

Appendices

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Tables with quantitative evaluation

State facilities – potential savings from 20 percent reduction in electric energy consumption

Location	Sq feet	Primary fuel	lbs CO2 per kWh	kWh /sq ft	20% kWh reduction	Net reduction in lbs CO2
Southcentral	4,939,348	Natural Gas	1.321	12.1	11,953,222	15,790,206
Interior	839,669	Coal	2.095	12.1	2,031,998	4,257,035
	279,890	Oil	1.969	12.1	677,333	1,333,668
Four Dam Pool	804,000	Hydro	0	12.1	1,945,680	-
Other	2,630,221	Oil	1.969	12.1	6,365,135	12,532,950
Military	34,275	Coal	2.095	12.1	82,946	173,771
TOTAL	9,527,403	Mix			23,056,314	34,087,630

State facilities – potential savings from 20 percent reduction in space heating energy consumption

Location	Thousand Btu / SF	Total Mbtu	20% Mbtu reduction	Net reduction in lbs CO2	Fuel	lbs of CO2 per Thousand Btu	Net reduction in CO2 (tons)
Southcentral	41.6	205,476,877	41,095,375	4736571	Natural Gas	0.115258	2,368
Interior	41.6	34,930,210	6,986,042	1127449	Oil	0.161386	564
	41.6	11,643,403	2,328,681	375816.5	Oil	0.161386	188
Four Dam Pool	41.6	33,446,400	6,689,280	1079556	Oil	0.161386	540
Other	41.6	109,417,194	21,883,439	3531681	Oil	0.161386	1,766
Military	41.6	1,425,840	285,168	46022.12	Oil	0.161386	23
TOTAL		396,339,924	79,267,985	10,897,096	Mix		5,449

University facilities potential energy savings – electricity

UA Buildings		Carbon Dioxide Emissions			Electricity Consumption		
Location	Sq feet	Primary fuel source	lbs CO2 per kWh electricity generated	lbs of CO2 per Mbtu	kWh /sq ft	20% kWh reduction	Net Reduction in lbs CO2
Southcentral	2,168,703	Natural Gas	1.321	0.001321	8.2	3,556,673	4,698,366
Interior	2,206,790	Coal	2.095	0.002095	8.2	3,619,136	7,582,090
	735,597	Oil	1.969	0.001969	8.2	1,206,379	2,375,360
Four Dam Pool	166,769	Hydro	0.000	0.000000	8.2	273,501	-
Other	606,378	Oil	1.969	0.001969	8.2	994,460	1,958,092
UA Statewide	5,884,237	Mix	1.341			9,650,149	16,765,910

University facilities potential energy savings – space heating

Annual heating potential savings by university facilities						
Region/Fuel	Sq ft UA facilities	Annual Mbtu/sq ft	Total UA facility annual Mbtu	20% savings annual Mbtu	Net reduction in CO2 (tons)	
Southcentral /Natural Gas	2,168,703	41.6	90,218,056	18,043,611	1,040	
Interior /Coal	2,206,790	41.6	91,802,474	18,360,495	1,953	
Interior /Oil	735,597	41.6	30,600,824	6,120,165	494	
Four dam pool area /Oil	166,769	41.6	6,937,590	1,387,518	12	
Other AK /Oil	606,378	41.6	25,225,325	5,045,065	407	
UA System	5,884,237		244,784,271	48,956,854	4,005	

Assumptions:

Similar electrical and heating consumption across the state.

Carbon dioxide emissions by fuel source and building energy consumption per square foot based on data from the U.S. Energy Information Administration. Space heating rate per square foot was inflated to account for additional consumption due to the climate of Alaska

Sources:

Carbon Dioxide emission estimates - www.eia.doe.gov/environmental.html

Average Building energy usage per square foot: <http://www.eia.doe.gov/emeu/cbecs> - Table C20A. Electricity Consumption and Conditional Energy Intensity by Climate Zone for All Buildings, 2003

Relamping Data Tables 44% savings -Estimating square footage of state facilities in need of lighting retrofit

Region	Type	Sq ft	Low % in using old lighting	Med % using old lighting	High % using old lighting	Sq ft med estimate
Southcentral	State Facilities	3,668,072	50%	63%	75%	2,310,885
Mat-Su & Denali Borough	State Facilities	552,471	50%	63%	75%	348,057
Kenai Peninsula	State Facilities	718,805	50%	63%	75%	452,847
Interior	State Facilities	1,119,558	50%	63%	75%	705,322
4 Dam Pool	State Facilities	804,000	50%	63%	75%	506,520
Other Alaska	State Facilities	2,630,221	50%	63%	75%	1,657,039
Military	State Facilities	34,275	50%	63%	75%	21,593

Relamping Data Tables 44% savings - continued

Region	Sq ft med estimate	# of lamps	Cost per lamp \$	Total cost	Lighting density kWh/sq ft	Total kWh / year	44% kWh reduction per year	PV Savings¹	Ben / cost ratio
Southcentral	2,310,885	36,108	70	\$2,527,531	8.0	29,344,576	12,911,613	\$14,141,807	5.60
Mat-Su & Denali Borough	348,057	5,438	70	\$380,687	8.0	4,419,768	1,944,698	\$2,141,597	5.63
Kenai Peninsula	452,847	7,076	70	\$495,302	8.0	5,750,440	2,530,194	\$2,786,374	5.63
Interior	705,322	11,021	70	\$771,445	8.0	8,956,464	3,940,844	\$4,339,851	5.63
4 Dam Pool	506,520	7,914	70	\$554,006	8.0	6,432,000	2,830,080	\$3,116,623	5.63
Other Alaska	1,657,039	25,891	70	\$1,812,387	8.0	21,041,768	9,258,378	\$10,195,781	5.63
Military	21,593	337	70	\$23,618	8.0	274,200	120,648	\$132,864	5.63

¹ Note: Present Value of Savings (PV Savings) are based on market rates for energy.

K-12 Potential Savings – 10 percent reduction in electric energy consumption

Annual electric potential savings in Public K-12						
Region/Fuel Source	Sq ft	kWh/sq ft	Total kWh	10% kWh savings	Net CO2 reduction (tons)	
Southcentral /Natural Gas	11,490,003	8.2	94,218,025	9,421,803	6,443	
Interior /Coal	2,011,604	8.2	16,495,149	1,649,514	1,728	
Interior /Oil	670,535	8.2	5,498,383	549,838	275	
4 Dam Pool /Hydro	2,156,650	8.2	17,684,530	1,768,453	0	
Other Alaska /Oil	6,132,919	8.2	50,289,936	5,028,994	4,951	
Total	22,461,710		184,186,022	18,418,602	13,477	

K-12 Potential Savings – 10 percent reduction in space heating energy consumption

Annual heating potential savings – 10 percent reduction Public K-12							
Region /Fuel	Sq ft	Fuel use per sq ft	Mbtu/sq ft	Total annual Mbtu	10% savings annual Mbtu	Net reduction in CO2 (tons)	
Southcentral /Natural Gas	11,490,003	31.90	41.6	477,984,125	47,798,412	5,509	
Interior /Oil	2,682,138	0.18	41.6	111,576,941	11,145,694	1,351	
4 Dam Pool /Fuel Oil	2,156,650	0.18	41.6	89,716,640	8,971,664	450	
Other Alaska /Fuel Oil	6,132,919	0.18	41.6	255,129,430	25,512,943	1,448	
Total	22,461,710			934,407,136	93,440,713	12,875	

Findings of January 16, 2008 Work Session

Top 10 Recommendations

Note: numbers in parenthesis indicate the number of votes in favor of the recommendation

- Creation of a 3rd party administrator charged with coordination of end-use EE efforts and implementing comprehensive public awareness campaign. (11)
- Statewide residential building code (15)
- Statewide commercial building code (16)
- Weatherization – increase funding and increase \$/per home, measure success in energy saved (#) rather than in # houses. Serve those who are over-income and not able to access loan. (16)
- State to establish EE fund capitalize with \$1B (12)
- Code and Regulatory Enforcement, Quality Assurance at all levels (12)
- Create training program and certification for EE work. (12)
- Require energy audit on all homes at point of sale (11)
- AEA/AHFC retain dividend and spend on EE (11)
- Arbitrage \$ to low income EE (10)
- 20% state reduction in energy by 2020 (11)

Implicit in these recommendations:

- is collection and maintenance of good data including baseline data so that changes can be measured and programs evaluated.
- That demand side solutions should always be considered before supply side solutions are sought
- That energy efficiency is important because it saves people money, reduces consumption and thus emissions, and creates energy independence.
- Energy Efficiency measures are a good investment with attractive ROI

Hosted by:

Information Insights – Brian Rogers, Cady Lister, Charles Ermer, with
Rocky Mt. Institute - Natalie Mims and Chad Riley

Attended by:

Rich Seifert – UAF Cooperative Extension
Pat Lavin – National Wildlife Federation
Ian Sharrock – Alaska Community
Development Corporation
Carol Heyman – Chugach Electric
Todd Hoener – GVEA
Rebecca Garrett – AEA
Cary Bolling – AHFC
Chris Rose – Renewable Energy Alaska
Project
Sean Skaling – Green Star

Christopher Hodgin – State DOTPF
Mark Lyman – RuralCAP
Ralph Lee – RuralCAP
Tyler Robinson – MoA
James Boehm – MoA
Scott Anaya – ABSN
John Woodward
Mike Musick – CCHRC
John Davies – CCHRC
Teeny Metcalfe – AHFC
Peter Crimp – AEA

All recommendations considered

Loans and Incentives

- Low interest loan for energy efficiency upgrades and retrofits administered through AHFC.
 - Potential problem – low utilization for highest value energy retrofits, i.e. most people interested in doing energy efficiency like to do things they can see like windows and doors, rather than items with a greater impact like attic insulation.
 - Loans could be made directly and only to energy certified contractors.
 - Existing products in other places have not been fully utilized because most brokers and lenders don't market them b/c they require additional paperwork and do not provide additional income and buyers are not aware of them.
 - Add-on loan to AHFC current mortgage holders
- Utilize Fannie Mae (and others) Energy Efficient Home mortgages, offering lower interest rates based on lower expected utility costs, market these mortgage options to lenders as a competitive advantage.
- Utilities provide on bill financing for residential and commercial customers.
- Use oil revenues to establish revolving loan fund for projects with shorter payback periods.
- Create an incentive for retrofits or new construction that reach a certain threshold of efficiency and receive large payback. Under the threshold there would be no incentive. This could create an effective whole system design mentality. It would likely be useful to pair this type of incentive with an educational component so that contractors understand why the program is structured to have significant savings after reaching an efficiency threshold.
- Create system by which utilities would provide low interest loans to commercial and public rate-payers to make energy conservation improvements.
 - The rate-payer would continue to pay their same rate to the utility until the loan was paid off. Create system that encourages bundling improvements rather than just picking those with the most impressive cost/benefit ratio. Bundling improvements with long and short payback periods creates an acceptable medium payback time period and gets the most done.
 - Incentive for commercial vendors is lower utility bills after payback period. Costs of improvements are invisible.

Policy, Regulation and Law

GOVERNMENT

- Lead by Example
 - There are a number of states that have energy efficiency plans with the recommendations that state government lead by example. This is done through dedicated high level staff and setting clear and aggressive goals for reducing energy consumption in state owned and operated facilities as well as reduction goals for the whole state.
 - State needs to take a leadership role, announce that they will reduce Alaska's energy use by (some percentage) by (some year), assign a taskforce to create a plan with measurable and then provide funding as necessary to implement the plan. State should set an example and set the standard for energy efficiency and energy conservation. State and local governments can create a culture of conservation.

- State resolution or legislation backing up the federal requirement (attached to DOE grant) that all state buildings reduce energy use by 25% from 1997 levels by 2012. Governors in other states with the same federal requirement have created policy within their administrations to enforce and implement this change.
 - According to the US Environmental Protection Agency Energy Star program, nearly one third of energy used to run a typical government building goes to waste.
- Participate in US EPA Energy Star Program.
- Require retrofits and new buildings to be LEED certified.
- Energy per square foot targets
- Procurement requirements
- Tracking and reporting system for data collection
- Create accountability by assigning energy managers to every department
- Change federal tax law (the State could at least issue support) so that housing agencies (like AHFC) could keep earnings above the bond yield on non-mortgage investments, rather than send them back to the US Treasury. The money that AHFC earns above the bond yield on non-mortgage investments could be used to fund energy efficiency programs. This is a current recommendation to Congress from the Millennial Housing Commission.
- Local governments should tax-exempt increase in value that results from energy improvements on homes.
- Sliding scale property tax abatement based on energy rating over a period of time.
- Allow property owners to pay for energy efficiency improvements as a long-term assessment on their property tax.
 - Benefit of little upfront cost to property owner
 - City can offer lower interest rates than are commercially available
 - Tax assessment is transferable between owners.
- Enforce state law requiring every public building receive energy audit every seven years.
- Change state statute limiting AHFC funding to 20% of total on HUD projects.
 - Increasing the amount that AHFC is able to offer Housing Authorities and Tribally Designated Housing Entities as a match to NAHASDA (Native American Housing And Self-Determination Act) funds specifically in the area of weatherization could provide incentives for these organizations to start programs internally that promote energy efficiency.

BUILDING

- Create and enforce energy efficient building code for all new construction, both residential and commercial
 - California has a state developed code that is more stringent than the 2006 International Energy Conservation Code and is mandatory statewide
- State mandated minimum level of insulation for all new construction.
- Create, adopt, implement and enforce statewide commercial building code
- State adoption and enforcement of International Energy Building Codes
 - The Municipality of Anchorage is in the process of adopting the International Energy Building Codes. Although this minimum requirement is not ideal, it at least raises the bar.
 - ASHREA 62.2-2004 (with Alaska amendments) should become the baseline for codes, increase 25-30% every three years (maybe adopt 90.1).
- Build retrofit market with tax breaks for energy efficiency businesses
- State mandate that all new construction be built to LEED certified standards.

- Tax Hummer Homes – Put extra user fee on homes that over-use limited resources by being excessively large, 3,000+ square feet.
 - Feebate structure where new construction using excessive energy would be taxed, that money would be used to pay rebates on efficient projects.
- Demonstration projects – one model home, one retrofit, one neighborhood
- Improve and create quality control for building inspection

UTILITIES

- Change statute so that utilities don't lose money when they sell less energy
 - Offer financial incentives for energy reduction through efficiency programs backed by penalties for failing to reduce energy through efficiency measures.
 - Decoupling
- Mandate that utilities use % (around 1%) of revenues to operate meaningful end-use management programs.
 - There is an overwhelming reluctance to change operations amongst utilities. The state RCA has the authority to make this mandate.
- Change utility rate structure to reward light users.
- Require IRP from all utilities
- Create Renewable Portfolio Standard
- Establish Combined Heat and Power incentives
- Net Metering requirements
- Streamline interconnection standards for distributed generation, including combined heat and power (CHP)

Programs

- Increase funding for weatherization programs.
 - Weatherization programs for low-income households are widely respected, the value of the work and its benefits are undeniable. Funding has been relatively level, decreasing in real dollars, for nearly 20 years.
 - State funding to supplement federal DOE funding would allow weatherization programs to increase the scope of services they provide to each home, treating the house as a system.
 - Increased state funding would allow weatherization program staff to service a limited number of homes with incomes above 60% of median.
 - Increase funding for energy audits so that anyone, regardless of income, can have the information they need to make informed decisions about increasing the energy efficiency in their homes.
 - New state funding for weatherization programs could offer matching funds to Alaska Native Regional Housing Authorities and other Tribally Designated Housing Entities (THDEs) in providing weatherization services to their shareholders. This could also be an opportunity for training HA and TDHE staff in weatherization methods.
- Create Residential Energy Endowment built from a few years of AHFC dividends NOT sent to the state GF
- Reinstate Rebuild America – funds and function
- State inspectors should provide a check on ICBO and Energy Rater work.
 - Currently the state of Alaska Department of Labor and Workforce Development, Division of Labor Standards and Safety, provide inspection and quality control for electricians and plumbers. Adding inspectors to check the work of ICBO and

energy raters would increase accountability and improve their product, creating better buildings that use less energy.

- Support BEEEP proposal from CCHRC
- Label homes like you label an Energy Star product. Require that all new homes come with a big sticker estimating utility cost and comparing it with average norms for houses in the area of the same size. Homes that are not new could utilize three years of historic bills on the property. Property sellers would be required to go over the document and have it signed off on as a required disclosure.

Education – Public, Industry, Government

- Require utilization of performance based contracting already negotiated with Siemens and the State.
- Education, education, education.....maybe some persuasion. Large scale public relations campaign to educate consumers about energy conservation and change their behavior. General and targeted marketing for residential, commercial and industrial users.
 - The Alaska Tobacco Control Alliance runs a successful public health campaign that gets into the hearts minds of all Alaskans and has changed the way we think about smoking. The same effort needs to be exerted to change thinking and behavior surround energy consumption.
 - Utilities can recover costs associated with public education regarding conservation and efficiency, so RCA could require them to aggressively implement education programs.
- Contractor education programs
 - State requires 16 hrs every two years continuing education for contractors
 - Add energy efficiency as a required component of continuing education
 - Create additional renewable energy installation contractor requirements
- Educate banks, lenders, appraisers and real estate agents about energy related programs so that they can market them to consumers and so that they will not discourage consumers from participating, as sometimes happens now.
 - There is a need to incentivize participation, right now energy programs represent more work with no additional pay for banks and real estate brokers. Right now there is a disincentive to participation.

Workforce Development

- Create training and workforce development opportunities for energy conservation work.
 - With the downturn in new construction in Alaska there will be a fresh supply of skilled workers who can be retrained for work in the energy remodeling field.
- Increase and improve testing requirements for contractors.
 - Create system of certification, such as is seen in many other state, whereby a builder has to be certified in different areas in order to perform different tasks (i.e. window installation, insulation installation, etc.)
 - Tests should be performed on a work site or a simulated work site, not in a classroom or on a computer.
 - Create energy efficiency remodeling certification and energy efficient building certification.
- AHFC should develop content for the 16 hour residential recertification for contractors in order to standardize knowledge-base of builders.
- Develop energy efficiency curriculum for use in high school.
 - Fairbanks Economic Development Corporation report suggests that students who qualify could work as energy raters in the summer.

- Another option would be to invite interested students to work on weatherization teams under the supervision of weatherization specialists.
- The broad impact of the high school curriculum is that it will create a wave of future home owners who will better understand energy efficiency.

Research

- Establish a baseline.
 - A comprehensive energy baseline is necessary to understand how, when and where energy is used.
 - The data available regarding energy end-uses for the state is currently scattered, incomplete and outdated, making it difficult to measure reductions for determining what end-uses will result in the “most bang for the buck.”
 - Alaska is unique because it has more small cooperative and municipal utilities than investor owned utilities, so it may be more difficult to gather and compile end-use data.
- Support the development of sustainable energy communities and building developments that utilize novel energy distribution and/or renewable energy systems.
 - Creating neighborhoods and planning for use in a way that creates sustainability is a growing field in which exciting and innovative work is being done.
- Measure success in saved BTUs
- Investigate the status of the current transmission and distribution system for electricity and gas. There may be simple efficiency gains that can be made from the supply side.

Other

- Appliance standards; federal standards cover around 50 common products. The most recent energy bill also gives the US DOE authority to establish regional standards for furnaces or central air equipment, creating a minimum efficiency for the region.
- Do a “whole neighborhood electric retrofit” modeled after the whole village project that could act as a demonstration project and an education opportunity.
- Mandate all utilities in the state collect fees from rate payers to create an energy efficiency fund. Form an Energy Trust modeled after the Oregon Energy Trust.
 - Combination public benefits fund and the creation of a third party administrator to implement the fund.
- Efficiency coordinator across all agencies

Existing Alaska programs

Alaska Housing Finance Corporation (AHFC) - www.ahfc.state.ak.us

Alaska Housing Finance Corporation is designated as the State Energy Office for Alaska. It is the recipient of federal money for all energy efficiency and renewable energy programs for the state. In FY 2006, the State Energy Program received \$316,800 in federal funding, while the Weatherization Assistance Program received \$1.8 million. Outlined below is a summary of AHFC energy efficiency programs.

AHFC provides funding for weatherization programs delivered by non-profits and municipalities in Anchorage, Fairbanks, Juneau, and Rural - headquartered in Anchorage at RuralCAP and in Fairbanks at TCC. The function and reach of weatherization programs is outlined in a separate section. A brief description of other AHFC energy efficiency programs follows.

Supplemental Housing Grant: AHFC can contribute 20% (limited by State statute) of the total development cost of a HUD project. Energy Efficiency design features are one of the items for which this money is available. FY06 saw 16 grants to seven regional housing authorities with more than \$4 million (of \$6 million total) going into energy efficiency design features. These funds supplemented more than \$30 million in NAHASDA funds.

Building Energy Efficiency Standard (BEES): New residential and community-owned construction underwritten by AHFC is required to meet BEES. BEES is based on the 2006 International Energy Conservation Code with Alaska Specific Amendments and acts as the minimum energy efficiency standard. Compliance with BEES means a Four Star Plus energy-rating or better. Requirements address the building envelope, air leakage, moisture control, heating system efficiency, and duct/piping insulation. Alaska has five climate zones with different envelope insulation requirements for each zone based on climate and fuel cost. BEES is supposed to be updated every three years but failed to see any changes for more than 10 prior to the recent adoption of changes suggested by the Cold Climate Housing Research Center, which was tasked with forming a workgroup and making recommendations. The new standard is based on the International Energy Conservation Code and the American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE) 62.2-2004 residential ventilation standards with Alaska specific amendments.

