907/459-1300

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Email: mayor@co.fairbanks.ak.us

March 5, 2012

Representative Tammie Wilson
State Capitol
Juneau, AK 99801

Dear Representative Wilson:

HB 323 could provide a group of Borough residents within the EPA's PM 2.5 non-attainment area, a method to replace certain space heating devices through an AHFC funding structure.

It appears this legislation would address a method to finance an audit and replacement effort to those residents who have not been able to take advantage of existing State and Borough programs that provide rebates or purchase order approvals to upgrade their space heating devices.

The Legislature has previously provided state funding for the FNSB local voluntary solid fuel burning device change out and removal program. This new funding program in HB323 appears to be used as a stand-alone method, utilized when existing programs are not available.

This additional financing programming would be yet another method that will contribute to the reduction of particulate emissions through voluntary control measures that have been shown to improve our air quality locally.

Sincerely,

Luke Hopkins, Mayor

cc: Linda Anderson



CITY OF NORTH POLE

"Where the Spirit of Christmas Lives Year Round"

125 Snowman Lane • North Pole, Alaska 99705-7708
E-mail: mayer@northpolealaska.com • Website: www.northpolealaska.com

February 20, 2012

Representative Tammie Wilson
Alaska State Legislature, Room 415
Juneau, Alaska 99801

Dear Representative Wilson:

I am writing in support of HB 323, "An Act relating to the Alaska energy efficient home grant fund; and creating a grant program for converting homes in regions designated as particulate matter nonattainment areas to efficient home heating systems."

Right now, it's a balmy 14°F and the Fairbanks North Star Borough's Near Real Time Air Quality website rates the air in North Pole as "Good." As you know, this is not always the case. For example, on February 12, 2012, area resident *Lynn Grover* of 2405 *Eire Street* wrote:

For the last week, it's been nice out. I wish I would have been able to take my kids out to play in my own yards on my own property, but I couldn't and still can't today, as the coal and wood smoke is just too bad.

Because of the smoke, this is the third year in a row that I cannot be outside on my own property and play with my kids. Also because of the smoke, we have to have air cleaners in every room of the house; if we didn't have them, we would all taste smoke in the indoor air on many winter days.

When will I be able to play with my kids in my own yard on my own property without damaging our lungs and health in general?

Sincerely disgusted with the lack of action on this issue, which is keeping my family members and me prisoners in our own home on beautiful and warm winter days,

What is the solution to this woman's, and many other residents', dilemma? Obviously, it would be to help the neighbors burn more efficiently. And the neighbors would—if they could afford to.

Many Interior Alaska middle-class residents have spent their disposable income on the skyrocketing and crushing expense of paying over \$1,500.00 each month just to heat their homes, keep a light on in the house, and be able to drive to work. They have reached their credit card limits and are not eligible for more loans. They are juggling their mortgage and other bill payments in order to put food on their tables and so survive for another month.

For this testimony, middle class is defined as those people who cannot make use of existing programs, often because they can't front the money required to make energy improvements.

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907-488-8583

Police
Department
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Department
907-488-2232

Utilities
907-488-6111

Director of
City Services
907-488-8593

Finance
907-488-8594

Added to the crushing expenses for energy, is the EPA demand that the Fairbanks North Star Borough, of which one third of the population is the North Pole area, must meet more stringent air quality standards within the next couple years. Further stressing our population is the uncertainty of whether or not many of our residents will have a job in a year due to the announced transfer of 1,600 military and civilian direct jobs to Anchorage—add to that number the many secondary and tertiary employment dependencies on Eielson. A sober person is left in shock and with few options.

Readily available wood or inexpensive coal becomes a necessity, and that hurts our air quality.

But our community will survive; many people will remain; and thus air quality standards must be attained. Even with the promise of natural gas at some uncertain, hopefully soon, date, provisions must be made to enable more efficient heating systems, especially that can be easily converted to natural gas. Without those provisions, this area will not meet the strict PM2.5 air quality standards, especially on those cold days when air inversions trap stale, smoke-laden air close to the chimney tops.

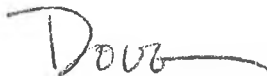
HB 232 provides the necessary provisions and protections by allowing for a qualified applicant to receive up to \$10,000 in the form of a grant to purchase and install a new boiler or wood stove. The program would be administered by the AHFC, and would require a certified energy auditor to inspect their current boiler or wood stove before the grant is awarded.

This program will only apply for nonattainment areas, and once a region reaches attainment status, the program will no longer be available.

There are also stipulations in the bill which state if a person has already received equivalent improvements through the AHFC Energy Rebate program they cannot take advantage of this grant program. Also, I would encourage modifying the language of the bill on line if a person can qualify for a boiler or wood stove conversion through interior weatherization, they cannot utilize this grant. Finally, if a person accepts this grant, they cannot partake in either the Energy Rebate or income based weatherization programs.

Recognizing the need of the residents in my community, I commend this bill to you and your colleagues' for passage.

Sincerely,

A handwritten signature in black ink that reads "DOUG" in a stylized, cursive font.

Douglas W. Isaacson
Mayor