

**AHFC Home Energy Rebate Program****FY2015 Request: \$15,000,000****Reference No: 51947****AP/AL:** Allocation**Project Type:** Energy**Category:** Health/Human Services**Location:** Statewide**House District:** Statewide (HD 1-40)**Impact House District:** Statewide (HD 1-40)**Contact:** Les Campbell**Estimated Project Dates:** 07/01/2014 - 06/30/2019**Contact Phone:** (907)330-8356**Appropriation:** AHFC Energy Programs**Brief Summary and Statement of Need:**

AHFC's Home Energy Rebate program provides state funds to rebate homeowners for making energy efficient improvements to their homes. In order to maintain the current pace of the program and eliminate the waiting list, new funding is required. Participants must own their homes and all improvements must be paid for up front by the homeowner.

<b>Funding:</b>	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Total
Gen Fund	\$15,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$115,000,000
<b>Total:</b>	\$15,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$115,000,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

Sec1 Ch16 SLA2013 P78 L4 SB18 \$20,000,000  
 Sec1 Ch17 SLA2012 P131 L28 SB160 \$20,000,000  
 Sec4 Ch5 SLA2011 P138 L10 SB46 \$37,500,000  
 Sec22 Ch11 SLA2008 P101 L27 SB256 \$100,000,000

**Project Description/Justification:**

This program assists homeowners by increasing energy efficiency and reducing energy use by providing rebates for making recommended, cost-effective energy improvements to their homes.

**The projected outcomes are:**

- Reduce household operating costs of the resident;
- Improve resident health and safety;
- Improve durability and longevity of housing stock; and
- Replace unsafe heating systems.

**Program description**

The Home Energy Rebate Program utilizes state general funds to provide rebates to homeowners for

making energy efficient upgrades to reduce energy costs. The Home Energy Rebate program provides rebates to owner-occupied homes statewide.

Within the program there are two separate and distinct components; rebates for making energy efficiency improvements to existing homes using energy ratings or for newly-constructed or purchased homes that achieve a Five Star Plus or Six Star energy rating.

For existing homes, the rebate amounts are determined by the point and step increases achieved between the as-is energy rating and post-improvement energy rating. A final rating of a One-Star-plus (1★+) or greater must be achieved for existing homes to qualify for a rebate. This is a one-time rebate for any one family or home for improvements and actual expenses (verified with receipts and proof of payment). For the existing home component, the maximum eligible rebate amounts are:

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

For the newly-constructed or purchased Five-Star-Plus (5★+) or Six Star (6★) house, the rebate is \$7,000 or \$10,000, respectively. Owner-builders or purchasers must meet AHFC financing requirements to participate. The financing requirements consist of recorded copies of the forms PUR-101 and PUR-102 or Certification of Occupancy from an approved local government, i.e., borough, city, etc., a contractor’s license with residential endorsement, and the homeowner must also provide a Five-Star-Plus or Six Star energy rating and proof of ownership; statutory warranty deed, or deed transfer.

Since program inception in May 2008 until June 30, 2013:

- Over \$150 million in funds have been expended;
- Over 18,976 rebates for existing homes were paid out, and the average rebate was \$6,412;
- Over 34,753 initial energy ratings were completed;
- Over 1,943 newly constructed homes received a Five Star Plus rebate of \$7,500 each; and
- Average energy reduction is approximately 30%.

During FY2011, the entire \$160 million allocated for the program was encumbered. There was a 65% completion rate for those participating.

**Benefits of Energy Rebate Program:**

- Reduces overall fuel use / saves client’s dollars;
- Improves existing housing stock, reducing the need for more public housing;
- Materials are purchased from local Alaskan vendors;

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- Local contractors and crews receive training and wages spent locally;
  - Local businesses saw an increase in activity during an economic lull;
  - Savings from fuel costs reinvested in local economy;
  - Client education on their houses and what it takes to maintain and operate them;
  - Provides large dataset that includes both pre- and post-improvement measurements of housing unit energy use.

**Waiting List**

Homeowners continue to sign up to participate in the program in urban and road connected areas. In remote areas of the state where there are no energy raters available, AHFC established the Roving Rater program. Through the program, the costs of travel for the energy rater is paid by AHFC when three or more homeowners sign up to get an as-is energy rating. The cost to send the rater to complete post is also covered.

**Jobs and Skills**

As a result of the Home Energy Rebate Program, hundreds of consumer education classes and training classes for contractors and laborers have provided much needed client education. An advanced level of retrofit training has been provided statewide. Businesses reported an increase in activity and have been vocal in their support of the program.

**Individual and Community Benefits**

The Home Energy Rebate Program has worked well in Alaska, at a community and individual level. For the individual, the reduction in heating costs has allowed for the diversion of funds from heating to other essential needs. It has been a catalyst for job skill improvements, job creation through vendors and suppliers and, for the most part, dollars spent stay in the state and in the communities.