Research Information Center (RIC): The RIC at AHFC provides information and technical assistance to AHFC energy programs. RIC has an online database of their extensive library that includes books, reports, videos, fact sheets, and articles on a wide range of subjects relating to energy and building. RIC staff speaks to groups around the state, offer classes, respond to information requests and organize other educational opportunities.

Energy Efficiency Interest Rate Reduction: This AHFC program allows home buyers to qualify for a lower interest rate on their mortgages if they are purchasing a home with Five Star and Five Star Plus energy ratings. Rate reductions are also available by making energy improvements to existing homes, at time of purchase. Improvements are made based on an assessment done by a Home Energy Rater. This program was implemented in 1991 and more than 10,000 loans have been made, representing a total value of just under \$1.8 billion.

Energy Ratings and AKWarm: AKWarm is an energy rating software utilized by certified energy raters. Nearly 30,000 homes in Alaska have energy ratings. New construction often receives an energy rating to show that they are in compliance with BEES, existing homes that have energy ratings are generally those that receive services from a weatherization organization. The energy

rating program has significant impact on the way in which new homes are constructed since AHFC underwrites nearly 40% of all residential loans and they require an energy rating demonstrating compliance with BEES.

State Energy Program (SEP): SEP is federal money, roughly \$350,000 that is split between AHFC and the Alaska Energy Authority (AEA). The AHFC portion is used to fund education efforts and as a supplement to the Weatherization Assistance Program to fund electrical efficiency work in weatherization eligible homes.

Small Building Material Loan: Loans made under this program include energy upgrades and renewable energy systems. These loans are limited to residential properties located in “small communities”, excluding urban Alaska and the majority of the state population.

Alaska Energy Authority (AEA) - <http://www.aidea.org/aea/index.html>

Alaska Energy Authority (AEA): The mission of AEA is to “reduce the cost of energy in Alaska”. In their own words: Alaska Energy Authority projects and programs support its mission by 1) providing for the operation and maintenance of existing Authority-owned projects with maximum utility control, 2) assisting in the development of safe, reliable, and efficient energy systems throughout Alaska, which are sustainable and environmentally sound, 3) reducing the cost of electricity for residential customers and community facilities in rural Alaska, and 4) responding quickly and effectively to electrical emergencies.

State Energy Program (SEP): Federal SEP funding is split with AHFC. The portion that AEA receives is used to perform energy audits on commercial and public institutions.

Performance Based Contracting: The state, through AEA, has a negotiated performance based contracting arrangement with Siemens. This was complicated to set up but works well now. Local governments could utilize this contractual agreement. This has been hard to market and hard to track.

Whole Village Retrofit: AEA is a partner with AHFC, RuralCAP, and the Alaska Village Electric Cooperative to do a “whole village energy retrofit” in Nightmute. They hope to use metering to more closely measure impacts of measures taken to save energy. The group is looking for funding to provide services to residential units that are not weatherization income-eligible.

Energy Cost Reduction (ECR): ECR uses rural life cycle economics to estimate the benefit/cost ratio for each project to determine funding. All ECR funding is matched dollar for dollar by a local source. Putting in half the money motivates entities to take energy conservation measures.

Power Project Loan Fund (PPF): Loans made under this program can be used for a variety of projects including energy conservation measures. Loans are currently made at 4.5% (commercial bond rate) on projects with a 10-year payback. Loans are usually for generator upgrades, have also supported wind farms and hydro (Chena Hot Springs).

Village End-Use Efficiency Measures (VEUEM): Denali Commission funded this \$1.2 million project to address village end-use in public or community facilities. The program is ongoing and successful.

Energy Efficiency Technical Assistance Program (ETAP): The program addresses energy efficiency improvements to help communities reduce fuel consumption to generate power and to heat major facilities. EETAP offers assistance to communities with high fuel prices in evaluating energy efficiency measures and in developing information for us in applying for grant or loan funding to implement the measures.

Institutional Conservation Program (ICP): ICP no longer exists but ran successfully for 15 years starting in the mid 1980's and ending in 2000. The program utilized US DOE funds to perform energy audits on institutions, such as schools and hospitals, and then offered to cost-share implementation of energy conservation measures.

Rebuild America 1996-2002: This program no longer exists. While the program was operational, AEA conducted energy audits on 490 schools and other facilities in 143 rural communities over five years. AEA identified energy conservation measures that were low-cost or no-cost, that could have saved an estimated \$2.3 million per year with a one time cost of \$4.1 million. According to AEA staff it is safe to say that none of these reports were utilized at the time they were done. Now that energy prices are increasing AEA is getting calls from places they audited that are looking for their old reports or looking for guidance in implementing them.

Cold Climate Housing Research Center - <http://www.cchrc.org/>

The Cold Climate Housing Research Center (CCHRC) is funded in large part by AHFC. CCHRC is a non-profit whose purpose is to “facilitate the development, use, and testing of energy efficient, durable, healthy, and cost effective building technologies for Alaska and the world’s cold climate regions” CCHRC has a state of the art research facility in Fairbanks and manages research and data collection projects throughout the state. They also provide energy efficiency technical assistance to the Alaska Native housing authorities.

Weatherization

AHFC already has contracts with existing weatherization programs statewide:

- Municipality of Anchorage serves the Municipality of Anchorage.
- Interior Weatherization serves Fairbanks North Star Borough and the road system south to Cantwell and east to Delta junction.
- Tanana Chiefs Conference serves interior Alaska.
- Alaska Community Development Corporation serves the Matanuska-Susitna Borough, Kenai Peninsula Borough, Copper River Valley, Southeast Alaska (except Juneau), Prince William Sound and Aleutians.
- RurAL CAP serves western Alaska, northern Alaska and Juneau.

Interior Weatherization <http://www.interiorwx.org/>

Municipality of Anchorage www.muni.org

Alaska Community Development Corporation <http://www.alaskacdc.org/>

RuralCAP www.ruralcap.com

Weatherization services are provided by: Interior Weatherization and Tanana Chiefs Conference in Fairbanks and Interior villages, Alaska Community Development Corporation in the Mat-Su Borough, the Municipality of Anchorage in Anchorage, and RuralCAP (through two offices) in Juneau and in rural Alaska. Weatherization is funded by the US Department of Energy and the AHFC. In rural areas there are additional sources of funds for weatherization program services including HUD.

Weatherization services are provided for income eligible households, those below 60% of median income. Income eligibility is set by federal regulation. The programs serve roughly 600 homes annually, increasing indoor air quality, reducing fire hazards, and weatherizing the home so that energy is saved and the cost to heat the home decreases. The average home receiving

weatherization services can expect to see a 30% decrease in home heating bills. According to the 2005 Statewide Housing Assessment there are an estimated 45,000 eligible households in Alaska.

Weatherization programs have existed in Alaska since 1976 and their work and impact are widely respected. There are experts in the field, making significant reductions in energy consumption and providing individual education household by household. The state supplements federal funds for weatherization programs but the need amongst income-eligible households far outpaces funding.

Weatherization workers have decades of experience and are leaders in the building sciences in Alaska; transferring knowledge and skill about building in cold climates to the private sector through both formal and informal information exchange.

State of Alaska Heating Assistance Program (LIHEAP) provides 10% of their annual budget to weatherization services to reduce financial burden of heating.

Department of Transportation & Public Facilities (DOTPF) has no master energy efficiency program but they do administer contracts with ESCOs to retrofit public buildings. Additionally, when equipment is replaced an effort is made to upgrade to more efficient models. Procurement for projects is done with the latest energy standards in mind but there are no formal guidelines. DOTPF has an Energy Improvement contract with Siemens (and ESCO) for Department of Corrections, Administration and Transportation buildings. Under this contract eight buildings have received energy retrofits and eight are in progress, an RFP is being drafted to expand this program to additional facilities. Buildings with the highest energy-use index were chosen first.

UTILITIES

Golden Valley Electric Association (GVEA) - www.gvea.com - is the only utility on the Railbelt with a developed end-use management program. Several factors motivated the establishment of this program. A group of individual utility “members”, or rate-payers, in the community created awareness of, and advocated for, energy efficiency measures. This group of citizens was aware of the 1992 federal act requiring the consideration of Integrated Resource Planning (IRP) and put pressure on the utility and the regulatory commission. The result was that, without being formally mandated to do so, GVEA established an internal committee to consider end-use management as part of IRP. Programs expanded further with the proposed development of the Healy Clean Coal plant, a project that had enormous capital requirements and was potentially politically unpopular, burning coal just outside Denali national park. The need to justify this project added more political fuel to the end-use management fire.

EnergySense at GVEA offers the following programs:

The HomeSense program provides energy efficiency residential audits for members, including whole-house all-energies advice (beyond electric energy) and the following:

- Education, behavior, choices
- Best practices, consumption budgeting
- Tools: kWh measuring monitor and refrigerator thermometer
- Efficiency options, devices and controls (installed): up to 12 CFLs, vehicle plug-in timer, & additional devices if there is an electric H2O heater in the house.

The BuilderSense program provides residential construction and design resources and lighting guidance for members as well as rebates for building-in efficiencies during new construction, major additions, rehabs and retrofits. Included are the following eligible measures:

- Fluorescent lighting

- Outdoor lighting
- Vehicle plug-in controls
- Electric H2O heating controls

The BusinessSense program provides rebates up to \$20,000 for retrofitting existing, inefficient lighting systems with upgraded energy efficient lighting systems. The program is available to eligible general service accounts. Members may qualify for either \$1,000 per 1 kW reduced, or 50% of the material / labor costs (whichever less). Again, lighting guidance from GVEA is available.

Chugach Electric Association - www.chugachelectric.com - provides information through an energy savings guide, sponsors educational programs and helps commercial customers with an energy “walk-through”.

Matanuska Electric Association (MEA) - www.mea.coop - provides energy conservation tips and links on their website and they are in the process of applying to become an Energy Star partner.

Municipal Light & Power (ML&P) - www.mlandp.com - provides links and tips on their website, has had one CFL give away event and is participating in a home energy audit pilot on eight homes with Green Star. ML&P has received input from the Mayor that he would like to see the utility offer an end-use management program. To that end a consultant has been hired to evaluate program options and will present findings to the Mayor and General Manager around the end of March 2008.

Homer Electric Association (HEA) - www.homerelectric.com - has a new energy efficiency program. Information is available on their website connecting rate payers with energy efficiency resources and an energy audit tool through the Touchstone Energy cooperative website. HEA offers limited lines of credit to their members; eligible items include a range of appliances and electrical equipment including CFLs.

Seward Electric – <http://www.cityofsewardne.com/electric.htm> - has limited, periodic energy efficiency information on the city website.

ENSTAR - www.enstarnaturalgas.com/ - has weatherization information and tips on their website and links to other energy sites.

Four Dam Pool Utilities - <http://www.fdppa.org/index.jsp> - The Four Dam Pool provides electricity to Copper Valley Electric, Ketchikan Public Utilities, Wrangell/Petersburg and Kodiak Electric Association.

Copper Valley Electric Association - www.cvea.org - has energy efficiency information on their website.

Ketchikan Public Utilities - www.city.ketchikan.ak.us - has energy efficiency information on their website, sends energy efficiency information in bills and provides periodic CFL give-aways.

Kodiak Electric Association - www.kodiakelectric.com - Recently added energy saving tips and links to website.

LOCAL GOVERNMENT

Energy Efficiency Policies and Programs of Alaska’s Municipalities

Despite the fact that energy conservation is becoming a priority, due in large part to high fuel prices, there are few formal or codified policies for Alaska municipalities. The City of Homer is the one municipality actively working on a comprehensive energy conservation policy although

had yet to codify the results of their “Climate Action Plan” which was finalized in December 2007. The City and Borough of Juneau have codified conservation activity and passed city ordinance related to energy efficiency goals.

There are no weatherization or loan programs through local governments with the exception of Anchorage. The Municipality of Anchorage runs one of the AHFC funded weatherization programs. No written policies govern the purchase of energy rated goods, or mandated energy audits on facilities.

However, this is not to say that Alaska’s communities do not practice energy conservation. Public Works Departments in all of the communities interviewed have employed energy conservation measures for more than a decade. Replacing lights and ballasts, installing passive heat and lighting controls and replacing high energy items with more efficient ones has helped reduce energy use and the cost of running government facilities.

Public works department staff in both Anchorage and Fairbanks cautioned that they have taken advantage of the easy energy savings and now will have to employ different, and perhaps more expensive, technologies and be more creative to reduce energy consumption much further.

Additionally, while energy rated goods are not required by written policy, every community we interviewed reported considering the energy cost of the product along with the purchase cost before making a decision to purchase.

Alaska Municipal League (AML) - <http://www.akml.org/>

According to AML, Alaska municipalities are just now starting to tackle the issue of energy efficiency. There are very few policies or programs that exist to address energy efficiency. The Mayor of Juneau has approached AML about hosting a ‘Climate Change’ summit in which they will address the affects of rising energy costs. The summit will take place in April or May of 2008.

Municipality of Anchorage (MOA) – www.muni.org

Anchorage is a member of the ICLEI Cities for Climate Protection Campaign. Mayor Mark Begich has made public statements indicating his support for conservation initiatives and policy within the municipality. The city has drafted an ordinance requiring all municipal building new construction, including school district buildings, be LEED Silver certified. The ordinance offers reduced permitting fees as an incentive for private contractors to build LEED Silver, or better, certified buildings. The ordinance will go before the assembly in February 2008.

Street Light Replacement: There are more than 16,000 street lights in Anchorage and they will all be re-lamped with energy efficient LED lights at a total one-time cost of \$5 million. The expected payback time is 2.5 years - funding for the project has not yet been recognized. MOA is also in the beginning phases of a City Hall energy retrofit.

Anchorage School District (ASD) has not implemented any formal energy efficiency plan but they have a few key efficiency activities including incorporating efficiency measures into new construction, working with Seimen’s to efficiently control heat in their buildings, an innovative pilot program in nine local schools, and working with an AEA grant and bonded money to implement energy conservation measures in 13 schools. .

Efficiency measures are incorporated into new projects and major renovations, i.e. Begich Middle school includes a lot of efficiency measures including efficient lighting and mechanics. Direct Digital Control (for heat) is reviewed with Siemens to ensure they are programming in an efficient way.

There is a pilot project in nine schools to address energy conservation measures that are user controlled. Presentations were made to teachers and staff at each school on how they could do their jobs and behave in an energy saving way. Each school was offered the financial incentive of being able to retain the money saved by reducing energy consumption. The pilot is underway and has not yet been evaluated.

The ASD received a grant from AEA to provide a 50/50 match to the \$780,000 bond passed to fund ECM projects with three year or less payback period. AEA funds will allow more ECM at each of 13 schools that received energy audits. Grant funds will also go to develop a building administrator energy-use awareness training course.

City of Homer - www.ci.homer.ak.us

Homer, like other municipalities does not have a Weatherization or loan program for energy efficient upgrades. While no written policy exists for purchasing energy rated goods or conducting energy audits Homer has been actively working on these issues. Homer is a member of the ICLEI Cities for Climate Protection Campaign. The Homer City Council approved a Climate Action Plan in December 2007 addressing energy conservation with implementation strategies.

The City of Homer has been awarded a small grant (EPA funds) to develop an "Employee Sustainability Handbook." Those policies will promote energy conservation measures in day-to-day operations. The new Homer Public Library was the first LEED-Silver building constructed in Alaska. The City Council is exploring the idea of passing an ordinance specifying that all new City buildings will be LEED certified.

Fairbanks North Star Borough (FNSB) - co.fairbanks.ak.us

No Weatherization program or loan program for energy efficiency upgrades is available through the FNSB. There are no ordinances for the purchase of energy rated goods, FNSB public works employees expressed concern about such an ordinance, noting that technology moves fast and by the time one item is mandated via ordinance then another more efficient item is available. This problem can be addressed by tying the ordinance to a constantly updated source such as the Energy Star Appliance program. FNSB public works staff expressed support for a mandate to "cut energy use."

The FNSB does not conduct energy audits but does consider the energy usage of buildings and have been addressing high energy-use items in those buildings. Upgrades to lighting systems, installation of controls and addressing energy hogs like ventilation systems have been done throughout the years but not as part of an overall energy plan.

Energy conservation is considered in the design phase of a project—designing for the most energy efficient building with lighting controls, heating controls, etc. FNSB public works department recently created a new "energy efficiency engineer" position to focus more on the importance of energy conservation in their designs. They have been unable to fill the position.

Fairbanks North Star Borough School District (FNSBSD) reported similar responses. There are no formal procedures for energy audits but there is an energy specialist on staff (Electrician). Over the past 10+ years FNSBSD has addressed the biggest energy consumers—the mechanical equipment of the buildings and the lighting. They practice head bolt cycling as another example. The borough uses the software Utility Manager Pro, allowing staff to analyze rates of consumption and the costs of energy consumption.

While the State requires some energy efficiency in current building codes, FNSBSD goes well beyond what the regulations require for new construction. The cost of energy has risen far enough that it is now cost effective to purchase items that would have been considered 'uneconomical'

before. Examples include energy recovery systems and mechanical equipment for which the payback period was previously too long.

Basic energy saving measures that homeowners are just starting to employ have been in effect with larger institutions for quite some time (more efficient lighting, heat/cooling controls). They have plucked the ‘low hanging fruit’ and would have to take advantage of different technologies or more costly projects to reduce energy consumption much further.

City of Soldotna - www.ci.soldotna.ak.us

The community does not have ordinances or regulations relating to energy efficiency on new buildings beyond current building codes. It does employ energy conservation measures in new city owned facilities. Soldotna does not conduct formal energy audits on facilities but has performed energy use analysis on a number of buildings.

Soldotna has not adopted written policies but does consider energy cost in selecting motors, electronics, vehicles etc. Energy cost is part of operating costs that are considered in all purchases.

Examples of some recent energy saving activities include: Soldotna photocell activated streetlights are turned off in the summer, reflective ceilings were added to the community Sport Center, use of soft start capacitors on large motors, new maintenance shop was built with much higher insulation than is standard and includes a waste oil heater to provide some of the building heat. Despite lack of a formal program, energy conservation activity has been underway for more than a decade.

City & Borough of Juneau – www.juneau.org

In March of 2007 the city passed a resolution that “the City and Borough of Juneau, Alaska, will join ICLEI as a Full Member and participate in the Cities for Climate Protection Campaign and, as a participant, pledges to take a leadership role in promoting public awareness about the causes and impacts of climate change.” This resolution states that Juneau will conduct greenhouse gas emissions inventory and projections, establish greenhouse gas emissions reduction target, establish action plan to meet target, implement action plan approved by assembly, and monitor and report progress.

The City & Borough of Juneau passed a resolution in June of 2007 titled “A Resolution Creating the Juneau Commission on Sustainability, and Repealing Resolution 2376 Relating to the Juneau Energy Advisory Committee”. The resolution created the Juneau Commission on Sustainability comprised of nine members appointed by the Assembly plus one Assembly member and one Planning Commissioner.

Juneau has an Energy Conservation and Efficiency Policy that speaks to encouraging energy conservation measures through user behavior changes. Mandated activity includes Energy Life Cycle Cost Analysis consideration for all public capital projects with budgets exceeding \$3M and/or exceeding 15,000 sq ft.

The Comprehensive Plan of the City and Borough of Juneau includes a number of policies designed to “encourage” energy efficiency including: recommendation that the Assembly should set an energy efficiency standard for new and existing multi-family housing and commercial buildings and enact water conservation ordinances.

Ketchikan - www.city.ketchikan.ak.us

City officials in Ketchikan suggested that most local governments *have been doing something* to address energy consumption for many years but that very little is done as part of an overall plan to reduce energy consumption. It would be useful, and possibly painless, to codify existing

practices to be sure they are reaching all departments and to ensure that they are part of every project.

Alaska Native Housing Authorities and Tribally Designated Housing Entities

Cook Inlet Housing Authority (CIHA) is the largest housing authority in the state and operates in the Cook Inlet region. Despite having no policy on the books regarding new construction energy building standards, all new construction is Five Star Plus thanks to the construction manager Bob Juliussen.

Cook Inlet Housing used to operate a weatherization and minor improvements program that offered home owners: a comprehensive energy audit free of charge, a \$5,000 grant for improvements, and the option to receive an additional \$15,000 loan given at 1% with no obligation to pay back until the owner sold the house. This program was successful for the home owners but extremely complicated to administer and was for that reason shut down in 2005 with the expectation that the services offered would be evaluated and the program streamlined and re-launched in a year or so. As happens, Cook Inlet Housing staff got busy with other projects and the program continues to sit on the back burner.

Nearly all Housing Authorities have minor repair programs for the housing units they own and/or operate as well as for shareholder homeowners. Many also receive LIHEAP funds that pay for weatherization (note: if an individual is eligible for LIHEAP through a Native corporation they are not eligible for state LIHEAP). Housing Authorities must consider the cost of operating the housing units they build so conservation measures are incorporated if: they are cost effective and/or they are known.

EDUCATION

Alaska Building Science Network (ABSN) is a member non-profit organization primarily funded by AHFC. The work they perform relevant to end-use management includes providing continuing education classes for contractors. The state of Alaska requires 16 hours, every two years, of continuing education in the building sciences.

