

AHFC Home Energy Rebate Program

FY2016 Request: \$3,000,000
Reference No: AMD 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: 07/01/2015 - 06/30/2020

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Appropriation: AHFC Energy Programs

Brief Summary and Statement of Need:

Alaska Housing Finance Corporation's (AHFC) Home Energy Rebate program to provide rebates to homeowners for making energy efficient improvements to their homes to reduce energy costs or purchase newly constructed homes that achieve required ratings. This amendment updates the project's out-year funding totals to more closely align with current budgetary factors.

Funding:	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	Total
AHFC Div	\$3,000,000						\$3,000,000
Gen Fund		\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$15,000,000
Total:	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$18,000,000

<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 checked="" 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
Totals:	0	0

Prior Funding History / Additional Information:

Sec1 Ch18 SLA2014 P62 L14 SB119 \$44,000,000
 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 to the resident;
- Improve resident health and safety;
- Improve durability and longevity of housing stock; and
- Replace unsafe heating systems.

Program description

State of Alaska Capital Project Summary
 FY2016 Governor Amended

Department of Revenue
 Reference No: AMD 51947
 Amendments as of February 17, 2015

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 or for newly-constructed or purchased homes that achieve a Five-Star-Plus (5★+) or Six Star (6★) 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.

Generally, 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, a contractor's license with residential endorsement, a Five-Star-Plus or Six Star energy rating and proof of ownership (statutory warranty deed or deed transfer).

Since program inception on April 5, 2008 thru June 30, 2014:

- Over \$172 million has been expended;
- 21,820 rebates for existing homes were paid out, and the average rebate was \$6,443;
- 38,175 initial energy ratings were completed;
- 2,502 newly constructed homes received a Five Star Plus rebate
- 34 newly constructed homes received a Six Star rebate of \$10,000; and
- The average energy reduction is approximately 30%.

Funding through FY2014 for the program was encumbered. There was a 64% 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;
- 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 the post-rating is also covered.

Jobs and Skills

As a result of the Home Energy Rebate Program, hundreds of consumer education classes and training classes 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 and job creation through vendors and suppliers and, for the most part, dollars spent stay in the state and in the communities.