



Cady Lister, Alaska Energy Authority
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Reducing the Cost of Energy

- Energy Planning and Policy
- Technical and Community Assistance
- Investing in Alaska's Energy Infrastructure
- Diversifying Alaska's Energy Portfolio



Grants to Loans

- There are fewer and fewer grants available
- There are a lot of loan options
- Power generation infrastructure purchased with loan funds can be depreciated and counted as an eligible PCE expense

AEA Financing Tools

Grants

1. Renewable Energy Grant Fund
2. Emerging Energy Technology Fund
3. Rural Powerhouse System Upgrades (RPSU)
4. Bulk Fuel Upgrades
5. Village Energy Efficiency Program (VEEP)
6. Commercial Building Energy Audit

Loans

1. Power Project Fund

Power Project Fund

Provides loans to local utilities, local governments or independent power producers for the development or upgrade of power facilities, including conservation, heat recovery and bulk fuel storage.

- Loan term up to life of the project, max 50 years for hydro
- Interest rates between tax-exempt rates and zero
- Application fee \$200-\$5,000
- 1% closing fee
- Administered by AEA

PPF Eligibility

Eligible Applicants

- Electric utility
- Regional electric authority
- Regional or village corporation
- Independent power producer (IPP)
- Borough or municipal government
- Village council

Eligible Projects

- Powerhouse production facility
- Alternative energy facilities and equipment
- Transmission or distribution
- Heat recovery
- Supply side efficiency
- Bulk fuel storage facility
- Reconnaissance or feasibility study
- Other

How PPF is different

Flexibility in loan term (length) and interest rate based on need

Flexibility in collateral requirements

What you need to apply

2 years of financial statements

Technically and financially feasible project

Application fee

PPF funded projects in the last 10 years

Wind turbines, diesel engines and gensets, transmission and distribution, geothermal feasibility, switchgear upgrades, combined heat and power biomass system, heat recovery, hydro projects and other powerhouse improvements.

Eligible Energy Projects

AS 44.88.900(13) "project" means

(D) a plant or facility demonstrating technological advances of new methods and procedures and prototype commercial applications for the

- exploration
- development
- production
- transportation
- conversion, and
- use of energy resources

Sustainable Energy Transmission and Supply Fund

Established and capitalized by the Legislature in 2012.

Currently, SETS has limited funds available.

Provides AIDEA tools for financing Alaska's energy infrastructure needs:

- Direct Loans
- Loan & Bond Guarantees
- Bond Issuances

Financing limits:

- 33% of direct financing, or
- \$20 million in credit enhancements

Loan Participation Program



Long-term commercial financing for energy efficiency & conservation

Participation may be up to 90% of a loan originated by an eligible commercial lender up to \$20 million.

Terms:

- Up to 15 years for personal property
- Up to 25 years for real property;
- 75% loan-to-value;
- fixed or variable interest rate

Alaska Pacific University

- Northrim Bank - \$250,000 (10%)
- AIDEA - \$2,250,000 (90%)
- Estimated annual savings for APU - \$340,000



Other State Financing Programs

AHFC Residential Efficiency Programs

- Home Weatherization
- Alaska Energy Efficiency Revolving Loan Fund
- Residential Energy Audits

Community Contact

Alaska Housing Finance Corporation, 330-6180, AHFC.us

Alaska Department of Commerce, Community and Economic Development

- Bulk Fuel Revolving Loan Program
- Alaska Energy Efficiency Revolving Loan Fund

Community Contact

Division of Economic Development, 1-800-478-5626

Commerce.State.Ak.Us



Bringing it all together

AEA can help identify the right financing for your project

- Think about how the different financing tools can work together to best serve your needs.
- Grants are great and should be pursued whenever possible but –
- Loans are also attractive financing tools that shouldn't be overlooked.
- Be strategic about how you deploy which resources and in what order you do so in order to maximize the investment opportunity of energy cost savings efforts.
- Take the long view. Plant the seeds today for a solid future tomorrow.

Thank you!

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