ABSN provides classes focused on energy efficiency in residential construction. Additionally, ABSN staffs home shows across the state where educational materials and personal interactions offer an opportunity to educate thousands of people about potential energy saving in their homes. Outside the Railbelt ABSN is a partner in the Village End-Use Efficiency Management (VEUEM).

Green Star is funded through the Environmental Protection Agency, private donations, businesses, local corporate sponsors, and occasional local or federal government grants. Green Star works with businesses to guide them through the process of becoming energy efficient. Green Star offers energy evaluation walk-throughs for member businesses, working extensively with purchasing departments and building maintenance. Usually the first energy conservation measure taken is to retrofit lamps and ballasts – average payback of two years.

US Green Building Council, Alaska Chapter provides advocacy and education as well as participation in several workgroups including the Anchorage Sustainable Building Initiative whose goal is to “promote the adoption of ordinances, incentives, and practices that will achieve the vision of sustainable site and building design practices in Anchorage.”

ENERGY SERVICE COMPANIES

Energy Service Companies (ESCO): While there are only two energy service companies currently operating in Alaska there is interest in doing Alaska work from ESCOs headquartered in the lower 48.

Siemens Building Technologies provides full energy audits at a rate of \$0.30 to \$0.50 per square foot and the full spectrum of energy efficiency upgrades. Siemens has a performance contracting agreement with the state, offers performance contracting for the private sector and generally works on only very large buildings.

Optimira Energy Company is a new addition to the Anchorage market, providing performance contracting to commercial vendors.

Alaska Energy Savers is a private energy consulting firm. The owner/operator provides energy conservation consulting for Commercial & Industrial companies, saving money through Power Factor Correction and Lighting Retrofits.

Alaska energy reports currently in draft form or recently published

The Fairbanks Economic Development Corporation released the report “Fairbanks Energy, Strategic Business Plan” in November 2007. The report content was generated by the work of the Interior Issues Council, Cost-of-Energy Taskforce. The Taskforce was asked in August 2007 to identify energy solutions that would reduce energy demand as well as reduce greenhouse gas emissions. While the bulk of the report focused on renewable energy sources, conservation and efficiency increases are recognized as “by far the most effective means of reducing cost, reducing emissions and reducing fuel usage.” The PowerPoint that accompanies the report provides a SWOT analysis of conservation, identifying several opportunities, the weaknesses offered up were mostly based on consumer perception and the idea that it hasn’t worked in the past so it won’t work now.

The report includes statements indicating support for the “Built Environment Energy Efficiency Program (BEEEP)” proposed by the Cold Climate Housing Research Center (CCHRC) that would include programs in; outreach and awareness, energy evaluation and rating, training and certification, and financial resources. The workgroup asks for an “efficiency business” to be developed that would facilitate implementation of the components of BEEEP for which there is no current vendor.

National Wildlife Federation (NWF) – NWF is interested in energy end-use management and renewable resources as a means to decrease pollutants that cause global warming. They perceive a danger that, as the price of oil and gas continues to increase, the state utility operators will revert to coal as a means of energy creation. NWF hired MAFA to provide analysis of end-use efficiency and conservation potential along the rail belt. This report will be used to “make the case” for utilities, policy makers and the public that end-use management and conservation make economic sense.

Rail belt Electrical Grid Authority (REGA) secured a legislative appropriation of \$800,000 to pay for a study to explore the concept of a Rail belt Electrical Grid Authority, an independent system operator, to manage and dispatch electric power on the Rail belt Grid.

Anchorage Chamber of Commerce “Hope is Not a Strategy” – This report focuses on challenges on the supply side of the energy equation with mention of energy efficiency measures. Most of the recommendations are for state government to establish accountable parties and initiate further research with regard to ways in which to increase the capacity for energy production in the long term, with a focus on renewable sources. The recommendations that touch on energy efficiency are for the development and implementation of consumer education, and regulatory guidance for rate-makers that will encourage conservation.

Existing Alaska statutes and regulations

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Real Estate Appraisal

[Title 8.](#) Business and Professions

[Chapter 87.](#) Real Estate Appraisers

AS 08.87.900. Definitions.

In this chapter,

- (1) "analysis assignment" means an analysis, opinion, or conclusion prepared by a real estate appraiser that relates to the nature, quality, or utility of certified real estate or real property;
- (2) "appraisal" means an analysis, opinion, or conclusion prepared by a real estate appraiser relating to the nature, quality, value, energy efficiency, or utility of specified interests in, or aspects of, identified real estate, and includes a valuation appraisal, an analysis assignment, and a review assignment;
- (3) "appraisal assignment" means an engagement for which an appraiser is employed or retained to act, or would be perceived by third parties or the public as acting, as a disinterested person rendering an unbiased analysis, opinion, or conclusion relating to the nature, quality, value, or utility of specified interests in, or aspects of, identified real estate;
- (4) "appraisal report" means any communication, written or oral, of an appraisal;
- (5) "board" means the Board of Certified Real Estate Appraisers;
- (6) "department" means the Department of Commerce, Community, and Economic Development;
- (7) "general real estate appraiser" means a real estate appraiser certified to appraise all types of real property;
- (8) "institutional real estate appraiser" means a real estate appraiser employed full-time by a financial institution with offices in the state;
- (9) "real estate" means an identified parcel or tract of land, including improvements, but excluding subsurface natural resource values;

- (10) "real property" means one or more defined interests, benefits, and rights inherent in the ownership of real estate;
- (11) "residential real estate appraiser" means a real estate appraiser certified to appraise residential real property, subject to the limitations of AS [08.87.100](#) (2);
- (12) "review assignment" means an analysis, opinion, or conclusion prepared by a real estate appraiser that forms an opinion as to the adequacy and appropriateness of a valuation appraisal or an analysis assignment;
- (13) "valuation appraisal" means an analysis, opinion, or conclusion prepared by a real estate appraiser that estimates the value of an identified parcel of real estate, or identified real property at a particular time.

University of Alaska

[Alaska Statutes](#).

[Title 14](#). Education, Libraries, and Museums

[Chapter 40](#). The University of Alaska, the Community Colleges, and the Alaska Aerospace Development Corporation

AS 14.40.055. Educational Expansion Program.

To expand educational and cultural opportunities in the state, to keep pace with the expansion of the state in other fields, and to provide educational facilities of particular interest to residents of the state, the Board of Regents shall

- (1) make a study of the principles and applicability of the junior college to the state;
- (2) establish additional extension courses and such other expansion of accredited courses for students as it considers advisable;
- (3) provide facilities suitable for carrying out a university program;
- (4) employ personnel;
- (5) procure supplies;
- (6) take all other appropriate measures to carry out the intent and purpose set forth in this section; and
- (7) **develop and offer at one or more of the senior college or community college campuses a continuing professional education program for architects, engineers, building officials, and officers and employees of financial institutions on alternative energy systems and on energy conservation and solar design and construction methods applicable to the state.**

AHFC

AS 18.56.096. Limitation On Power to Make or Purchase Mortgage Loans.

(a) The corporation may not make, participate in the making of, purchase, or participate in the purchase of

- (1) a first mortgage loan under this chapter for a duplex, triplex, or four-plex that exceeds the limitations on first mortgage loans for similar housing purchased by the Federal National Mortgage Association as to principal amount and loan-to-value ratio;
- (2) a second mortgage loan for a duplex, triplex, or four-plex the amount of which, when combined with the principal balance of a first mortgage loan on the property, exceeds the limitation on the amount set out in (1) of this subsection or that has a loan-to-value ratio,

when considered with the principal balance of the first mortgage loan, that exceeds 90 percent;

(3) a mortgage loan to finance the purchase of new housing or for the improvement or rehabilitation of existing housing, unless the construction, improvement, or rehabilitation work has been performed by a contractor who is registered to work as a contractor under AS [08.18](#); this paragraph does not apply if the construction, improvement, or rehabilitation work

(A) has been totally or substantially performed by the borrower;

(B) has been performed by a borrower who acts as the contractor for the construction, improvement, or rehabilitation work; or

(C) has been performed in an area designated by the corporation as exempt from the requirements of this paragraph because of the unavailability of registered contractors in that area;

(4) a first mortgage loan for a single-family residence that exceeds the limitations on first mortgage loans for similar housing purchased by the Federal National Mortgage Association as to principal amount by more than 10 percent, or has a loan-to-value ratio that exceeds 95 percent, or a second mortgage loan for a single-family residence, the amount of which, when combined with the principal balance of a first mortgage loan on the property, exceeds the limitations on loans for similar housing purchased by the Federal National Mortgage Association as to principal amount by more than 10 percent, or has a loan-to-value ratio, when considered with the principal balance of the first mortgage loan, that exceeds 90 percent;

(5) a first or second mortgage loan for rental housing unless the borrower agrees not to discriminate against tenants or prospective tenants because of sex, marital status, changes in marital status, pregnancy, parenthood, race, religion, color, national origin, or status as a student;

(6) a first mortgage loan if the borrower has an outstanding first mortgage housing loan under this chapter or an outstanding first mortgage loan for owner-occupied housing under former provisions of AS [44.47](#); or

(7) a loan to a person who has a past due child support obligation established by court order or by the child support services agency under AS [25.27.160](#) - [25.27.220](#) at the time of application.

(b) The loan-to-value limitation established in (a)(4) of this section does not apply to a mortgage loan that is federally insured or guaranteed. The loan-to-value limitations established in (a)(1) and (4) of this section do not apply to a mortgage loan that is a refinancing mortgage loan under AS [18.56.108](#).

(c) The corporation may not make, participate in the making of, purchase, or participate in the purchase of a loan for a residential building if construction of the building began after December 31, 1991, unless the building complies with the thermal and lighting energy standards required by AS [46.11.040](#). The corporation

(1) may adopt regulations to implement this subsection; and

(2) shall, by regulation, establish

(A) procedures by which the person responsible for the construction of the building may demonstrate that the building complies with the thermal and lighting energy standards, including

(i) self-certification, if the contractor responsible for the building construction provides satisfactory evidence that the contractor has completed a training program of the Alaska Craftsman Home Program or equivalent training program and the training program is satisfactory to the corporation;

- (ii) submission of the certificate of a registered architect, registered engineer, or a building inspector, and the architect, engineer, or building inspector has completed a training program of the Alaska Craftsman Home Program or equivalent training program and the training program is satisfactory to the corporation;
 - (iii) submission of the certificate of occupancy issued by the municipality in which the building is located, if the certificate is issued by a municipality in which the municipal building code meets or exceeds the thermal and lighting energy standards, as determined by the corporation;
 - (iv) another method approved by the corporation in regulations adopted by the corporation; and
- (B) criteria by which the energy conservation standards may be met; for purposes of this subparagraph, the residential building complies with the energy standards if the residence has received a rating under the rating system developed by Energy Rated Homes of Alaska if, in the judgment of the corporation, the rating meets or exceeds the thermal energy standards required by AS 46.11.040 .

AS 18.56.520. Appraisals.

Before originating or purchasing or participating in the purchase of a small community housing mortgage loan, the corporation may have or may require the borrower to have an appraisal made of the fair market value of the real property, including structures on the real property, for which the loan is made. **In conducting an appraisal under this section, the appraiser shall give full value to insulation and other features of construction in structures on the real property that add to the energy efficiency of the structures.**

AS 18.56.760. Appraisals.

Before originating or purchasing or participating in the purchase of a senior housing mortgage loan, the corporation may have or may require the borrower to have an appraisal made of the fair market value of the real property, including structures on the real property, for which the loan is made. **In conducting an appraisal under this section, the appraiser shall give full value to insulation and other features of construction in structures on the real property that add to the energy efficiency of the structures.**

AS 18.56.850. Home Energy Conservation and Weatherization Program.

- (a) The corporation shall plan, study, implement, and assist programs for home energy conservation and weatherization including, without limitation, the
- (1) Alaska craftsman home program;
 - (2) energy rated homes of Alaska program;
 - (3) home energy loan program;
 - (4) rural capital retrofit program; and
 - (5) low income weatherization program.
- (b) In the development of a home energy conservation or weatherization program under (a) of this section, the corporation may not consider the value of Alaska longevity bonus payments under AS 47.45 or permanent fund dividends under AS 43.23 in determining whether a person meets income guidelines established under AS 18.56.088 and (a) of this section for a state or, to the extent permitted by federal law, a federal energy conservation or weatherization program.

Municipal Code

AS 29.35.210. Second Class Borough Powers.

(a) A second class borough may by ordinance exercise the following powers on a nonareawide basis:

- (1) provide transportation systems;
- (2) regulate the offering for sale, exposure for sale, sale, use, or explosion of fireworks;
- (3) license, impound, and dispose of animals;
- (4) subject to AS [29.35.050](#) , provide garbage, solid waste, and septic waste collection and disposal;
- (5) provide air pollution control under AS [46.14.400](#) ;
- (6) provide water pollution control;
- (7) participate in federal or state loan programs for housing rehabilitation and improvement for energy conservation;
- (8) provide for economic development;
- (9) provide for the acquisition and construction of local service roads and trails under AS [19.30.111](#) - [19.30.251](#);
- (10) establish an emergency services communications center under AS [29.35.130](#);
- (11) subject to AS [28.01.010](#) , regulate the licensing and operation of motor vehicles and operators;
- (12) engage in activities authorized under AS [29.47.460](#) ;
- (13) contain, clean up, or prevent a release or threatened release of oil or a hazardous substance, and exercise a power granted to a municipality under AS [46.04](#), AS [46.08](#), or AS [46.09](#); the borough shall exercise its authority under this paragraph in a manner that is consistent with a regional master plan prepared by the Department of Environmental Conservation under AS [46.04.210](#) .

(b) A second class borough may by ordinance exercise the following powers on an areawide basis:

- (1) provide transportation systems;
- (2) license, impound, and dispose of animals;
- (3) provide air pollution control under AS [46.14.400](#) ;
- (4) provide water pollution control;
- (5) license day care facilities.

(c) In addition to powers conferred by (a) of this section, a second class borough may, on a nonareawide basis, exercise a power not otherwise prohibited by law if the exercise of the power has been approved at an election by a majority of voters living in the borough but outside all cities in the borough.

(d) In addition to powers conferred by (b) of this section, a second class borough may, on an areawide basis, exercise a power not otherwise prohibited by law if the power has been acquired in accordance with AS [29.35.300](#).

Public Finance

AS 37.05.520. Railbelt Energy Fund.

There is established in the general fund the Railbelt energy fund. The fund consists of money appropriated to it by the legislature and interest received on money in the fund. The department of revenue shall manage the fund. **The legislature may appropriate money from the fund for programs, projects, and other expenditures to assist in meeting Railbelt energy needs, including projects for retrofitting state-owned buildings and facilities for energy conservation.**

Public Utilities

[Title 42](#). Public Utilities and Carriers

[Chapter 5](#). Alaska Public Utilities Regulatory Act

AS 42.05.381. Rates to Be Just and Reasonable.

(a) All rates demanded or received by a public utility, or by any two or more public utilities jointly, for a service furnished or to be furnished shall be just and reasonable; however, a rate may not include an allowance for costs of political contributions, or public relations except for reasonable amounts spent for

(1) energy conservation efforts;

(2) public information designed to promote more efficient use of the utility's facilities or services or to protect the physical plant of the utility;

(3) informing shareholders and members of a cooperative of meetings of the utility and encouraging attendance; or

(4) emergency situations to the extent and under the circumstances authorized by the commission for good cause shown.

(b) In establishing the revenue requirements of a municipally owned and operated utility the municipality is entitled to include a reasonable rate of return.

(c) A utility, whether subject to regulation by the commission or exempt from regulation, may not charge a fee for connection to, disconnection from, or transfer of services in an amount in excess of the actual cost to the utility of performing the service plus a profit at a reasonable percentage of that cost not to exceed the percentage established by the commission by regulation.

(d) A utility shall provide for a reduced fee or surcharge for standby water for fire protection systems approved under AS [18.70.081](#) which use hydraulic sprinklers.

(e) The commission shall adopt regulations for electric cooperatives and for local exchange telephone utilities setting a range for adjustment of rates by a simplified rate filing procedure. A cooperative or telephone utility may apply for permission to adjust its rates over a period of time under the simplified rate filing procedure regulations. The commission shall grant the application if the cooperative or telephone utility satisfies the requirements of the regulations. The commission may review implementation of the simplified rate filing procedure at reasonable intervals and may revoke permission to use the procedure or require modification of the rates to correct an error.

(f) A local exchange telephone utility may adjust its rates in conformance with changes in jurisdictional cost allocation factors required by either the Federal Communications Commission or the Regulatory Commission of Alaska upon a showing to the Regulatory Commission of Alaska of

(1) the order requiring the change in allocation factors;

(2) the aggregate shift in revenue requirement, segregated by service classes or categories, caused by the change in allocation factors; and

(3) the rate adjustment required to conform to the required shift in local revenue requirement.

(g) The commission shall allow, as a necessary and reasonable expense, all payments made to the Department of Environmental Conservation under AS [46.14.240](#) - [46.14.250](#). The commission shall allow the public utility to recover these fees through a periodic fuel surcharge rate adjustment.

(h) An electric or telephone utility that has overhead utility distribution lines and that provides services in a municipality with a population of more than 200,000 must spend at least one percent of the utility's annual gross revenue from retail customers in that municipality to place existing overhead utility distribution lines in that municipality underground. In determining the annual

gross revenue under this subsection, only revenue derived from the utility's distribution lines in the municipality shall be considered.

(i) An electric or telephone utility that is implementing a program to place existing overhead utility distribution lines located in a municipality underground may amend its rates for services provided to customers in the municipality to enable the utility to recover the full actual cost of placing the lines underground. Notwithstanding AS [42.05.411](#) - [42.05.431](#), an amendment to a utility's rates under this subsection is not subject to commission review or approval. A utility amending its rates under this subsection shall notify the commission of the amendment. This subsection applies to an undergrounding program to the extent that the costs do not exceed two percent of the utility's annual gross revenue. If an undergrounding program's costs exceed two percent, the commission may regulate rate increases proposed for the recovery of the amount above two percent.

(j) When an electric utility or a telephone utility is implementing a program to place existing overhead utility distribution lines located in a municipality underground, any other overhead line or cable in the same location shall be placed underground at the same time. Each entity whose lines or cables are placed underground shall pay the cost of placing its own lines or cables underground.

Power Project Fund

AS 42.45.010. Power Project Fund.

(a) The **power project fund** is established as a separate fund. The fund shall be distinct from any other money or funds of the authority and includes only money appropriated by the legislature and money deposited under (g) of this section.

(b) **The authority may make loans from the power project fund**

(1) **to electric utilities, regional electric authorities, municipalities, regional and village corporations, village councils, independent power producers, and nonprofit marketing cooperatives to pay the costs of**

(A) reconnaissance studies, feasibility studies, license and permit applications, preconstruction engineering, and design of power projects;

(B) constructing, equipping, modifying, improving, and expanding small-scale power production facilities that are designed to produce less than 10 megawatts of power, bulk fuel storage facilities, and transmission and distribution facilities, including energy production, transmission and distribution, waste energy, **energy conservation, energy efficiency**, and alternative energy facilities and equipment; and

(C) reconnaissance studies, preconstruction engineering, design, construction, equipping, modification, and expansion of potable water supply including surface storage and groundwater sources and transmission of water from surface storage to existing distribution systems;

(2) **to a borrower for a power project or for bulk fuel, waste energy, energy conservation, energy efficiency, or alternative energy facilities or equipment if**

(A) the loan is entered into under a leveraged lease financing arrangement;

(B) the party that will be responsible for the power project is an electric utility, regional electric authority, municipality, regional or village corporation, village council, independent power producer, or nonprofit marketing cooperative; and

(C) the borrower seeking the loan demonstrates to the authority that the financing arrangement for the power project will reduce project financing costs below costs of comparable public power projects.

(c) Before making a loan from the power project fund, the authority shall, by regulation, specify

- (1) standards for the eligibility of borrowers and the types of projects to be financed with loans;
 - (2) standards regarding the technical and economic viability and revenue self-sufficiency of eligible projects;
 - (3) collateral or other security required for loans;
 - (4) the terms and conditions of loans;
 - (5) criteria to establish financial feasibility and to measure the amount of state assistance necessary for particular projects to meet the financial feasibility criteria; and
 - (6) other relevant criteria, standards, or procedures.
- (d) A loan made by the authority shall be made according to the standards, criteria, and procedures established by regulation under this section.
- (e) Repayment of the loans shall be secured in any manner that the authority determines is feasible to assure prompt repayment under a loan agreement entered into with the borrower. The authority may make an unsecured loan from the power project fund to a borrower regulated by the Regulatory Commission of Alaska under AS [42.05](#) if the borrower has a substantial history of repaying long-term loans and the capacity to repay the loan. Under a loan agreement, repayment may be deferred for 10 years or until the project for which the loan is made has achieved earnings from its operations sufficient to pay the loan, whichever is earlier.
- (f) Power projects are subject to the following limitations on interest and specific restrictions:
- (1) power projects for which loans are outstanding from the former water resources revolving loan fund (former AS [45.86](#)) on July 13, 1978, may receive additional financing from the power project fund; if granted,
 - (A) the term of the additional financing may not exceed 50 years;
 - (B) the interest of the additional financing must be at a rate of not less than three or more than five percent a year on the unpaid balance;
 - (C) the grant of the additional financing must be conditioned on the repayment of loan principal and interest to begin on the earlier of
 - (i) the date of the start of commercial operation of the project; or
 - (ii) 10 years from the date the loan is granted;
 - (2) a loan for a power project
 - (A) may not be granted for a term that exceeds 50 years; and
 - (B) shall be granted at an interest rate that is not less than zero percent and that is the lesser of
 - (i) a rate equal to the percentage that is the average weekly yield of municipal bonds for the 12 months preceding the date of the loan, as determined by the authority from municipal bond yield rates reported in the 30-year revenue index of the Weekly Bond Buyer; or
 - (ii) a rate determined by the authority that allows the project to meet criteria of financial feasibility established under (c) of this section.
- (g) Loan repayments and interest earned by loans from the power project fund shall be deposited in the power project fund unless an appropriation to fund the loan directs otherwise.
- (h) The legislature may forgive the repayment of a loan made from the power project fund for a reconnaissance study or a feasibility study when the authority finds that the power project for which the loan was made is not feasible.
- (i) Money in the power project fund may be used by the legislature to make appropriations for costs of administering the fund.
- (j) The authority may not enter into a loan from the power project fund for a major project unless it has legislative approval of the project and the amount. An appropriation for the loan that names the project constitutes approval required by this subsection. A major project is a project in which the cumulative state monetary involvement, through loans, grants, and bonds, is at least \$5,000,000 or a project for which a loan of more than \$5,000,000 has been requested.

