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Governor Sean Parnell  
STATE OF ALASKA

August 10, 2009

The Honorable Steven Chu  
Secretary  
United States Department of Energy  
1000 Independence Avenue, SW  
Washington, DC 20585

Re: Alaska State Energy Program Assurances

Dear Mr. Secretary,

The Alaska State Legislature met in special session on August 10, 2009, and took action to overturn Governor Palin's veto of just over \$28 million of the state energy program funds in the American Reinvestment and Recovery Act (ARRA). As you know, the former governor vetoed the funds because of concerns about the requirements of section 410 of the ARRA.

I believe that local decision-making usually results in the best decision. Accordingly, I do not support mandates on Alaskans that require a one-size-fits-all solution, such as a statewide energy code. Our state has such a great diversity of people, climate, access to resources, and needs; a uniform approach will not work. Nevertheless, I respect the legislature's institutional authority and provide assurances herein.

In providing the assurances in this letter and accepting state energy program funds, I expressly rely on representations made by the U.S. Department of Energy (USDOE) by Mr. Gilbert Sperling, program manager for the Weatherization and Intergovernmental Program in the USDOE. In a letter to the Alaska Legislature dated August 5, 2009, the USDOE stated "The Legislature ... does not need to adopt, impose and enforce a statewide building code in order to qualify for SEP funds."

Alaska communities are well on their way toward establishing municipal energy efficiency standards. Many of our larger communities already have these codes in place and several other communities are considering implementation of energy codes. Further, the Alaska Housing Finance Corporation requires that any building it finances must meet energy code standards.

Given the Legislature's action overturning Governor Palin's veto, I have directed the State's designated energy office, the Alaska Housing Finance Corporation, to apply for the funds and target use of these funds for cost-effective energy efficiency programs authorized by the ARRA and the USDOE state energy program guidelines. By this letter, I am providing the assurances required by the ARRA for the state energy program funds.

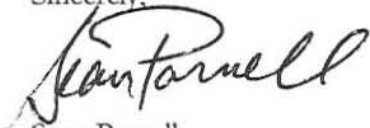
I have received assurances from our state regulatory authority, the Regulatory Commission of Alaska, that it will seek to implement general policies to promote energy efficiency and maintain just and reasonable rates while protecting the public, consistent with the ARRA.

The Honorable Steven Chu  
August 10, 2009  
Page 2

Alaska is a national leader in promoting energy conservation and efficiency. The Alaska Legislature recently appropriated \$360 million for low-income weatherization and an energy rebate program to assist Alaskans in making energy efficiency improvements to their homes.

Alaska remains committed to working with all communities to improve energy efficiency, promote use of renewable energy, and reduce the cost of energy across the state. For those communities that choose to adopt their own energy efficiency codes, we will work with them to reduce energy consumption in public and private buildings. I look forward to working with you to make the best use of these federal energy program stimulus funds.

Sincerely,

A handwritten signature in black ink that reads "Sean Parnell". The signature is written in a cursive style with a large, prominent initial "S".

Sean Parnell  
Governor