Power Cost Equalization

AS 42.45.130. Cost Minimization.

(a) In order to qualify for power cost equalization, each electric utility shall make every reasonable effort to minimize administrative, operating, and overhead costs, including using the best available technology consistent with sound utility management practices. In reviewing applications for power cost equalization, the commission may require the elimination of unnecessary operating expenses. **Each eligible electric utility shall cooperate with appropriate state agencies to implement cost-effective energy conservation measures** and to plan for and implement feasible alternatives to diesel generation.

(b) **In this section, "energy conservation measures" include weatherization and other insulating methods, utilization of waste heat, appropriate sizing of new generating equipment, and other programs of the state or federal government intended and available for energy conservation.**

AS 42.45.180. Grants For Utility Improvements.

(a) The authority may make a grant from the fund for an eligible utility for a small power project that will reduce the cost of generating or transmitting power to the customers of the utility. The amount of the grant may not exceed 75 percent of the cost of the project. The authority may not make a grant under this section unless the eligible utility has secured financing for 25 percent of the cost of the project from a source other than the power cost equalization and rural electric capitalization fund, as provided under (c) of this section.

(b) The authority may not allocate more than three percent of the balance in the fund to grants under this section in a fiscal year.

(c) In determining whether an eligible utility has secured financing for 25 percent of the cost of the project from a source other than the power cost equalization and rural electric capitalization fund, the authority shall accept solicited and unsolicited proposals for third party financing or for a joint venture between the utility and an entity from the private sector provided that the private sector participant has

- (1) a valid state business license;
- (2) a resolution or letter of agreement executed by the eligible utility agreeing to participation by the private sector participant;
- (3) a business plan that illustrates how the proposed project will reduce the cost of generating or transmitting power to the customers of the utility.

(d) In this section,

(1) "eligible utility" has the meaning given in AS [42.45.150](#) ;

(2) "project" includes

- (A) power generation systems;
- (B) transmission systems;
- (C) distribution systems;
- (D) metering systems;
- (E) energy store systems;
- (F) **energy conservation programs**; and
- (G) bulk fuel storage facilities;

(3) "small power project" means a new or modified project that will either generate, store, or conserve no more than 1.5 megawatts of power or provide a metering system, transmission system, distribution system, or bulk fuel storage facility that has an estimated cost of less than \$3,000,000.

AS 42.45.350. Licensing of Water-Power Development Projects.

- (a) The Regulatory Commission of Alaska shall adopt regulations to establish a regulatory program for water-power development projects that qualify under this section.
- (b) The regulatory program established under this section must
- (1) protect the public interest, the purposes listed in (2) of this subsection, and the environment to the same extent provided by the requirements for licensing and regulation by the Federal Energy Regulatory Commission under 16 U.S.C. 792 - 823c and other applicable federal laws, including 16 U.S.C. 1531 et seq. (Endangered Species Act) and 16 U.S.C. 661 et seq. (Fish and Wildlife Coordination Act);
 - (2) give equal consideration to
 - (A) energy conservation;
 - (B) the protection of, mitigation of damage to, and enhancement of, fish and wildlife, including related spawning grounds and habitat;
 - (C) the protection of recreational opportunities;
 - (D) the preservation of other aspects of environmental quality;
 - (E) the interests of resident Alaska Natives;
 - (F) other beneficial public uses, including irrigation, flood control, water supply, navigation; and
 - (G) the interest of Alaska residents and landowners; and
- (3) require, as a condition of a license for any qualifying project work,
- (A) the construction, maintenance, and operation by a licensee at the licensee's own expense of the lights and signals that may be directed by the secretary of the department of the United States government in which the United States Coast Guard is operating and the fishways that are prescribed by the Secretary of the Interior or the Secretary of Commerce, as appropriate;
 - (B) the operation of any navigation facilities that may be constructed as part of any project to be controlled at all times by the reasonable rules and regulations that are adopted by the Secretary of the Army; and
 - (C) conditions for the protection of, mitigation of damage to, and enhancement of fish and wildlife based on recommendations received under 16 U.S.C. 661 et seq. (Fish and Wildlife Coordination Act) from the National Marine Fisheries Service, the United States Fish and Wildlife Service, and the state Department of Fish and Game.
- (c) For purposes of this section, the term "qualifying project work" means a project work
- (1) that is not part of a project licensed under 16 U.S.C. 792 - 823c or exempted from licensing under 16 U.S.C. 792 - 823c or under 16 U.S.C. 2705 (sec. 405 of the Public Utility Regulatory Policies Act of 1978) before November 9, 2000;
 - (2) for which a preliminary permit, a license application, or an application for an exemption from licensing has not been accepted for filing by the Federal Energy Regulatory Commission before November 9, 2000, unless the application is withdrawn at the election of the applicant;
 - (3) that is part of a project that has a power production capacity of 5,000 kilowatts or less;
 - (4) that is located entirely within the boundaries of the state; and
 - (5) that is not located in whole or in part on an Indian reservation, a conservation system unit as defined in 16 U.S.C. 3102 (sec. 102, Alaska National Interest Lands Conservation Act), or on a segment of a river designated for study for addition to the National Wild and Scenic Rivers System.
- (d) In the case of nonqualifying project work that would be qualifying project work but for the fact that the project has been licensed or exempted from licensing by the Federal Energy Regulatory Commission before November 9, 2000, the licensee of the project may elect to make the project subject to licensing and regulation by the state under this section.

(e) With respect to projects located in whole or in part on a reservation, a conservation system unit, or federal public land, a state license or exemption from licensing is subject to

(1) the approval of the secretary of the federal department having jurisdiction over those lands; and

(2) the conditions that the secretary may prescribe.

(f) The Regulatory Commission of Alaska shall notify the Federal Energy Regulatory Commission not later than 30 days after making any significant modification to its regulatory program under this section.

(g) In this section,

(1) "federal public land" means the land and interest in land owned by the United States that is subject to private appropriation and disposal under public land laws, but does not include a reservation;

(2) "licensee" means any person, state, or municipality licensed under the provisions of 16 U.S.C. 797 and any assignee or successor in interest of the licensee thereof;

(3) "project" means, notwithstanding the definition in AS [42.45.990](#), a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures, including navigation structures, that are a part of the unit, and all storage, diverting, or forebay reservoirs directly connected with the unit, the primary line or lines transmitting power from the unit to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with the unit or any part of the unit, and all water rights, rights-of-way, ditches, dams, reservoirs, land, or interests in land the use and occupancy of which are necessary or appropriate in the maintenance and operation of the unit;

(4) "project work" means the physical structure of a project;

(5) "reservation"

(A) means a national forest; tribal land embraced within an Indian reservation; a military reservation; other land and an interest in land owned by the United States and withdrawn, reserved, or withheld from private appropriation and disposal under the public land laws; and land and an interest in land acquired and held for any public purposes;

(B) does not include a national monument or national park.

AS 42.45.990. Definitions.

In this chapter, unless the context otherwise requires,

(1) "authority" means the Alaska Energy Authority.

(2) "feasibility study"

(A) means a study conducted to establish the economic and environmental practicality of completing a proposed power project;

(B) includes engineering and design work to meet the requirements for submission of a license application for a proposed new project to the Federal Energy Regulatory Commission;

(3) "power" includes electrical energy generated, distributed, bought, or sold for lighting, heating, power, and every other useful purpose;

(4) "power project" or "project" means a plant, works, system, or facility, together with related or necessary facilities and appurtenances, including a divided or undivided interest in or a right to the capacity of a power project or project, that is used or is useful for the purpose of

(A) electrical or thermal energy production other than nuclear energy production;

(B) waste energy utilization and energy conservation; or

- (C) transmission, purchase, sale, exchange, and interchange of electrical or thermal energy, including district heating or interties;
- (5) "reconnaissance study" means a study conducted to assess the present and future electrical and thermal energy needs of an area.

Department of Transportation and Public Facilities

AS 44.42.020. Powers and Duties.

- (a) The department shall
- (1) plan, design, construct, and maintain all state modes of transportation and transportation facilities and all docks, floats, breakwaters, buildings, and similar facilities;
 - (2) study existing transportation modes and facilities in the state to determine how they might be improved or whether they should continue to be maintained;
 - (3) study alternative means of improving transportation in the state with regard to the economic costs of each alternative and its environmental and social effects;
 - (4) develop a comprehensive, long-range intermodal transportation plan for the state;
 - (5) study alternatives to existing modes of transportation in urban areas and develop plans to improve urban transportation;
 - (6) cooperate and coordinate with and enter into agreements with federal, state, and local government agencies and private organizations and persons in exercising its powers and duties;
 - (7) manage, operate, and maintain state transportation facilities and all docks, floats, breakwaters, and buildings, including all state highways, vessels, railroads, pipelines, airports, and aviation facilities;
 - (8) study alternative means of transportation in the state, considering the economic, social, and environmental effects of each alternative;
 - (9) coordinate and develop state and regional transportation systems, considering deletions, additions, and the absence of alterations;
 - (10) develop facility program plans for transportation and state buildings, docks, and breakwaters required to implement the duties set out in this section, including but not limited to functional performance criteria and schedules for completion;
 - (11) supervise and maintain all state automotive and mechanical equipment, aircraft, and vessels, except vessels and aircraft used by the Department of Fish and Game or the Department of Public Safety; for state vehicles maintained by the department, the department shall annually evaluate the cost, efficiency, and commercial availability of natural gas for automotive purposes, and the purpose for which the vehicles are intended to be used, and convert or purchase vehicles to utilize natural gas whenever practicable; the department may participate in joint ventures with public or private partners that will foster the availability of natural gas for all automotive fuel consumers;
 - (12) supervise aeronautics inside the state, under [AS 02.10](#);
 - (13) complete and maintain a current inventory of public facilities, including a projection of the serviceability of the facilities and projections of replacements and additions to facilities needed to provide the level of services programmed by the various user agencies, for municipalities with populations of less than 12,000 and for unincorporated communities, and perform those duties on a cooperative basis with larger municipalities;
 - (14) adopt energy performance standards for public facilities of the state, the construction of which begins after July 1, 1980; the standards shall be based on thermal and lighting energy standards established by the American Society of Heating, Refrigeration and Air Conditioning Engineers as adapted for application in high latitude, cold climate environs;

(15) provide planning assistance, including but not limited to energy audits and related technical services, to school districts and regional educational attendance areas to develop and implement

(A) standards for the design, construction, and operation of rural educational facilities; and

(B) energy conservation measures for rural educational facilities;

(16) implement the safety and financial responsibility requirements for air carriers under AS [02.40](#);

(17) inspect weights and measures.

(b) The department may

(1) engage in experimental projects relating to available or future modes of transportation and any means of improving existing transportation facilities and service;

(2) exercise the power of eminent domain, including the declaration of taking as provided in AS [09.55](#);

(3) publish plans, schedules, directories, guides, and manuals for distribution, with or without charge, to private or public entities or persons;

(4) operate state housing in support of the department's statutory responsibilities and charge rent that is consistent with applicable collective bargaining agreements, or, if no collective bargaining agreement is applicable, competitive with market conditions;

(5) charge reasonable fees to cover the costs of issuing easements, licenses, and permits and to cover the costs of reproduction, printing, mailing, and distribution of contract and bid documents and design and construction standards manuals;

(6) charge and collect fees for training services and technical assistance provided by department personnel.

AS 44.42.065. Conservation of Energy in Public Buildings.

(a) The department shall, as soon as practicable after July 1, 1980, and at least once every seven years thereafter, perform an energy audit of each public building.

(b) The department shall include in each energy audit required by (a) of this section recommendations for corrective measures to improve the energy efficiency and to minimize the life-cycle cost of the public building surveyed. These measures may include (1) energy conservation measures, (2) measures involving solar technology and other alternative energy systems, (3) energy management, and (4) maintenance and operating procedures and energy-related modifications. In recommending the corrective measures, the department shall give priority to changes in maintenance and operating procedures over measures requiring substantial structural modification or installation of equipment.

(c) In this section, "energy audit" means a determination of

(1) the energy consumption characteristics of a building, including the size, type, and rate of energy consumption of major energy-consuming systems of the building and the climate characterizing the region where the building is located; and

(2) a determination of the energy conservation and cost savings likely to result from appropriate energy-conserving maintenance and operating procedures and modifications, including the purchase and installation of energy-related fixtures.

Alaska Energy Authority

[Title 44](#). State Government

[Chapter 83](#). Alaska Energy Authority

AS 44.83.080. Powers of the Authority.

In furtherance of its corporate purposes, **the authority has the following powers** in addition to its other powers:

- (1) to sue and be sued;
- (2) to have a seal and alter it at pleasure;
- (3) to make and alter bylaws for its organization and internal management;
- (4) to adopt regulations governing the exercise of its corporate powers;
- (5) to improve, equip, operate, and maintain power projects and bulk fuel, waste energy, energy conservation, energy efficiency, and alternative energy facilities and equipment;**
- (6) to issue bonds to carry out any of its corporate purposes and powers, including the establishment or increase of reserves to secure or to pay the bonds or interest on them, and the payment of all other costs or expenses of the authority incident to and necessary or convenient to carry out its corporate purposes and powers;
- (7) to sell, lease as lessor or lessee, exchange, donate, convey, or encumber in any manner by mortgage or by creation of any other security interest, real or personal property owned by it, or in which it has an interest, when, in the judgment of the authority, the action is in furtherance of its corporate purposes;
- (8) to accept gifts, grants, or loans from, and enter into contracts or other transactions regarding them, with any person;
- (9) to deposit or invest its funds, subject to agreements with bondholders;
- (10) to enter into contracts with the United States or any person** and, subject to the laws of the United States and subject to concurrence of the legislature, with a foreign country or its agencies, **for the construction, financing, operation, and maintenance of all or any part of** a power project or bulk fuel, waste energy, **energy conservation, energy efficiency,** or alternative energy facilities or equipment, either inside or outside the state, and for the sale or transmission of power from a project or any right to the capacity of it or for the security of any bonds of the authority issued or to be issued for the project;
- (11) to enter into contracts with any person and with the United States, and, subject to the laws of the United States and subject to the concurrence of the legislature, with a foreign country or its agencies for the purchase, sale, exchange, transmission, or use of power from a project, or any right to the capacity of it;
- (12) to apply to the appropriate agencies of the state, the United States, and a foreign country and any other proper agency for the permits, licenses, or approvals as may be necessary, to maintain and operate power projects in accordance with the licenses or permits, and to obtain, hold, and use the licenses and permits in the same manner as any other person or operating unit;
- (13) to enter into contracts or agreements with respect to the exercise of any of its powers, and do all things necessary or convenient to carry out its corporate purposes and exercise the powers granted in this chapter;
- (14) to recommend to the legislature
 - (A) the pledge of the credit of the state to guarantee repayment of all or any portion of revenue bonds issued to assist in construction of power projects;
 - (B) an appropriation from the general fund
 - (i) for debt service on bonds or other project purposes; or
 - (ii) to reduce the amount of debt financing for the project;

- (15) to carry out the powers and duties assigned to it under AS [42.45](#);
- (16) to make grants or loans to any person and enter into contracts or other transactions regarding the grants or loans.

AS 44.83.960. Long-Term Energy Plan. [Repealed, Sec. 16 Ch 134 SLA 1990].

Repealed or Renumbered

DCCED: Residential Energy Conservation Fund

AS 45.89.010. Fund Established.

(a) There is established in the Department of Commerce, Community, and Economic Development the **residential energy conservation fund** to carry out the purposes of this chapter. Loans and grants made under this chapter may be used to purchase, construct, and install an energy conservation improvement in residential buildings.

(b) Money in the fund may be used by the legislature to make appropriations for costs of administering this chapter.

(c) On June 30 of each fiscal year the unexpended and unobligated cash balance of the fund that is attributable to loans owned by the fund lapses into the general fund.

AS 45.89.015. Special Account Established.

(a) There is established as a special account within the residential energy conservation fund the foreclosure expense account. This account is established as a reserve from fund equity.

(b) The commissioner may expend money credited to the foreclosure expense account when necessary to protect the state's security interest in collateral on loans made under AS [45.89.030](#) or to defray expenses incurred during foreclosure proceedings after a default by an obligor.

AS 45.89.020. Refunds and Grants. [Repealed, Sec. 10 Ch 79 SLA 1983].

Repealed or Renumbered

AS 45.89.030. Loans.

(a) The department may make loans for the purchase, construction, and installation of an energy conservation improvement in a residential building.

(b) A loan for the purchase, construction, and installation of an energy conservation improvement under this chapter may not exceed the lesser of

- (1) an amount, as determined by an energy audit, that is equal to the estimated total energy cost saving attributable to the energy conservation improvement at a date that is 10 years after purchase, construction, or installation of the energy conservation improvement;
- (2) \$5,000.

(c) A loan for the purchase, construction, and installation of an energy conservation improvement under this chapter may be made for only an energy conservation improvement that has been

recommended, in any energy audit, as a measure that is likely to result in energy conservation or energy cost savings.

(d) A loan made under this chapter may be used to finance

(1) all of the cost of purchasing, constructing, and installing an energy conservation improvement; and

(2) the costs of labor for the installation of an energy conservation improvement.

(e) Interest shall be charged on a loan made under this chapter. If a loan is made before January 1, 1984, interest shall be five percent. If the loan is made after December 31, 1983, interest shall equal the percentage of the average weekly yield of municipal bonds for the 12 months preceding the loan, as determined by the commissioner from the municipal bond yield rates reported in the 30-year revenue index of the Weekly Bond Buyer.

(f) The duration of repayment of a loan made under this chapter may not exceed 10 years.

(g) The department may require security for a loan under this section. When a loan is made under this section, the department may require the loan applicant to present copies of invoices or billings for expenses which the proceeds of the loan will be used to pay.

(h) All principal and interest payments, and money chargeable to principal or interest that is collected through liquidation by foreclosure or other process on a loan made under this chapter, shall be paid into the residential energy conservation fund.

(i) A person who receives a loan under this section and knowingly uses the loan proceeds for purposes other than those set out in (d) of this section is guilty of the crime of misapplication of property under AS [11.46.620](#).

(j) If, in the opinion of the department, it is not necessary to conduct an energy audit to determine that a loan application meets the requirements of this section, the department may waive the audit requirement for the applicant.

(k) The department may not make a loan under this chapter to a person who has a past due child support obligation established by court order or by the child support services agency under AS [25.27.160](#) - [25.27.220](#) at the time of application.

AS 45.89.040. Sale or Transfer of Mortgages and Notes.

The commissioner may sell or transfer at par value or at a premium or discount to any bank or other private purchaser for cash or other consideration the mortgages and notes held by the department as security for loans made under this chapter.

AS 45.89.050. Disposal of Property Acquired By Default or Foreclosure.

The department shall dispose of property acquired through default or foreclosure of a loan made under this chapter. Disposal shall be made in a manner that serves the best interests of the state, and may include the amortization of payments over a period of years.

AS 45.89.070. Regulations.

(a) The department shall adopt regulations necessary to carry out the provisions of this chapter, including regulations to establish reasonable fees for services provided and charges for collecting the fees.

(b) The department may collect the fees and collection charges established under (a) of this section.

AS 45.89.500. Definitions.

In this chapter

- (1) "commissioner" means the commissioner of commerce, community, and economic development;
- (2) "department" means the Department of Commerce, Community, and Economic Development;
- (3) "energy audit" means
 - (A) [Repealed, Sec. 10 ch 79 SLA 1983].
 - (B) an energy audit performed under Sec. 215(b)(1)(A) of the federal residential energy conservation program of the National Energy Conservation Policy Act (42 U.S.C. 8216(b)(1)(A)); or
 - (C) an energy audit completed before July 1, 1980, that has been approved by the commissioner as an audit that fairly demonstrates the energy consumption characteristics of a residence and that indicates likely energy conservation and cost savings measures;
- (4) "energy conservation improvement" means
 - (A) structural insulation;
 - (B) thermal windows and doors;
 - (C) a furnace replacement burner designed to achieve a reduction in the amount of fuel consumed as a result of increased combustion efficiency;
 - (D) a device for modifying flue openings designed to increase the efficiency of operation of the heating system;
 - (E) an electrical or mechanical furnace ignition system which replaces a gas pilot light;
 - (F) an automatic energy-saving setback thermostat;
 - (G) a meter which displays the cost of energy usage;
 - (H) caulking and weatherstripping of doors and windows;
 - (I) insulating shades and shutters;
 - (J) air and water recuperators;
 - (K) any other energy-saving device approved by the commissioner.

Department of Environmental Conservation

AS 46.11.010. Thermal and Lighting Energy Standards For Public Buildings.

- (a) All public facilities of the state, the construction of which begins after July 1, 1980, shall be designed to comply with the thermal and lighting energy standards adopted by the Department of Transportation and Public Facilities under AS 44.42.020 (a)(14).
- (b) By June 30, 1988, all public facilities of the state existing on July 1, 1980 shall be modified, to the extent economically feasible, to comply with the thermal and lighting energy standards adopted by the Department of Transportation and Public Facilities under AS 44.42.020(a)(14).

AS 46.11.020. Training of Public Building Maintenance Personnel.

Persons responsible for the maintenance of public buildings designed with energy conservation or production features shall be trained by the department in the use and operation of those features.

AS 46.11.030. Energy Audits. [Repealed, Sec. 10 Ch 79 SLA 1983].

Repealed or Renumbered

AS 46.11.040. Applicability of Thermal and Lighting Energy Standards to Residential Buildings.

State financial assistance may not be approved or granted for the construction of or purchase of a loan for a residential building if construction of the building began after December 31, 1991, unless

- (1) the building is in compliance with thermal and lighting energy standards;
- (2) the building is in compliance with the building code of a municipality and the standards for thermal and lighting energy of the municipal building code meet or exceed the thermal and lighting energy standards;
- (3) the building
 - (A) is constructed under an exception to the municipal building code granted because the exception will result in increased energy efficiency; or
 - (B) is located or is to be located in an area where thermal and lighting energy standards are not justified because of the high cost of implementation of the standards, with specific consideration given to the availability of inexpensive home heating energy sources, as determined under regulations adopted by the Alaska Housing Finance Corporation; or
- (4) the applicant agrees, in writing, that the building will be brought into compliance with thermal and lighting energy standards within one year of conveyance.

AS 46.11.050. Financing of Energy Efficient Homes and Buildings.

(a) After December 31, 1980, a financial institution shall take into consideration the economic benefits of alternative energy systems, life-cycle energy costs, energy efficient building design, and energy conservation when financing homes and buildings with state financial assistance.

(b) After December 31, 1980, a financial institution that makes home mortgage loans with money provided to it by the commissioner of revenue from surplus state general fund investments authorized by AS [37.10.070](#) , or a state agency that makes a direct home mortgage loan to an applicant, shall include estimated heating and lighting costs as determined by an energy audit in standard principal, interest, taxes, and insurance calculation of the cost of buying a housing unit. An applicant for a home mortgage loan shall provide the financial institution or the state agency with a copy of an energy audit.

AS 46.11.900. Definitions.

In this chapter

(1) "alternative energy system"

(A) means a source of thermal, mechanical, or electrical energy that is not dependent on oil or gas or a nuclear fuel for the supply of energy for space heating and cooling, refrigeration and cold storage, electrical power, mechanical power, or the heating of water;

(B) includes

(i) an alternative energy property as defined by 26 U.S.C. 48(a)(3)(A); and

- (ii) a method of architectural design and construction that provides for the collection, storage, and use of direct radiation from the sun;
- (2) "department" means the Department of Commerce, Community, and Economic Development;
- (3) "energy audit" means a determination and written summary prepared under 42 U.S.C. 8216(b) of
- (A) the energy consumption characteristics of a building, including the size, type, and rate of energy consumption of major energy consuming systems of the building and the climate characterizing the region where the building is located; and
 - (B) the energy conservation and cost savings likely to result from appropriate energy-conserving maintenance and operating procedures and modifications, including the purchase and installation of energy-related fixtures; for purposes of this subparagraph when a fossil fuel is the energy source, the energy cost savings shall be determined with reference to the projected price of that fossil fuel over a 10-year period;
- (4) "financial institution" means a bank, trust company, savings bank, savings and loan association, or credit union;
- (5) "life-cycle cost" means the total cost of owning, operating, and maintaining a building over its useful life, including its energy and fuel costs, determined on a basis of a systematic evaluation and comparison of alternative building systems, except that in the case of leased buildings the life-cycle cost shall be calculated over the effective remaining term of the lease;
- (6) "public building" means a building owned or controlled and held by the state for government or public use;
- (7) "state financial assistance" means a loan, grant, guarantee, insurance, payment, rebate, subsidy, or other form of state assistance other than aid under AS [05.35.010](#) - [05.35.070](#), AS [14.11](#), and AS [29.60](#), including the purchase by a state agency of a loan to finance the construction or purchase of a residential building;
- (8) "thermal and lighting energy standards" means the thermal and lighting energy standards
- (A) established by the American Society of Heating, Refrigeration, and Air Conditioning Engineers as revised
 - (i) by the commissioner of transportation and public facilities under AS [44.42.020](#) (a) for public facilities; or
 - (ii) by the Alaska Housing Finance Corporation for buildings and structures that are not public facilities; or
 - (B) developed in regulations adopted
 - (i) by the commissioner of transportation and public facilities under AS [44.42.020](#) (a) for public facilities; or
 - (ii) by the Alaska Housing Finance Corporation for buildings and structures that are not public facilities.
-

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3 AAC 50 Energy Conservation

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3 AAC 50.100. Application, purpose, and waiver

(a) The provisions of 3 AAC [50.200](#), 3 AAC [50.300](#), and 3 AAC [50.500](#) apply to electric utilities subject to the regulatory jurisdiction of the commission. The provisions of 3 AAC [50.500](#) apply to gas utilities subject to the regulatory jurisdiction of the commission. The purpose of 3 AAC [50.200](#) - 3 AAC [50.500](#) is to adopt the regulatory policy standards established in secs. 113(b) and 303(b) of the Public Utility Regulatory Policies Act of 1978 (16 USC Â§ 2623(b) and 15 USC Â§ 3203(b), as adopted November 9, 1978) and to extend these standards to the other electric and gas utilities in Alaska not directly subject to that Act. **These regulations encourage**

(1) conservation of energy supplied by electric and gas utilities;

(2) **the optimization of the efficiency of use of facilities and resources by electric and gas utilities;** and

(3) the establishment of equitable rates to electric and gas consumers.

(b) For good cause shown, the commission will, in its discretion, waive the application to a utility of all or part of 3 AAC [50.200](#) - 3 AAC [50.600](#) or will, in its discretion, establish interim standards for a utility.

3 AAC 50.200. Individual electric meters

(a) Except as provided in (b) of this section, an electric utility shall install an individual meter to measure the energy consumption attributable to each residential and commercial unit in a multiple-occupancy building and each mobile home unit in a mobile home park if construction of the building or mobile home park was begun after December 31, 1982.

(b) Individual meters are not required

(1) for transient multiple-occupancy buildings and transient mobile home parks, including, but not limited to, hotels, motels, dormitories, rooming houses, hospitals, nursing homes, and mobile home parks for travel trailers;

(2) for commercial unit space which is subject to alteration with changes in tenants as evidenced by temporary construction of nonload-bearing walls or floors separating the commercial unit spaces;

(3) where alternative renewable energy resources are used in connection with central heating, ventilating, and air conditioning systems; and

(4) in common building areas such as hallways, elevators, reception areas, water pumping facilities, and electric hookups for motor vehicles.

(c) For the purpose of this section, construction begins when the footings are poured.

History: Eff. 10/15/82, Register 84

Authority: [AS 42.05.141](#) (a)

[AS 42.05.151](#) (a)

[AS 42.05.291](#) (c)

3 AAC 50.300. Information to electric consumers

(a) An electric utility shall provide to each new electric consumer, coincident with the application for service, a clear and concise explanation of any rate schedule in its currently effective tariff which applies to that consumer.

(b) Not later than 30 days after the filing of a tariff advice letter in which a change in a rate schedule is requested, an electric utility shall transmit to its affected consumers a clear and concise explanation of the proposed change. This provision does not apply to rate adjustments resulting from an automatic fuel-cost rate adjustment clause.

(c) At least once each year an electric utility shall transmit to each of its electric consumers an informative summary of any rate schedule in its currently effective tariff which applies to those consumers.

(d) On request of an electric consumer, an electric utility shall transmit a clear and concise statement of the consumer's actual energy consumption and, if billed separately, power consumption for any billing period during the previous 12 months unless the information is not reasonably ascertainable by the utility.

History: Eff. 10/15/82, Register 84

Authority: [AS 42.05.141](#) (a)

[AS 42.05.151](#) (a)

[AS 42.05.411](#) (a)

3 AAC 50.500. Advertising

(a) In addition to the restrictions imposed under [AS 42.05.381](#) (a), neither an electric utility nor a gas utility may recover through rates any direct or indirect expenditure by the utility for promotional, political, or goodwill advertising.

(b) The commission will determine on a case-by-case basis whether the forms of advertising listed in (c)(3) of this section, as well as advertising not readily categorized as promotional, political, or goodwill, and any other form of advertising not covered by this section will be included in utility operating expenses for ratemaking purposes.

(c) In this section

- (1) "advertising" means the commercial use by a utility of any media, including newspaper, printed matter, radio, and television, in order to transmit a message to a substantial number of members of the public or to the utility's customers;
- (2) "goodwill advertising" means advertising directed toward improving or enhancing the public image of a utility or its employees;
- (3) "goodwill advertising," "political advertising," and "promotional advertising" do not include
 - (A) advertising which informs an electric or gas consumer about methods which conserve electric energy or gas or which reduce peak demand for electric energy or gas;
 - (B) advertising required by law or regulation, including advertising required under Part I, Title II of the National Energy Conservation Policy Act (42 U.S.C. Â§ 8201 et seq.);
 - (C) advertising regarding service interruptions, safety measures, or emergency conditions;
 - (D) advertising concerning employment opportunities with a utility;
 - (E) advertising which promotes the use of energy-efficient appliances, equipment, or services;
 - (F) an explanation or justification of existing or proposed rate schedules or a notice of hearings concerning these rate schedules; and
 - (G) communications with members of a utility cooperative about the activities or internal affairs of the cooperative or which encourage or promote the participation of the members in the process of governing the cooperative;
- (4) "political advertising" means advertising for the purpose of influencing public opinion with respect to legislative, administrative, or electoral matters, or with respect to a controversial issue of public importance; and
- (5) "promotional advertising" means advertising for the purpose of encouraging a person to select or use the service or additional service of a utility, or the selection or installation of an appliance or equipment designed to use the utility's service, except as provided in (3)(E) of this subsection.

History: Eff. 10/15/82, Register 84

Authority: [AS 42.05.141](#) (a)

[AS 42.05.151](#) (a)

[AS 42.05.381](#)

Editor's note: As of Register 154 (July 2000), the regulations attorney, acting under [AS 44.62.125](#) (b)(6), made a technical correction to 3 AAC [50.500\(a\)](#), to insert a missing digit in a cross-reference to a statute.

3 AAC 50.600. Definitions

Unless the context indicates otherwise, in 3 AAC [50.100](#) - 3 AAC [50.600](#)

- (1) "building" means a single erected structure, roofed and enclosed within exterior walls, built for permanent use, framed of component structural parts and unified in its entirety both physically and in operation for residential or commercial occupancy;
- (2) "commercial unit" means that portion of a building or premises which is normally used for commercial purposes;
- (3) "electric consumer" means a person or a public or private entity to which electric energy is sold, other than for purposes of resale, by a regulated public utility;
- (4) "gas consumer" means a person or a public or private entity to which natural gas is sold, other than for purposes of resale by a public utility;
- (5) "mobile home park" means a parcel of land which is used for the accommodation of occupied mobile homes;

(6) "multiple-occupancy building" means a building which is designed to house more than one residential or commercial unit;

(7) "rate" means

(A) a price, rate, charge, or classification made, demanded, observed, or received with respect to the sale of utility services to a utility consumer;

(B) a rule, regulation, condition, or practice respecting a rate, charge, or classification; and

(C) a contract pertaining to the sale of utility services to a utility consumer;

(8) "rate schedule" means the designation of the rates which an electric utility charges for electric energy; and

(9) "residential unit" means one or more rooms for use by one or more persons as a housekeeping unit which provides living, sleeping, cooking and sanitation accommodations.

History: Eff. 10/15/82, Register 84

Authority: [AS 42.05.141](#) (a)

[AS 42.05.151](#) (a)

[AS 42.05.291](#) (c)

3 AAC 52 Operation of Public Utilities

3 AAC 52.670. Other requirements

A participating electric utility shall

(1) install and maintain adequate meters to measure kilowatt-hours of generation, fuel consumption, and energy consumption by all ratepayers as prescribed by 3 AAC [107.200](#);

(2) make reasonable efforts to minimize administrative, operating, and overhead costs, including use of the best available technology consistent with sound utility management practices;

(3) cooperate with appropriate state agencies to implement cost-effective energy conservation measures and to plan for and implement feasible alternatives to diesel generation; and

(4) file a monthly report with the Alaska Energy Authority in accordance with the requirements of [AS 42.45.110](#) (h)(1) and 42.45.170(a)(2).

History: Eff. 10/28/89, Register 112; am 5/18/96, Register 138; am 9/11/2004, Register 171

Authority: [AS 42.05.141](#)

[AS 42.05.151](#)

[AS 42.45.130](#)

[AS 42.45.170](#)

[AS 42.45.110](#)

[AS 42.45.160](#)

3 AAC 79 Residential Energy Conservation Loans

Chapter 79. Residential Energy Conservation Loans

[Section 10](#) . Application process

[Section 15](#) . Examination

[Section 20](#) . Loan committee

[Section 30](#) . (Repealed)

[Section 35](#) . (Repealed)

[Section 40](#) . Financial and credit record

[Section 45](#) . Ability to repay

[Section 50](#) . Collateral

[Section 55](#) . (Repealed)

[Section 65](#) . (Repealed)

[Section 70](#) . Supervision of loans

[Section 75](#) . Costs

[Section 80](#) . Assumptions

[Section 81](#) . Closing an assumption

[Section 82](#) . Modifications

[Section 85](#) . Reconsideration of an assumption request

[Section 90](#) . Confidentiality of loan information

[Section 900](#) . Definitions

3 AAC 79.010. Application process

(a) To apply for an **assumption of an existing residential energy loan assumption**, an applicant shall file with the department

- (1) a completed application for an energy conservation loan assumption, on a form provided by the department;
- (2) a financial statement, on a form provided by the department;
- (3) a signed credit authorization, on a form provided by the department;
- (4) an employment verification, on a form provided by the department;
- (5) a signed copy of the applicant's federal income tax return for the most recent year;
- (6) a \$100 nonrefundable application fee; and
- (7) any other information that might be helpful to the applicant in qualifying for an assumption, as requested by the department.

(b) The department will, in its discretion, process an application for an assumption without the information described in (a) of this section, if the department determines that the department can make an informed lending decision without access to the information.

History: Eff. 9/11/85, Register 95; am 1/11/87, Register 101; am 8/10/97, Register 143

Authority: [AS 45.89.030](#)

[AS 45.89.070](#)

3 AAC 79.015. Examination

(a) The materials described in 3 AAC [79.010](#) will be processed and evaluated by a loan officer. The loan officer will evaluate the applicant's financial and credit history, ability to repay, and proposed collateral.

(b) On the basis of the evaluation, the loan officer will either inactivate the application, due to lack of information required under 3 AAC [79.010](#), or recommend proposed action on the loan request to the appropriate loan committee. However, the recommendation of a loan officer is not binding on a loan committee.

History: Eff. 9/11/85, Register 95; am 8/10/97, Register 143

Authority: [AS 45.89.030](#)

[AS 45.89.070](#)

3 AAC 79.020. Loan committee

(a) A loan committee consists of one or more persons appointed by the director to act on a loan request.

(b) A loan committee may approve, deny, or modify and approve a loan request, or may table a loan request subject to obtaining additional information.

(c) A loan committee may impose reasonable conditions on the approval of a loan, including

- (1) additional collateral to secure the loan;
- (2) additional guarantors; and
- (3) subordination of prior lienholders' rights to the interests of the state.

(d) A loan committee shall consider the applicant's financial and credit record, ability to repay, and proposed collateral. A loan committee may consider recommendations of the loan officer assigned to process the application, and other relevant information.

(e) repealed 8/10/97.

(f) If a loan request is denied or significantly modified by a loan committee, the loan committee shall provide the applicant with a statement of the reasons for the action and the information relied on.

(g) A material misstatement or omission of fact made by an applicant constitutes grounds for denial of a loan request.

History: Eff. 9/11/85, Register 95; am 8/10/97, Register 143

Authority: [AS 45.89.030](#)

[AS 45.89.070](#)

3 AAC 79.040. Financial and credit record

(a) The department will, in its discretion, consider the following factors in evaluating an applicant's financial and credit record:

- (1) existing and prior debts;
- (2) credit reports obtained from creditors and private credit reporting services;
- (3) prior loan history with the department;
- (4) timeliness in making payments on loans and other debts;
- (5) prior bankruptcies;
- (6) existence of tax liens;
- (7) unpaid judgments and prior foreclosures; and
- (8) financial and credit reputation.

(b) Information establishing unacceptable credit will be more heavily weighed by the department if it has occurred in recent years.

History: Eff. 9/11/85, Register 95

Authority: [AS 45.89.030](#)

[AS 45.89.070](#)

3 AAC 79.045. Ability to repay

The department will, in its discretion, consider the following factors in evaluating an applicant's ability to repay a proposed assumption:

- (1) income history, including present income;
- (2) prospects for future income;
- (3) assets and their liquidity; and
- (4) liabilities.

History: Eff. 9/11/85, Register 95; am 8/10/97, Register 143

Authority: [AS 45.89.030](#)

[AS 45.89.070](#)

3 AAC 79.050. Collateral

A loan must be secured by collateral acceptable to the department, such as a mortgage or other security instrument in real property, buildings, machinery, equipment, or fixtures.

History: Eff. 9/11/85, Register 95

Authority: [AS 45.89.030](#)

[AS 45.89.070](#)

3 AAC 79.070. Supervision of loans

If a loan is in default, the department will, in its discretion, require a borrower to furnish annual financial statements consisting of a balance sheet, profit-and-loss statement, sources and application of all money received, and a schedule of change of owner's equity. The department will, in its discretion, also require an audit to determine whether the borrower has complied with the provisions of the loan, and conduct periodic inspection of collateral securing repayment of the loan.

History: Eff. 9/11/85, Register 95

Authority: [AS 45.89.030](#)
[AS 45.89.070](#)

3 AAC 79.075. Costs

(a) All expenses incurred by the department in processing an application must be paid by the applicant. These expenses include the cost of title reports and insurance, recording fees, appraisals, surveys, travel, and other direct costs.

(b) An assumption fee of one percent of the loan balance is due from the borrower when all applicable provisions of this chapter have been met.

(c) A late fee not to exceed five percent of the payment amount will, in the department's discretion, be charged to a borrower for each loan payment that is more than 15 days past due.

(d) An extension fee not to exceed \$100 will, in the department's discretion, be charged to a borrower to process a loan extension.

History: Eff. 9/11/85, Register 95; am 1/11/87, Register 101; am 11/5/87, Register 104; am 7/4/91, Register 119; am 8/10/97, Register 143

Authority: [AS 45.89.030](#)

[AS 45.89.070](#)

3 AAC 79.080. Assumptions

(a) The department will, in its discretion and when it is in the state's best interests, allow an assumption of a loan made under [AS 45.89](#) and this chapter.

(b) A request for an assumption of a loan made under [AS 45.89](#) and this chapter will be processed in the same manner as a loan application. The department will, in its discretion, require one or more of the items specified in 3 AAC [79.010](#).

(c) Wraparound financing that includes a loan made under [AS 45.89](#) and this chapter is prohibited, and constitutes a default on the loan.

History: Eff. 9/11/85, Register 95; am 11/5/87, Register 104

Authority: [AS 45.89.030](#)

[AS 45.89.070](#)

3 AAC 79.081. Closing an assumption

An assumption agreement will be considered by the department to be closed when

- (1) all required signatures have been obtained and the assumption agreement has been properly recorded;
- (2) all requirements of the loan committee have been met; and
- (3) the borrower is in compliance with all provisions of the loan documents, including insurance requirements, and this chapter.

History: Eff. 8/10/97, Register 143

Authority: [AS 45.89.030](#)

[AS 45.89.070](#)

3 AAC 79.082. Modifications

(a) A request for a modification to a loan made under [AS 45.89](#) and this chapter will be processed in the same manner as a loan application. The department will, in its discretion, require one or more of the items specified in 3 AAC [79.010](#).

(b) A loan committee may permit a loan modification only if the security of the state and its investment is preserved.

History: Eff. 1/11/87, Register 101

Authority: [AS 45.89.030](#)

[AS 45.89.070](#)

3 AAC 79.085. Reconsideration of an assumption request

(a) If an assumption of a loan request is denied, inactivated, or significantly modified by the department, an applicant may file a written request for reconsideration within 30 days after receipt of notice of the department's decision.

(b) The department will, in its discretion, reconsider a request upon a showing by the applicant that

- (1) there has been a substantial change in the circumstances leading to the department's decision;
- (2) additional relevant information can be provided to the department that was not initially available; or
- (3) administrative errors were made by the department.

History: Eff. 9/11/85, Register 95; am 8/10/97, Register 143

Authority: [AS 45.89.030](#)

[AS 45.89.070](#)

3 AAC 79.090. Confidentiality of loan information

(a) The following information is not confidential and is available for public inspection upon request:

- (1) a document that is already a public record, including deeds of trust, financing statements, warranty deeds, bills of sale, mortgages, liens, and vehicle titles;
- (2) general information regarding loans, including the original loan amount, loan terms, personal guarantees, and disbursement and repayment schedules; and
- (3) insurance matters, including title insurance policies and correspondence with insurance companies or borrowers regarding losses, accident reports, and nonpayment of premiums; and
- (4) foreclosure and default proceedings.

(b) The following information is confidential and is not subject to public disclosure:

- (1) personal and financial information, including income tax returns, financial statements, business income statements, pro forma profit and loss statements, credit information obtained directly from banks and other creditors, and reports obtained from consumer reporting agencies;
- (2) loan committee memoranda and minutes containing information relating to creditworthiness of an applicant; and
- (3) the payment history on a loan, unless the loan is in default.

(c) Information not described in (a) or (b) of this section may be subject to public disclosure. Requests for disclosure must be made, and will be determined, in accordance with 2 AAC 96. On receipt of a request for disclosure, the department will notify the loan applicant and other persons with a privacy interest in the request, to permit them to present reasons why the requested information should not be disclosed.

History: Eff. 9/11/85, Register 95; am 8/10/97, Register 143

Authority: Ak. Const., art. I, Â§ 22

[AS 40.25.110](#)

[AS 45.89.030](#)

[AS 40.25.120](#)

[AS 45.89.070](#)

Editor's note: As of Register 176 (January 2006), and acting under [AS 44.62.125](#) (b)(6), the regulations attorney made a technical change to 3 AAC [79.090\(c\)](#), to reflect Executive Order 113 (2005). Executive Order 113 eliminated the Telecommunications Information Council and transferred its functions related to public information and records to the governor and to the Department of Administration.

3 AAC 79.900. Definitions

Unless the context requires otherwise, in this chapter

- (1) repealed 8/10/97;
- (2) "default" includes a violation of any provision of this chapter, [AS 45.89](#), or the loan document, failure to make the necessary payment within 15 days after it is due, or failure to maintain the insurance required by the department;
- (3) "department" means the Department of Commerce, Community, and Economic Development;
- (4) "wraparound financing" means a contract that includes the balance due on an existing debt and an additional amount to cover the difference between the selling price and the existing debt; and
- (5) "director" means the director of the division of investments or its successor agency in the department.

History: Eff. 9/11/85, Register 95; am 8/10/97, Register 143

Authority: [AS 45.89.030](#)

[AS 45.89.070](#)

Editor's note: As of Register 171 (October 2004), the regulations attorney made technical revisions under AS\n 44.62.125(b)(6) to reflect the name change of the Department of Community and Economic Development to the Department of Commerce, Community, and Economic Development made by ch. 47, SLA 2004 and the corresponding title change of the commissioner of community and economic development.

3 AAC 105 DCCED Administrative & Other Provisions

[Section 10](#) . Scope of regulations

[Section 20](#) . Administration of assistance from other sources

[Section 300](#) . Operation of power projects

[Section 310](#) . Wholesale power rate

[Section 400](#) . Disposition of property

[Section 410](#) . Real property; fair market value

[Section 420](#) . Real property; less than fair market value

[Section 430](#) . Personal property disposition

[Section 440](#) . Notice

[Section 450](#) . Survey and appraisal

[Section 460](#) . Rejection of application or bids

[Section 470](#) . Appeal

[Section 480](#) . Completion of bid requirements

[Section 900](#) . Definitions

[Title 3](#) . Commerce, Community, and Economic Development

[Chapter 105](#) . Financial and Technical Assistance for Energy Systems, Facilities, and Equipment

Section 20. Administration of assistance from other sources

3 AAC 105.020. Administration of assistance from other sources

The authority may apply for, accept, and administer financial and other assistance from public agencies and private sources for the construction, financing, operation, and maintenance of power projects and for bulk fuel, waste energy, energy conservation, energy efficiency, and alternative energy facilities, equipment, or programs that are consistent with applicable provisions of [AS 42.45](#), [AS 44.83](#), this chapter, and 3 AAC [106](#) - 3 AAC [108](#). The authority may accept conditions placed on federal and other state assistance that do not conflict with applicable provisions of [AS 42.45](#), [AS 44.83](#), this chapter, and 3 AAC [106](#) - 3 AAC [108](#).

History: Eff. 3/25/2005, Register 173

Authority: [AS 44.83.080](#)

3 AAC 108 Financial and Technical Assistance for Energy Systems, Facilities, and Equipment

Chapter 108. Financial and Technical Assistance for Energy Systems, Facilities, and Equipment

[Section 100](#). Bulk fuel storage facility and power system upgrade assistance provided by the authority

[Section 110](#). Eligibility for and authority prioritization of assistance

[Section 120](#). Conditions to receiving assistance

[Section 130](#). Phased approach to assistance

[Section 200](#). Purpose of circuit rider maintenance and electrical emergencies programs

[Section 210](#). Eligibility and selection for circuit rider assistance

[Section 220](#). Circuit rider assistance provided by the authority

[Section 230](#). Electrical emergency assistance provided by the authority

[Section 240](#). Conditions to receiving assistance

[Section 300](#). **Alternative energy and energy efficiency assistance provided by the authority**

[Section 310](#). **Alternative energy and energy efficiency assistance plan**

[Section 320](#). Conditions for receiving assistance

[Section 900](#). Notice of availability of assistance and status of programs

[Section 910](#). Protests

[Section 990](#). Definitions

3 AAC 108.300. Alternative energy and energy efficiency assistance provided by the authority

(a) Subject to the availability of appropriations, **the authority may provide financial and technical assistance to utilities, municipalities, schools districts, unincorporated villages, community associations, Native corporations, councils organized under 25 U.S.C. 476, traditional councils, and businesses** for evaluation and development of sources of energy in the state for local consumption and **for evaluation, development, and installation of measures to improve the efficient utilization of energy that is consumed locally.**

(b) In providing assistance under 3 AAC [108.300](#) - 3 AAC [108.320](#), the authority will give priority to those projects that show the greatest potential for reducing communities' dependence on diesel fuel for power generation.

History: Eff. 3/25/2005, Register 173

Authority: [AS 44.83.080](#)

3 AAC 108.310. Alternative energy and energy efficiency assistance plan

The authority will prepare, publish on its Internet web site, and periodically update **a biennial plan for providing** alternative energy and **energy efficiency assistance** under 3 AAC [108.300](#) - 3 AAC [108.320](#). In the plan **the authority will include a description of available money and money the authority plans to request for** alternative energy and **energy efficiency assistance**, the types of assistance the authority provides and plans to provide, **and the criteria for allocating money that the authority uses and plans to use.**

History: Eff. 3/25/2005, Register 173

Authority: [AS 44.83.080](#)

3 AAC 108.990. Definitions

In this chapter, unless the context requires otherwise,

(1) "alternative energy"

(a) means energy or fuel that is used for production of electricity, heat, or mechanical power, and that is derived from renewable or local sources other than liquid petroleum; and

(b) includes

(i) wind, solar, geothermal, hydroelectric, and biomass power sources; and

(ii) local sources of coal and natural gas;

(2) "bulk fuel storage facility" means tanks and appurtenant facilities and equipment, including pipelines and headers, for the storage and distribution of fuel for local consumption or power generation;

(3) "construction" means planning for, designing, preparing the site for, building, altering, testing, or improving the facility or equipment being upgraded;

(4) "energy efficiency" means improvement of energy generation from, transmission by, or utilization at existing facilities in the state; "energy efficiency" includes facility insulation, energy-efficient lighting, improved efficiency in diesel generation of power, and co-generation of electricity, heat or mechanical power;

(5) "native corporation" means a regional or village corporation established under 43 U.S.C. 1601 - 1629h (Alaska Native Claims Settlement Act);

(6) "power project" or "power system" has the meaning given "power project" in [AS 44.83.990](#);

(7) "upgrade" means construction, renovation, repair, replacement, or other improvements to a facility or equipment; "upgrade" includes taking out of service facilities or equipment replaced or rendered obsolete by the improvements to the facility or equipment.

History: Eff. 3/25/2005, Register 173

Authority: [AS 42.45.400](#)

[AS 44.83.080](#)

12 AAC 64 Real Estate Commission

12 AAC 64.500. Continuing education requirements

(a) For the purposes of [AS 08.88.091](#) (d), the commission will accept only those continuing education courses that meet the real estate education standards of 12 AAC [64.400](#) - 12 AAC [64.470](#), including courses in the following subject areas:

(1) agency relationships;

(2) closing transactions;

(3) common interest ownership and resale certificates required under [AS 34.08.590](#);

(4) communications, negotiations, and real estate counseling skills;

(5) repealed 6/28/97;

(6) contracts;

(7) energy conservation;

[Sections not applicable to energy conservation deleted]

(37) tax law and exchanges.

(b) An applicant for renewal of a broker, associate broker, or salesperson license must complete the following continuing education contact hours during the concluding licensing period:

- (1) an eight-hour continuing education core curriculum, identified by the commission, that stresses current trends in real estate practices and changes in state, federal, and case law in the areas of real estate sales, property management, community association management, or commercial sales; and
 - (2) 12 contact hours of continuing education in elective topics that meet the requirements in (a) of this section.
- (c) At least 120 days before the beginning of each licensing period, the commission will identify topics in which all licensees will be required to obtain eight contact hours of continuing education credit under (b)(1) of this section during the next licensing period.
- (d) By October 1 of each odd-numbered year, the commission will, or the division staff at the commission's direction shall notify course sponsors of the topics that satisfy the requirements in (b)(1) of this section for the next renewal period.
- (e) While useful to the practice of real estate, the following types of training do not meet the continuing education standards of the commission:
- (1) mechanical office or business skills, including typing, speed-reading, or use of a calculator or computer, unless related to one of the subject areas listed in (a) of this section;
 - (2) office sales meetings;
 - (3) orientation courses by professional organizations;
 - (4) instructor development courses;
 - (5) prospecting;
 - (6) repealed 2/12/99.
- (f) No more than 12 contact hours of credit from any one course content area may be accrued toward license renewal in a single licensing period.
- (g) An applicant for license renewal who creates a new course that is approved for credit under 12 AAC [64.410](#) may earn continuing education credit equal to the number of hours approved for the course.
- (h) An applicant for renewal may not accrue continuing education contact hours for taking the same, or substantively identical, course more than once during a licensing period.
- (i) An applicant for renewal may not earn real estate continuing education contact hours for courses taken before the applicant was originally licensed.
- (j) An applicant for renewal who, at the time the license is due to lapse, will have been licensed
- (1) 12 complete months or more must complete 20 contact hours of continuing education;
 - (2) less than 12 complete months but more than 90 days must complete 10 contact hours of continuing education consisting of the eight required contact hours in topics identified under (b)(1) of this section and two contact hours in elective topics that meet the requirements of (b)(2) of this section;
 - (3) 90 days or less is not required to meet continuing education requirements.
- (k) Repealed 7/16/94.
- (l) Repealed 7/16/94.
- (m) For the purposes of this section and [AS 08.88.091](#)
- (1) one contact hour equals a minimum of 50 minutes of instruction;
 - (2) one academic semester credit hour equals 15 contact hours;
 - (3) one academic quarter credit hour equals 10 contact hours.

History: Eff. 10/8/90, Register 116; am 3/6/91, Register 117; am 7/16/94, Register 131; am 6/28/97, Register 142; am 2/12/99, Register 149; am 11/1/2003, Register 168

Authority: [AS 08.88.081](#)
[AS 08.88.091](#)

13 AAC 50 Public Safety

13 AAC 50.020. Building code

The *International Building Code (I.B.C.)*, Chapters 1 - 12, 14 - 28, 30 - 32, and 34 - 35 and Appendix C (2003 Edition) are adopted by reference to regulate all occupancies and buildings with the following revisions:

- (1) Chapter 1 of the *I.B.C.* is revised by deleting Sections 103, and 109 - 115 and Subsections 101.4.5, 101.4.7, 104.4, 104.6, 104.8, 105.4, 106.5, 108.2, 108.4, and 108.5;
- (2) Chapter 1, Section 101.2 (scope), last sentence of the exception of the *I.B.C.* is
[Sections not applicable to energy conservation deleted]

(59) Chapter 12, Subsection 1203.3.2 (Exceptions) of the *I.B.C.*, Exception 4 is revised by deleting "in accordance with the *International Energy Conservation Code*";

[Sections not applicable to energy conservation deleted]

(62) Chapter 14, Subsection 1403.2 (Weather protection) of the *I.B.C.*, is revised by deleting the words "in accordance with the *International Energy Conservation Code*" from the last sentence of the first paragraph;

[Sections not applicable to energy conservation deleted]

(70) Chapter 30, Subsection 3004.4 (Closed vents) of the *I.B.C.*, is revised to read: "Closed Vents. When energy conservation requires that the vents be normally closed, automatic venting by actuation of an elevator lobby detector or power failure may be accepted. When hoist way pressurization is used, venting upon power failure may be accepted. In either case a manual override must be provided.";

[Sections not applicable to energy conservation deleted]

History: Eff. 6/25/69, Register 30; am 2/21/71, Register 37; am 6/15/79, Register 71; am 1/14/81, Register 77; am 8/2/86, Register 99; am 10/28/90, Register 116; am 6/10/93, Register 126; am 3/7/96, Register 136; am 8/31/96, Register 139; am 3/27/99, Register 149; am 9/15/2001, Register 159; am 8/27/2004, Register 171

Authority: [AS 18.70.080](#)

Editor's note: Copies of the *International Building Code, 2003 Edition (I.B.C.)* may be obtained from the International Code Council, 5360 Workman Mill Road, Whittier, California, 90601-2298; phone: (800) 284-4406; (562) 699-0541 or at www.iccsafe.org.

13 AAC 50.023. Mechanical code

The *International Mechanical Code (I.M.C.)* Chapters 1 - 15 and Appendix A (2003 Edition) are adopted by reference to regulate all occupancies and buildings with the following revisions:

- (1) Chapter 1 of the *I.M.C.*, is revised by deleting Sections 103, 104, and 106 - 109;

[Sections not applicable to energy conservation deleted]

(5) Chapter 3, Subsection 301.2, first sentence of the *I.M.C.*, is revised by deleting the words "in accordance with the *International Energy Conservation Code*";

[Sections not applicable to energy conservation deleted]

(9) Chapter 3, Subsection 303.3 Exception 3 second sentence of the *I.M.C.* , is revised by deleting the words "of the *International Energy Conservation Code*";

[Sections not applicable to energy conservation deleted]

(15) Chapter 5, Section 514.1, of the *I.M.C.* , is revised by deleting the second sentence and replacing it with "Energy recovery ventilation systems must be installed according to the manufacturer's instructions and specifications.";

(16) Chapter 6, Subsection 603.9, second sentence of the *I.M.C.* , is revised by deleting the words "in accordance with the *International Energy Conservation Code*";

(17) Chapter 6, Subsection 604.1, first sentence of the *I.M.C.* , is revised by deleting the words "and the *International Energy Conservation Code*";

[Sections not applicable to energy conservation deleted]

(30) Chapter 12, Subsection 1204.1, first sentence of the *I.M.C.* , is revised by deleting the words "shall conform to the requirements of the *International Energy Conservation Code*";

(31) Chapter 12, Subsection 1204.2, first sentence of the *I.M.C.* , is revised by deleting the words "to the thickness required by the *International Energy Conservation Code*";

[Sections not applicable to energy conservation deleted]

History: Eff. 8/31/96, Register 139; am 3/27/99, Register 149; am 9/15/2001, Register 159; am 8/27/2004, Register 171

Authority: [AS 18.70.080](#)

Editor's note: Copies of the *International Mechanical Code, 2003 Edition (I.M.C.)* may be obtained from the International Code Council, 5360 Workman Mill Road, Whittier, California 90601-2298; phone: (800) 284-4406; (562) 699-0541 or at www.iccsafe.org.

15 AAC 150 Alaska Housing Finance Corporation

Chapter 150. Alaska Housing Finance Corporation

[Section 10](#) . General provisions

[Section 15](#) . Availability of funds

[Section 20](#) . Public notice of meeting

[Section 30](#) . Minimum construction standards

[Section 40](#) . Compliance with building energy efficiency standard

[Section 45](#) . Release of corporation

[Section 50](#) . Past due child support

[Section 60](#) . Determination of interest rates

[Section 70](#) . Contractor prerequisites for loans

[Section 80](#) . Seller requirements; sellers

[Section 90](#) . Servicer requirements; servicers

[Section 100](#) . Minimum health and safety standards

[Section 110](#) . Regions

[Section 120](#) . Waiver of regulations

[Section 130](#) . Contract formation and modifications

[Section 200](#) . General provisions

[Section 210](#) . Appeal for reconsideration

[Section 220](#) . Protests, controversies

[Section 230](#) . Other appeals

[Section 240](#) . Exemptions to appeal procedures

[Section 300](#) . Procurement

[Section 310](#) . Bid specifications

Section 320 . Competitive sealed bidding	Section 600 . Disposition of real property acquired by and through the financial assistance of HUD
Section 330 . Competitive sealed proposals	Section 610 . HUD Regulations
Section 340 . Small procurements	Section 620 . Notification to municipality
Section 350 . Sole source procurements	Section 630 . Appraisals of real property
Section 360 . Limited competition	Section 640 . Notice of disposal
Section 370 . Emergency procurement	Section 650 . Conflict of interest
Section 375 . Contract formation and modifications	Section 660 . Sealed bids
Section 380 . Protests, controversies, and appeals	Section 670 . Proposals for purchase and redevelopment
Section 390 . Exemptions to procurement regulations	Section 680 . Joint evaluation committee
Section 395 . Supply management	Section 690 . Time for execution of disposal agreement
Section 400 . Purchases through State Department of Administration	Section 700 . Time for submission of construction plans
Section 420 . Authority to delegate; exercise of delegated authority	Section 710 . Evidence of equity capital and mortgage financing
Section 430 . Federal assistance	Section 720 . Time for delivery of deed and payment of purchase price
Section 490 . Definitions for 15 AAC 150.300 - 15 AAC 150.490	Section 730 . Certificate of occupancy
Section 500 . Disposition of mobile homes and other real property	Section 740 . Aggrieved parties
Section 510 . Supply management and disposition	Section 750 . Posting of bond
Section 520 . Disposition of other property	Section 760 . Appeal to the superior court
Section 530 . Compliance with laws and other requirements	Section 770 . Conveyance of deed and payment of purchase price
Section 540 . Disposition not subject to article	Section 780 . Record of bids and proposals
	Section 900 . Definitions for Chapters 150 - 155
	Section 910 . Definitions for Chapter 150

Editor's note: The Alaska Housing Finance Corporation regulations, exempt from the Administrative Procedures Act Filing requirements by [AS 18.56.088](#) (a), have been voluntarily filed under [AS 44.62.120](#) . Except for 15 AAC [150.300](#) - 15 AAC [150.490](#), they have not been reviewed and approved by the Department of Law under [AS 44.62.060](#) , and may not fully conform to the Drafting Manual for Administrative Regulations ([AS 44.62.050](#)).

As of Register 130, July, 1994, the Alaska Housing Finance Corporation regulations, which were formerly located in 15 AAC 118.210 - 15 AAC [118.900](#), have been transferred to 15 AAC [150](#) through 15 AAC [155](#).

15 AAC 150.040. Compliance with building energy efficiency standard

(a) Except as provided in 15 AAC [150.040\(b\)](#) , the Corporation will not make, participate in the making of, purchase, or participate in the purchase of a loan for a residential building, the construction of which begins after December 31, 1991, unless the building complies with the building energy efficiency standard adopted by the Corporation in 15 AAC [150.010](#).

(b) The Corporation will make, participate in the making of, purchase, or participate in the purchase of a loan for a residential building the construction of which began after December 31, 1991, that does not comply with 15 AAC [155.010](#) only if the loan applicant agrees, in writing, to

bring the building into compliance with 15 AAC [155.010](#) within one year of the date of the loan. The Corporation will, in its discretion, require the applicant to agree to any other terms it considers necessary to assure compliance with this section or to protect its investment in the loan.

(c) **A residential building meets the energy efficiency standard for purposes of this section if it is in compliance with the energy efficiency standards as determined by any of the methods set forth by the Corporation under 15 AAC [155.030](#).**

(d) Proof of compliance must be recorded in the recording district where the property is located, and the Corporation must receive a copy of the recorded proof of compliance.

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)

[AS 18.56.099](#)

[AS 18.56.090](#)

[AS 18.56.300](#)

[AS 18.56.096](#) (c)

Editor's note: Before Register 130, July, 1994, the substance of 15 AAC 150.040 was contained in former 15 AAC 118.269(b). The history note for 15 AAC [150.040](#) does not reflect the history of the section under its former number.

15 AAC 151 AHFC General Programs

[Title 15](#). Revenue

[Chapter 151](#). AHFC General Programs

Chapter 151. AHFC General Programs

[Section 10](#). Special mortgage loan purchase program scope

[Section 15](#). Borrower eligibility

[Section 20](#). Loan terms

[Section 100](#). Qualified mortgage bond program

[Section 105](#). Eligibility

[Section 110](#). Single-family residence

[Section 115](#). Ownership requirements

[Section 120](#). Income limits

[Section 125](#). Purchase price requirements

[Section 130](#). Assumption requirements

[Section 135](#). Qualified home improvement loans

[Section 140](#). Qualified rehabilitation loan

[Section 145](#). Qualified mortgage loans

[Section 200](#). Qualified veterans

[Section 205](#). Qualified veterans

[Section 215](#). Veterans

[Section 220](#). Duty in armed forces

[Section 225](#). Duty in public health service

[Section 230](#). Duty in national oceanic and atmospheric administration or in coast and geodetic survey

[Section 235](#). Duty in United States Military, Air Force, Coast Guard, or Naval Academy

[Section 240](#). Travel to or from duty

[Section 245](#). Spouses

[Section 250](#). Evidence of qualifications

[Section 300](#). Payment assistance

[Section 310](#). Eligibility

[Section 320](#). Terms

[Section 330](#). Home ownership assistance agreement

[Section 340](#). Adjustment to assistance amount

[Section 400](#). Senior housing loan program

[Section 405](#). Borrower eligibility

[Section 410](#). Senior housing characteristics

[Section 415](#). Maximum loan amounts

[Section 419](#). Construction loans

[Section 420](#). Term of loans

[Section 425](#). Interest rate

[Section 430](#). Fee schedule and commitment periods

[Section 435](#). Loan guidelines

[Section 440](#). Board approval

[Section 500](#). Multi-family, special needs, and congregate housing loans

[Section 501](#). Federally insured multi-family loans

[Section 505](#). Borrower eligibility

[Section 510](#). Housing characteristics

[Section 515](#). Maximum loan amounts

[Section 519](#). Construction loans

[Section 520](#). Term of loans

[Section 525](#). Interest rate

[Section 530](#). Housing assistance

[Section 535](#) . Fee schedule and commitment periods
[Section 540](#) . Loan guidelines
[Section 542](#) . Multi-family loan purchase program
[Section 545](#) . Board approval
[Section 600](#) . Nonconforming housing program
[Section 610](#) . Mortgage purchase program
[Section 620](#) . Refinance program
[Section 625](#) . Refinance program of non-corporation loans
[Section 630](#) . Streamlined refinance
[Section 635](#) . Second mortgage program for health and safety repairs
[Section 640](#) . Second mortgage program for home improvement
[Section 645](#) . Second mortgage program for purchase
[Section 650](#) . REO financing program
[Section 655](#) . Mobile home loan program
[Section 660](#) . Condominium stabilization program
[Section 670](#) . Loans-to-sponsors program
[Section 675](#) . Emergency reconstruction loan program
[Section 680](#) . Interest rate reduction for low-income borrowers
[Section 710](#) . Scope, goal, and objective
[Section 720](#) . Qualified projects
[Section 730](#) . Allocation of tax credit

[Section 740](#) . Public notice
[Section 750](#) . Application for low-income housing tax credit
[Section 760](#) . Application and processing fees
[Section 770](#) . Acceptance or rejection of application
[Section 780](#) . Corporation review
[Section 790](#) . Conditional allocation of tax credit
[Section 800](#) . Revocation of conditional allocation
[Section 810](#) . Project-placed-in-service certification
[Section 820](#) . Issuance of tax credit certification
[Section 830](#) . Appeals
[Section 840](#) . Compliance monitoring by the corporation
[Section 900](#) . Purchases of loans from sellers and servicers
[Section 910](#) . Assumptions of mortgage loans
[Section 920](#) . Delegated underwriting program
[Section 930](#) . Appeals
[Section 940](#) . Commitment fees and procedures
[Section 945](#) . Interest rate lock-in agreements
[Section 950](#) . Definitions

Editor's note: As of Register 151 (October 1999), the functions of the former Department of Community and Regional Affairs were transferred to other state agencies. Revisions to regulations to reflect changes in state agencies' names were made by the regulations attorney in accordance with ch. 58, SLA 1999 and [AS 44.62.125](#) (b)(6).

15 AAC 151.135. Qualified home improvement loans

A person is eligible under the program for a qualified home improvement loan as provided in this section:

- (1) The term "qualified home improvement loan" means a mortgage loan, in an amount which does not exceed \$15,000 with respect to any residence, which finances alterations, repairs, and improvements, on or in connection with, an existing single-family, owner-occupied residence by the owner thereof, but only if such items substantially protect or improve the basic livability or energy efficiency of the residence;
- (2) Alterations, repairs, or improvements that satisfy the requirement of subparagraph (1) above include the renovation of plumbing or electric systems, the installation of improve heating or air conditioning systems, the addition of living space, or the renovation of a kitchen area. Items that will not be considered to substantially protect or improve the basic livability of the residence include swimming pools, tennis courts, saunas, or other recreational or entertainment facilities;

(3) A qualified home improvement loan may be made to a borrower for a residence or which one or more qualified home improvement loans previously have been provided, whether or not by the same lender provided that:

(A) the prior loan or loans have been repaid; and

(B) if any person who had a present ownership interest in such residence at the time the previous qualified home improvement loan or loans were made has a present ownership interest in the residence at the time the subsequent qualified home improvement loan is made, then the allowable amount of the subsequent qualified home improvement loan shall be reduced by the amount, at origination, of any previous qualified home improvement loan, so that the sum of such loans does not exceed \$15,000.

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)

[AS 18.56.098](#)

15 AAC 151.640. Second mortgage program for home improvement

(a) **The Corporation will, in its discretion and in accordance with procedures outlined in the sellers' guide,**

(1) **purchase mortgage loans made to finance permanent improvements to the mortgaged premises including energy conservation,** solar installation, rehabilitation, modernization, and addition;

(2) pay reasonable and customary closing costs associated with the improvements financed by the home improvement loan.

(b) The proceeds of a loan purchased under this section may not be used to pay off any existing lien other than a construction, interim, or bridge loan, the proceeds of which were used to finance the improvements to the property.

(c) To qualify for a loan under this section, the borrower must demonstrate to the satisfaction of the Corporation that:

(1) the residence is occupied as the borrower's primary residence;

(2) the loan is secured by a single-family residence, duplex, tri-plex, four-plex, or Type I mobile home undamaged by fire, windstorm, or other casualty;

(3) if the loan is for a unit in a condominium project or a planned unit development, the proceeds of the loan will be used only to finance improvements to that unit that are allowable within the project's constituent documents and will not be used to improve common elements or areas;

(4) the work on the improvements has not been completed for more than six months at the time the loan is submitted to the Corporation for commitment;

(5) the improvements will enhance the liveability of the dwelling and will not be for cosmetic purposes only; and

(6) each existing mortgage loan is current and has an acceptable mortgage payment history.

(d) The loans purchased by the Corporation under this section are subject to the following terms:

(1) the maximum term of the loan will be:

Loan Amount Maximum Term \$ 0 - 6,450 5 years \$ 6,500 - 12,450 10 years \$12,500 + over 15 years

(2) the maximum loan amount will not exceed the lowest of the following amounts applicable to the loan:

(A) the following loan-to-value ratios (which, notwithstanding the definition of the term at 15 AAC [150.900](#), is determined by dividing the sum of all liens by the value) for the type of dwelling involved:

- (i) 90% for single-family and duplex, except as provided in (ii) of this subparagraph;
- (ii) 80% for all tri-plexes and four-plexes; or
- (B) 50% of FNMA's conventional first mortgage limit for a single family dwelling in Alaska.
- (3) if the Corporation owns an interest in the first mortgage, the Corporation will purchase the second mortgage only if the combined original balances of both the first and second mortgages do not exceed the Corporation's limit for conventional first mortgages; and
- (4) the loan must be subject only to permitted encumbrances and a first lien mortgage loan; any other liens must be subordinated to this loan.

History: Eff. 5/7/93, Register 130; am 2/24/99, Register 149

Authority: [AS 18.56.088](#), [AS 18.56.096](#)

15 AAC 155 AHFC Energy Efficiency Programs

[Title 15](#). Revenue

[Chapter 155](#). AHFC Energy Efficiency Programs

Chapter 155. AHFC Energy Efficiency Programs

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15 AAC 151.640. Second mortgage program for home improvement

(a) **The Corporation will**, in its discretion and in accordance with procedures outlined in the sellers' guide,

- (1) **purchase mortgage loans made to finance permanent improvements to the mortgaged premises including energy conservation**, solar installation, rehabilitation, modernization, and addition;

- (2) pay reasonable and customary closing costs associated with the improvements financed by the home improvement loan.
- (b) The proceeds of a loan purchased under this section may not be used to pay off any existing lien other than a construction, interim, or bridge loan, the proceeds of which were used to finance the improvements to the property.
- (c) To qualify for a loan under this section, the borrower must demonstrate to the satisfaction of the Corporation that:
- (1) the residence is occupied as the borrower's primary residence;
 - (2) the loan is secured by a single-family residence, duplex, tri-plex, four-plex, or Type I mobile home undamaged by fire, windstorm, or other casualty;
 - (3) if the loan is for a unit in a condominium project or a planned unit development, the proceeds of the loan will be used only to finance improvements to that unit that are allowable within the project's constituent documents and will not be used to improve common elements or areas;
 - (4) the work on the improvements has not been completed for more than six months at the time the loan is submitted to the Corporation for commitment;
 - (5) the improvements will enhance the liveability of the dwelling and will not be for cosmetic purposes only; and
 - (6) each existing mortgage loan is current and has an acceptable mortgage payment history.
- (d) The loans purchased by the Corporation under this section are subject to the following terms:
- (1) the maximum term of the loan will be:
 Loan Amount Maximum Term \$ 0 - 6,450 5 years \$ 6,500 - 12,450 10 years
 \$12,500 + over 15 years
 - (2) the maximum loan amount will not exceed the lowest of the following amounts applicable to the loan:
 - (A) the following loan-to-value ratios (which, notwithstanding the definition of the term at 15 AAC [150.900](#), is determined by dividing the sum of all liens by the value) for the type of dwelling involved:
 - (i) 90% for single-family and duplex, except as provided in (ii) of this subparagraph;
 - (ii) 80% for all tri-plexes and four-plexes; or
 - (B) 50% of FNMA's conventional first mortgage limit for a single family dwelling in Alaska.
 - (3) if the Corporation owns an interest in the first mortgage, the Corporation will purchase the second mortgage only if the combined original balances of both the first and second mortgages do not exceed the Corporation's limit for conventional first mortgages; and
 - (4) the loan must be subject only to permitted encumbrances and a first lien mortgage loan; any other liens must be subordinated to this loan.

History: Eff. 5/7/93, Register 130; am 2/24/99, Register 149

Authority: [AS 18.56.088](#)

[AS 18.56.096](#)

15 AAC 155.020. Applicability of standard; exemptions

- (a) **The standard adopted in 15 AAC [155.010](#) applies to:**
- (1) **a residential building**, the construction of which began after December 31, 1991, **that receives state financial assistance; or**
 - (2) **a community-owned building**, the construction of which began after December 31, 1991, **that is constructed, improved, purchased, or used with state financial assistance**, other than under [AS 29.60.010](#) - 29.60.375 and [AS 29.60.450](#) - 29.60.599.

- (b) The standard does not apply to a building that is:
- (1) in a community, or a part of a community, exempted from the standard by the Corporation under (c) of this section; or
 - (2) provided to temporarily meet an emergency need due to fire, flood, or other natural disaster.
- (c) Upon a request under (d) of this section, the executive director will determine whether a community, or a part of a community, is exempt from meeting the standard adopted in 15 AAC [155.010](#). The executive director will grant an exemption if the executive director determines that the cost of heating fuel in the community, or a part of the community, does not economically justify the estimated cost to meet the standard using a life-cycle cost analysis.
- (d) A community may request an exemption, and may appeal any denial of an exemption in the following manner:
- (1) a request must be sent in writing to the executive director and must include information necessary to support the request; the request must be signed by an individual authorized to sign for the community;
 - (2) the executive director will send his or her decision to the requester; the decision will be sent by certified mail within 60 days after either receipt of the request or the executive director's finding that the necessary information has been included, whichever is later;
 - (3) on the community's behalf, the requester may appeal the executive director's decision under 15 AAC [150.210](#).

History: Eff. 5/7/93, Register 130; am 2/1/2002, Register 161

Authority: [AS 18.56.088](#)

[AS 18.56.096](#) (c)

[AS 46.11.040](#)

[AS 46.11.900](#)

15 AAC 155.030. Compliance with the standard

- (a) A building complies with the standard if:
- (1) the building has been rated by an energy rater under Chapter 6 of the energy standard and has been assigned an energy rating of "four-star", "four-star plus", "five-star", or "five-star plus" using the Alaska Home Energy Rating System established under 15 AAC [155.510](#) - 15 AAC [155.560](#); however, a building constructed after December 31, 1994 must be assigned a "four-star plus" or higher rating in order to comply with the standard;
 - (2) an authorized inspector certifies in writing, in a format provided by the Corporation, that the building conforms to that standard. For purposes of this paragraph, an "Authorized Inspector" means a person who:
 - (A) is a licensed architect, a licensed engineer, or an International Conference of Building Officials (ICBO) certified combination dwelling inspector who has satisfied the requirements of (c) of this section; or
 - (B) a licensed mechanical contractor who has satisfied the requirements of (c) of this section, except that such a person may only certify compliance with BEES ventilation requirements;
 - (3) a certificate of occupancy or of compliance with a municipal building code has been issued for a building constructed after the building code of the municipality was determined by the executive director, under 15 AAC [155.030\(d\)](#) to meet or exceed the standard adopted in 15 AAC [155.010](#); or
 - (4) the building has been certified by the builder as complying with the standard under the provisions of 15 AAC [155.040](#).
- (b) Compliance with BEES ventilation requirements may be certified separately from the certification of compliance with other BEES requirements.
- (c) In order to certify compliance with the standard under (a)(1), (a)(2), or (a)(4) of this section, a person must provide documentation to the Corporation showing that (1) the person has completed training approved by the Corporation in cold-climate home building, (2) the person has, within

the last two years, completed training approved by the Corporation in BEES ventilation requirements, and (3) the person has successfully passed any testing required by the Corporation. (d) A municipality may request from the executive director a determination of whether the municipality's building code meets or exceeds the standard adopted in 15 AAC [155.010](#). The request must include a copy of the applicable portions of the municipal building code and will be acted on as follows:

- (1) the executive director will send a determination on the request to the municipality by certified mail within 60 days after receipt of the request; and
- (2) a municipality may appeal the executive director's determination under 15 AAC [150.210](#).

(e) If the executive director determines under 15 AAC [155.030\(d\)](#) that a municipality's building code does not meet or exceed the standard adopted in 15 AAC [155.010](#), the municipality may submit another request under 15 AAC [155.030\(d\)](#) when the municipal code has been changed to bring it into compliance with that standard.

(f) Compliance with the standard shall be recorded in the recording district where the property is located on a form approved by the Corporation.

History: Eff. 5/7/93, Register 130; am 2/1/2002, Register 161

Authority: [AS 18.56.088](#)
[AS 18.56.096](#)(c)

[AS 46.11.040](#)
[AS 46.11.900](#)

15 AAC 155.040. Self-certification by builder

The builder of a residential building who satisfies the requirements of 15 AAC [155.030\(c\)](#) may certify to the Corporation that the building complies with the energy standard adopted under 15 AAC [155.010](#). The builder's certification must state that the builder constructed or directly supervised the construction of the building and has personal knowledge that the building complies with the standard.

History: Eff. 2/1/2002, Register 161

Authority: [AS 18.56.088](#)
[AS 18.56.096](#)

[AS 46.11.040](#)

15 AAC 155.210. Purpose

The Corporation will, in its discretion, make a home energy loan subsidy grant to subsidize a portion of the interest on a loan from a participating lender to an eligible borrower for the purchase of eligible energy efficiency products and to provide a buy-down of the mortgage on a new dwelling unit or on a loan for the improvement of an existing dwelling unit to encourage energy rating improvement. The Corporation implements the program through written agreements between the Corporation and participating lenders. The purpose of the home energy loan subsidy grant program is to assist people who borrow the money used to provide energy rating improvements to their dwelling units. For people who make energy rating improvements to their dwelling units without borrowing the money to do so, the Corporation has established the home energy rating rebate program in 15 AAC [155.300](#) - 15 AAC [155.350](#).

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)
[AS 18.56.410](#)

[AS 18.56.850](#)

15 AAC 155.240. Eligible dwelling unit

(a) An existing dwelling unit, other than a newly constructed dwelling unit that has been occupied for less than one year, is eligible for a subsidy under the program for the purchase of an eligible product.

(b) A dwelling unit, newly constructed, not previously mortgaged, and rated according to the Energy Rated Homes of Alaska program described in 15 AAC [155.510](#) - 15 AAC [155.560](#) as "four-star plus," "five-star," or "five-star plus," is eligible for a principal buy-down on a loan.

(c) An existing dwelling unit whose energy rating in accordance with the Energy Rated Homes of Alaska program described in 15 AAC [155.510](#) - 15 AAC [155.560](#) will be improved by proceeds of a loan is eligible for a principal buy-down on that loan.

(d) A dwelling unit for which a subsidy has been provided under this program or for which a rebate has been provided under the Home Energy Rating Rebate Program in 15 AAC [155.300](#) - 15 AAC [155.350](#) is ineligible.

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)

[AS 18.56.410](#)

[AS 18.56.850](#)

15 AAC 155.250. Eligible product

The Corporation will maintain a list of types of products that save energy and are eligible for an interest rate subsidy under 15 AAC [155.210](#)- 15 AAC [155.280](#).

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)

[AS 18.56.410](#)

[AS 18.56.850](#)

15 AAC 155.260. Loan subsidy amount

(a) The loan buy-down for a newly constructed, eligible dwelling unit, not previously mortgaged, is 15 percent of the loan amount, but not to exceed the following amounts, according to the following rating assigned by a certificated energy rater in accordance with the Energy Rated Homes of Alaska program described in 15 AAC [155.510](#) - [15 AAC 155.560](#):

- (1) \$3,200 for a "five-star plus" energy rating;
- (2) \$2,800 for a "five-star" energy rating; and
- (3) until June 30, 1995, \$1,900 for a "four-star plus" rating.

(b) The loan buy-down for an existing, eligible dwelling unit is 15 percent of the loan amount, but not to exceed the following amounts, when the before and after energy rating of the dwelling unit is increased as follows:

- (1) \$2,500 for a three-step improvement;
- (2) \$2,200 for a two-step improvement; and
- (3) \$1,900 for a one-step improvement.

(c) The interest rate subsidy for eligible products to be installed in or on an existing dwelling unit is a seven percent reduction from the rate charged by the lender for loans of a similar nature and security. This subsidy applies only to the cost of the eligible product and not to the costs of installation, labor, or associated installation material. The maximum interest rate subsidy for which an eligible borrower or eligible dwelling unit can qualify is \$1,600. At the lender's option for a loan whose principal is \$10,000 or greater, the interest rate subsidy may be applied completely to the loan principal effective the date of receipt of the subsidy. A portion of the loan proceeds may be used for non-program purposes or ineligible products; however, the interest rate subsidy applies only to the eligible products.

(d) For purposes of (b) of this section, the increase from an energy rating to the next higher energy rating is equivalent to a one-step improvement, the increase from a rating to the second higher rating is equivalent to a two-step improvement, and so on.

History: Eff. 5/7/93, Register 130; am 11/16/94, Register 133

Authority: [AS 18.56.088](#)

[AS 18.56.410](#)

[AS 18.56.850](#)

15 AAC 155.270. Application for subsidy; commitment contract; payment

(a) To apply for a loan subsidy, an eligible homeowner must complete the application for subsidy, made available by the Corporation to the lender, and must certify upon it his or her ownership, occupancy, and other required statements. When the participating lender approves the loan, the lender shall complete that form and forward it to the Corporation, with any supporting attachments required by the Corporation, for its approval of the subsidy.

(b) The Corporation will review the application for subsidy and the commitment contract, and will ensure that the following conditions are met:

- (1) all information requested by the form has been provided;
- (2) in the case of a product purchase application, copies of invoices or bids are attached;
- (3) for a loan buy-down application for new construction, a copy of the energy rating is attached;
- (4) for a loan buy-down application for an existing dwelling unit, a copy of the energy rating and copies of bids and invoices are attached;
- (5) in the case of a product purchase application, the product is new and not yet purchased, and, in the case of a loan buy-down application, the purchase agreement or construction bid is not more than 90 days old, unless the Corporation waives the 90-day limit in writing;
- (6) the interest subsidy or principal buy-down amount is correct;
- (7) the lender's interest rate and closing fees are those that a knowledgeable and prudent lender would charge for a loan of a similar nature and character;
- (8) a current owner of the building has not received a previous subsidy under this program;
- (9) the dwelling unit has not received a previous subsidy under this program;
- (10) the borrower is an eligible homeowner; and
- (11) the dwelling unit is eligible.

(c) The Corporation will provide the participating lender with a copy of each application for subsidy and commitment contract that it has approved, and, if applicable, written reasons for the Corporation's rejection or alteration of any commitment contract. The Corporation will approve applications on a first-come, first-serve basis until the program money is exhausted. Participating lenders will be notified when \$50,000 or less in program money is available.

(d) For a lender to receive payment on the subsidy, an eligible product must be certified by its installer and by the homeowner as installed, or the completion of a new home or home improvement must be verified with a final energy rating sheet.

(e) The appropriate verification of installation or completion shall be attached by the lender to a payment request, and sent to the Corporation. The amount of an interest rate subsidy to be paid on behalf of the homeowner is the amount set under 15 AAC [155.270](#), discounted to its present value using the lender's original interest rate as stated in the application form submitted under (a) of this section. In order to ensure accuracy and consistency, the Corporation will provide to lenders:

- (1) tables that show the interest rate subsidy amount for various loan amounts, terms, and lender interest rates; and
- (2) computer programs to calculate all potential subsidy amounts, designed to be used with common and available computer systems.

(f) The participating lender shall apply a loan buy-down subsidy to the loan, closing costs, or down payment effective the date of receipt of the subsidy. The lender shall apply an interest rate subsidy according to the same criteria the lender uses to apply interest to the loan and in accordance with applicable regulations. If a loan is defaulted upon or the principal is paid off

before the term of the loan, the participating lender need not return to the Corporation any unearned interest subsidy remaining.

(g) The participating lender will, at the Corporation's discretion, be required to complete, annually or semi-annually, a check-off type report, on a form prepared by the Corporation, to indicate the status of a loan.

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)

[AS 18.56.410](#)

[AS 18.56.850](#)

15 AAC 155.280. Misrepresentation

If a loan subsidy was paid as a result of a misstatement of material fact, the lender shall repay to the Corporation an amount equal to the subsidy paid plus accrued interest at the highest permissible rate established by law calculated from the date of issuance of the loan subsidy check by the Corporation. A borrower who misrepresents a material fact in a statement or certification required by the Corporation shall return any subsidies received under the program, and forfeits the right to receive future subsidies. An individual, business, or other entity that misrepresents a material fact in order to qualify a borrower for a subsidy under this program may not receive any benefit from the program. Further, a product sold or installed and a service performed by such an individual, business, or other entity is not eligible for a subsidy under the program. The Corporation, at its discretion, will reinstate eligibility to receive benefit from the program.

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)

[AS 18.56.410](#)

[AS 18.56.850](#)

15 AAC 155.300. Purpose

(a) The Corporation will, in its discretion, provide rebate grants under the Home Energy Rating Rebate Program established in 15 AAC [155.300](#) - 15 AAC [155.350](#) as follows:

(1) energy efficiency rebates to homeowners who utilize the Energy Rated Homes of Alaska program established in 15 AAC [155.510](#) - 15 AAC [155.560](#) to construct a new, energy efficient dwelling unit or to improve the energy efficiency of an existing dwelling unit; and

(2) energy rating rebates to energy raters on behalf of the homeowner to subsidize the cost of energy ratings.

(b) The purpose of the Home Energy Rating Rebate Program established in 15 AAC [155.300](#) - 15 AAC [155.350](#) is to assist people who make energy rating improvement to their dwelling units without borrowing money for that purpose. For people who make energy rating improvements to their dwelling units and who borrow the money needed for that purpose, the Corporation has established the home energy loan subsidy grant program in 15 AAC [155.210](#) - 15 AAC [155.280](#).

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)

[AS 18.56.410](#)

[AS18.56.850](#)

15 AAC 155.310. Eligible homeowner

To be an eligible homeowner, an applicant must certify to the ownership and year-round occupancy of a dwelling unit. If a current owner of the dwelling unit has received a rebate grant under 15 AAC [155.300](#) - 15 AAC [155.350](#) or a subsidy under 15 AAC [155.210](#) - 15 AAC [155.280](#), the applicant is ineligible. An applicant who has borrowed the money to make energy efficiency improvements for which the applicant seeks a grant under 15 AAC [155.300](#) - 15 AAC [155.350](#) is not eligible for the grant.

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)
[AS 18.56.410](#)

[AS18.56.850](#)

15 AAC 155.320. Eligible dwelling unit

(a) An existing dwelling unit for which an energy rating of at least two-star on a new dwelling unit for which an energy rating of at least five-star has been assigned by a certificated energy rater in accordance with the Energy Rated Homes of Alaska program described in 15 AAC [155.510](#) - 15 AAC [155.560](#) is eligible for a rebate.

(b) A dwelling unit is ineligible if the Corporation has paid a rebate for the dwelling under 15 AAC [155.300](#) - 15 AAC [155.350](#) or a loan subsidy under 15 AAC [155.210](#) - 15 AAC [155.280](#) with respect to the dwelling.

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)
[AS 18.56.410](#)

[AS18.56.850](#)

15 AAC 155.325. Eligible energy rating

(a) An energy rating is eligible if it is done on an eligible dwelling unit for an eligible homeowner on a substantially complete dwelling unit.

(b) An energy rating is ineligible if it is done:

- (1) for a government-owned or controlled dwelling unit;
- (2) for a government-funded energy rating; or
- (3) from plans or where there is no on-site inspection of the completed dwelling unit.

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)
[AS 18.56.410](#)

[AS 18.56.850](#)

15 AAC 155.330. Rebate amount

(a) The energy efficient rebate to an eligible homeowner for a newly constructed, eligible dwelling unit is the following amount according to the following rating assigned by a certificated energy rater in accordance with the Energy Rated Homes of Alaska program described in 15 AAC [155.510](#) - [15 AAC 155.560](#):

- (1) \$2,000 for a "five-star plus" energy rating; or
- (2) \$1,800 for a "five-star" energy rating.

(b) The rebate to an eligible homeowner for an existing eligible dwelling unit is equal to the lesser of:

- (1) 50% of the energy efficiency improvement cost; or
- (2) the following amounts:
 - (A) \$2,000 for a five-step improvement;
 - (B) \$1,750 for a four-step improvement;
 - (C) \$1,500 for a three-step improvement;
 - (D) \$1,250 for a two-step improvement; and
 - (E) \$800 for a one-step improvement.

(c) For purposes of 15 AAC [155.330\(b\)](#), the number of steps that an improvement equals is the same as the number of energy efficiency rating increases resulting from the improvement.

(d) For eligible energy rating rebates, the rebate is an amount established by the Corporation for the type of energy rating done on an eligible dwelling unit on behalf of an eligible homeowner.

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)
[AS 18.56.410](#)

[AS 18.56.850](#)

15 AAC 155.340. Application for rebate

(a) To apply for an energy efficiency rebate, a homeowner shall complete an application for a home energy efficiency rebate, available from the Corporation, and shall certify upon it ownership, occupancy, and other required statements.

(b) The Corporation will review the energy efficiency rebate application and ensure that the following conditions are met:

- (1) all information requested on the form has been provided;
- (2) for a newly constructed dwelling unit, a copy of the energy rating is provided;
- (3) for an existing dwelling unit, copies of the energy ratings before and after the improvement are provided;
- (4) the rebate amount is correct;
- (5) a current owner of the dwelling unit has not received a previous rebate under 15 AAC [155.300](#) - 15 AAC [155.350](#) or a loan subsidy under 15 AAC [155.210](#) - 15 AAC [155.280](#);
- (6) the dwelling unit is eligible and has not received a previous subsidy or rebate under 15 AAC [155.300](#) - 15 AAC [155.350](#) or a loan subsidy under 15 AAC [155.210](#) - 15 AAC [155.280](#); and
- (7) the applicant is an eligible homeowner.

(c) For an energy rating rebate, the energy rater shall complete an application for an energy rating rebate on behalf of the homeowner and shall certify upon it the accuracy of the information provided.

(d) The Corporation will review the energy rating rebate application and ensure that the following conditions are met:

- (1) all information requested on the form has been provided;
- (2) a copy of the energy rating is provided;
- (3) the homeowner and dwelling unit are eligible; and
- (4) the type of energy rating performed is eligible.

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)

[AS18.56.850](#)

[AS 18.56.410](#)

15 AAC 155.350. Misrepresentation

If a rebate was paid as a result of a misstatement of material fact, the applicant shall repay to the Corporation an amount equal to the rebate paid plus accrued interest at the highest permissible rate established by law calculated from the date of issuance of the rebate check by the Corporation. An individual, business, or other entity that misrepresents a material fact in order to qualify an applicant for a subsidy under this program may not receive any benefit from the Corporation for energy rating services or from the program. The Corporation, in its discretion, will reinstate eligibility to receive benefits from the program.

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)

[AS18.56.850](#)

[AS 18.56.410](#)

15 AAC 155.410. Purpose

The low-income residential energy efficiency and retrofit program provides grant assistance to low-income households for energy efficiency and related improvements.

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)
[AS 18.56.850](#)

15 AAC 155.420. Funding allocation

Funding will be allocated to regions of the state using a method approved by the executive director and derived from recommendations made by the policy advisory council established by the Corporation under 10 CFR 440.14, "U.S. Department of Energy Weatherization Assistance for Low-Income Persons".

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)
[AS 18.56.850](#)

15 AAC 155.430. Income eligibility

(a) Assistance may be provided to low-income households. Income eligibility will be determined by using the guidelines adopted by the Corporation in accordance with 10 CFR 440.22(a), "Weatherization Assistance for Low-income Persons".

(b) Applicants shall provide documentation of household income. Priority is given to an eligible household with an elderly or physically challenged person.

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)
[AS 18.56.850](#)

Sec. 2(e)(1), ch. 4 FSSLA 1992

15 AAC 155.440. Eligible dwelling unit

(a) A dwelling unit will be eligible if it is occupied by a family unit as determined under 10 CFR 440.22 and is substantially complete.

(b) An eligible dwelling unit does not include a dwelling unit:

- (1) that has received assistance under this program after January 1, 1991;
 - (2) that is to be destroyed, abandoned, or converted to another purpose within 12 months;
- or
- (3) that is not used as a year-round, permanent residence.

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)
[AS 18.56.850](#)

15 AAC 155.450. Program implementation

(a) The Corporation will use grantee(s) for the implementation of the program. The grantees will remain the same from year-to-year unless the regions change, the grantee is not performing satisfactorily, or there is a major change in funding. A grantee will be reimbursed by the Corporation only for work performed in accordance with a grant in effect at the time of performance.

(b) Administrative costs shall not exceed 15 percent of the program money awarded under a grant.

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)
[AS 18.56.850](#)

Sec. 2(e)(1), ch. 4 FSSLA 1992

15 AAC 155.460. Maximum assistance

The maximum assistance for a dwelling unit is established by the Corporation on an annual basis.

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)

[AS 18.56.850](#)

15 AAC 155.470. Eligible energy efficiency measures

(a) An eligible energy efficiency measure includes:

- (1) decreasing air and moisture movement through the thermal envelope and improving controlled ventilation;
- (2) increasing heating system safety, reliability or efficiency;
- (3) insulation improvement of a ceiling, attic, wall, floor, pipe, water heater or duct, including any necessary insulation cavity venting;
- (4) an increase of the R-value for a window or door;
- (5) foundation leveling or raising above the 100-year flood plain;
- (6) a lamp or fixture replacement that reduces electrical consumption;
- (7) a fire or electrical safety improvement;
- (8) installation of an amenity for the physically challenged; and
- (9) any measure approved by the Corporation.

(b) Improvements must be made in accordance with the Corporation's priorities for energy efficiency measures.

(c) Energy efficiency measures and product specifications shall comply with standards established by the Corporation and documented in a grantee's operations manual.

History: Eff. 5/7/93, Register 130

Authority: [AS 18.56.088](#)

[AS 18.56.850](#)

15 AAC 155.510. Purpose

The Alaska Home Energy Rating System is established to provide a uniform method of auditing, assessing, and rating the energy efficiency for a residential building including its mechanical and electrical systems. Additionally, it provides a standardized method for presenting a selection of energy efficiency improvements for existing residential buildings.

History: Eff. 5/7/93, Register 130; am 2/1/2002, Register 161

Authority: [AS 18.56.088](#)

[AS18.56.850](#)

[AS 18.56.096](#)

15 AAC 155.520. Energy rating program

(a) The Corporation will establish procedures under which a residential building may be certified to the Corporation as meeting the standard adopted under 15 AAC 155.010.

(b) The Corporation will maintain and modify as necessary a computer software program that an energy rater may use to document and summarize an energy rating and to provide a selection of cost-effective energy efficiency improvements. The Corporation will establish procedures for the approval of other energy rating software for use in Corporation programs.

(c) The Corporation may only accept an energy rating for use in Corporation programs from a person who has entered into an energy rater agreement with the Corporation. The Corporation does not warrant the accuracy of or the information contained in any energy rating performed by an authorized energy rater. An authorized energy rater is not an employee, agent, or contractor of the Corporation.

History: Eff. 5/7/93, Register 130; am 2/1/2002, Register 161

15 AAC 155.530. Initial energy rater authorization

(a) The Corporation shall establish procedures for the periodic review of applications by persons seeking to be authorized to perform energy ratings for use in Corporation programs.

(b) An application for authorization to perform energy ratings for use in Corporation programs must include:

- (1) the name and address of the applicant;
- (2) a statement that the applicant is not under indictment for forgery, theft, extortion, conspiracy to defraud, or any other felony involving moral turpitude;
- (3) a statement whether or not the applicant has been convicted for forgery, theft, extortion, conspiracy to defraud creditors, or any other felony involving moral turpitude, and if so, that the sentence imposed upon conviction has been completed;
- (4) documented proof, including professional references, of two years or 4,000 hours of education, training, and experience in one or more of the following trade or professional areas:

- (A) residential construction;
- (B) residential architectural or design services;
- (C) International Conference of Building Officials certified combination dwelling inspector;
- (D) weatherization assessor;
- (E) residential energy auditor; or
- (F) residential energy efficiency.

(5) documented proof of successful completion within the last two years of a cold-climate homebuilding workshop and energy rating training approved by the Corporation;

(6) documented proof of successful completion within the last two years of an air tightness workshop approved by the Corporation;

(7) proof of completion of a training program in an energy rating software approved by the Corporation; and

(8) proof of successful completion of any testing required by the Corporation for energy rater applicants.

(c) An applicant who meets the requirements of (b) of this section must enter into an energy rater agreement with the Corporation in order to be authorized to perform energy ratings for Corporation programs.

(d) The Corporation will provide training and testing for energy rater applicants on a regularly scheduled basis.

(e) The Corporation will review a minimum of five ratings performed by any person who has not previously been authorized to perform ratings for the Corporation.

History: Eff. 5/7/93, Register 130; am 2/1/2002, Register 161

15 AAC 155.540. Renewal of energy rater agreement

The Corporation shall establish procedures for the periodic renewal of energy rater agreements. The Corporation may also establish requirements for continuing training or education as a condition for renewal of an energy rater agreement, procedures for the random review of ratings for accuracy and fee schedules for the renewal of rater agreements.

History: Eff. 5/7/93, Register 130; am 2/1/2002, Register 161

[AS 18.56.850](#)

15 AAC 155.550. Completed energy ratings

(a) An energy rater shall submit a copy of each completed energy rating to the Corporation and pay any required fee.

(b) An energy rating determined deficient by the Corporation shall be corrected by an energy rater within 15 days of receipt of written notification from the Corporation.

History: Eff. 5/7/93, Register 130; am 2/1/2002, Register 161

Authority: [AS 18.56.088](#)

[AS 18.56.096](#)

[AS 18.56.850](#)

15 AAC 155.560. Termination or suspension of energy rater agreement

(a) The Corporation will, in its discretion, terminate or suspend an energy rater agreement upon a finding that the energy rater:

- (1) falsified information furnished to the Corporation on an application;
- (2) falsified information on an energy rating of a home;
- (3) violated a term of the energy rater agreement;
- (4) performed a substandard energy rating that is not corrected within 15 days of receipt of written notice from the Corporation;
- (5) repeatedly failed to use reasonable knowledge, skills, or judgment in the performance of energy ratings;
- (6) repeatedly failed to conduct energy ratings in accordance with the energy rating manual adopted by the Corporation; or
- (7) has been convicted of forgery, theft, extortion, conspiracy to defraud, or any other felony involving moral turpitude.

(b) If the Corporation terminates or suspends an energy rater agreement, the Corporation will promptly notify the energy rater in writing of the reason for the revocation and advise the energy rater of his or her right to appeal the termination or suspension under 15 AAC [150.210](#).

(c) A decision terminating an energy rater agreement will specify the length of time that the energy rater is prohibited from performing energy ratings for use in Corporation programs. Following expiration of the time specified in the decision, the energy rater may apply for a new energy rater agreement.

History: Eff. 5/7/93, Register 130; am 2/1/2002, Register 161

Authority: [AS 18.56.088](#)

[AS 18.56.096](#)

[AS 18.56.850](#)

15 AAC 155.990. Definitions

In 15 AAC [155.010](#) - 15 AAC [155.990](#),

- (1) "administrative costs" means indirect costs for a non-profit organization or local government with a federally assigned indirect rate and for other entities costs identified in the grant or contract such as office rental, telephone, supplies, computer, and administrative personnel;
- (2) "director" means the director of the rural housing division in the Corporation;
- (3) "division" means the rural housing division in the Corporation;

(4) "dwelling unit" means a house, including a stationary mobile home, an apartment, a group of rooms, or a single room occupied as separate living quarters which provide complete independent living facilities for one or more persons, including permanent provisions for sleeping, cooking, and eating; "dwelling unit" does not include a motorized vehicle, a hotel room, or a housekeeping unit leased or maintained by the United States for employee or military housing;

(5) "elderly person" means a person who is 60 years of age or older;

(6) "energy rating" means the star rating determined for a residential building by a person who is currently certificated under, and who uses forms and procedures in accordance with, the Energy Rated Homes of Alaska program in 15 AAC [155.510](#) - 15 AAC [155.560](#); there are 10 different ratings, with "one star" as the lowest rating and "five-star plus" as the highest rating;

(7) "grantee" means the entity or person named in the grant award as a recipient;

(8) "household income" means the total cash receipts before taxes and from all sources of each occupant who is not a dependent, full-time student and who resides in a dwelling unit; it:

(A) includes alimony, assistantships, dividends excluding Alaska Permanent Fund dividends, fellowships, government employee pensions, grants, interest, longevity bonus payments from the state, military family allotments, net gambling or lottery winnings, net receipts from self-employment (i.e. net business income), periodic receipts from estates or trusts, private pensions, railroad retirement, regular insurance or annuity payments, regular support from an absent family member or someone not living in the household, net rental income, net royalties, social security (without exemption for dependent students), strike benefits from a union, training stipends, unemployment compensation, wages and salaries before any deductions, worker's compensation, and veterans' payments (without exemption for dependent students); and

(B) does not include assets drawn down such as a bank withdrawal, Alaska longevity bonus, Alaska permanent fund dividend, capital gains, child support, compensation for injury, dependent student income (earnings of full-time high school students or post-secondary students enrolled for at least 12 credit hours), dividends not exceeding \$2,000 per individual from a Native Corporation (Public Law 100-241) federal non-cash benefits (such as Medicare, Medicaid, Food Stamps, school lunches, and housing assistance), food or rent received in lieu of wages, gifts, grants or loans to a student, JTPA payments, LIHEAP payments, loans, lump-sum inheritances, non-cash benefits such as employee fringe benefits, one-time insurance payments, payment for foster children or foster care adults, sale of assets such as property or vehicle, scholarships for college or university, and tax refunds.

(9) "life-cycle cost" has the meaning provided in [AS 46.11.900](#);

(10) "program" means the low-income energy efficiency and retrofit program in 15 AAC [155.410](#) - 15 AAC [155.480](#), the home energy loan subsidy program in 15 AAC [155.210](#) - 15 AAC [155.280](#), the home energy rating rebate program in 15 AAC [155.300](#) - 15 AAC [155.350](#), and the energy rated homes of Alaska program in 15 AAC [155.500](#) - 15 AAC [155.560](#);

(11) "residential building" means a building with dwelling units intended primarily to provide dwelling accommodations, but does not include a mobile home;

(12) "standard" means the thermal and lighting energy standards as defined in [AS 46.11.900](#) (8)(A)(ii) and [AS 46.11.900](#) (8)(B)(ii) and titled the Building Energy Efficiency Standard, amended November 17, 1993, and adopted by reference in 15 AAC [155.010](#);

(13) "state," notwithstanding the definition at 15 AAC [150.900](#), means the State of Alaska and all state agencies including a department, institution, board, commission, division, authority, public corporation, committee, or other administrative unit of the executive, judicial, or legislative branch of state government, including the University of Alaska, the Alaska Aerospace Development Corporation, and the Alaska Railroad Corporation;

(14) "state financial assistance" has the meaning provided in [AS 46.11.900](#) but does not include assistance provided under 15 AAC [155.410](#) - 15 AAC 155.480; for purposes of this definition, the Corporation is considered a part of the state;

(15) "substantially complete" means that a building has all of the normal integral parts, including foundation, floor, walls, roof, windows, doors, and permanent heating system; and

(16) "thermal envelope" means the space in a building that is contained within the building's wall, roof, and floor or crawl spaces and that separates the building's heated space from unheated spaces, the ground, or the outdoors.

History: Eff. 12/16/93, Register 130

Authority: [AS 18.56.088](#)

[AS 18.56.096](#)

[AS 18.56.850](#)

[AS 46.11.900](#)

[AS 18.56.410](#)

[AS 46.11.040](#)

Editor's note: 15 AAC [155.990](#) is derived from 19 AAC [69.190](#), 19 AAC [69.290](#) and 19 AAC [69.410](#). The history note for 15 AAC 115.990 does not reflect the history of the sections under 19 AAC [69.190](#), 19 AAC [69.290](#) and 19 AAC [69.410](#).