

PRESS RELEASE

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AEA Applauds Passage of Clean Energy Financing Program

State expands unique financing tool for local governments

(Anchorage) — The Alaska State Legislature passed House Bill 227 during the 32nd Legislative Session, a bill to expand opportunities for commercial property owners to finance clean energy and resilience measures in buildings. The Commercial Property Assessed Clean Energy (C-PACE) program helps commercial and industrial property owners obtain low-cost, long-term financing for clean energy projects. The costs are paid back through a voluntary special assessment alongside the property tax bill.

Since the passage of the original statute in 2017, the Alaska Energy Authority (AEA) has led an ad hoc group of stakeholders, the Alaska C-PACE Advisory Group, which works collaboratively to initiate programs in larger jurisdictions.

“We applaud Alaska Legislators for passing C-PACE legislation and thank Governor Dunleavy for signing it into law today,” **said AEA Executive Director Curtis W. Thayer.** “C-PACE aligns with the Governor’s energy vision by helping property owners and developers implement energy efficiency, renewable energy, and climate resiliency measures to lower the cost of energy in Alaska.”

To date, 38 states and Washington D.C. have passed legislation that enables PACE to operate. Nationwide, over \$2 billion has been invested through over 2,500 commercial projects, creating 24,000 jobs. Anchorage is the first local government in Alaska to create a C-PACE program, though the local program was designed with partners to be easily adopted by other tax assessing jurisdictions in Alaska.

HB 227 expands the scope of the original C-PACE legislation with the following changes:

- Includes new construction
- Allows resiliency projects
- Allows C-PACE refinancing with a two-year “look back” period
- Considers a property’s “market” value rather than assessed value
- Eliminates the Savings-to-Investment Ratio and extends the maximum loan term from 20 to 30 years

The Municipality of Anchorage launched the state's first C-PACE program in April 2021 to facilitate the financing of clean energy projects in commercial buildings. The financing arrangement attaches the payment obligations to the property as a lien, rather than to the borrower, and reduces collection risks for lenders.

"Since launching the Anchorage C-PACE program, property owners have asked us for expanded scope of the program, especially for new construction," **said Municipality of Anchorage Energy and Sustainability Manager Shaina Kilcoyne.** "The resounding support from the legislature was very encouraging and we're excited to partner with AEA to execute on the bill."

Visit <https://akcpaace.wordpress.com> for more information, including instructions on how to initiate an application.

The Alaska Energy Authority is a public corporation of the state. Its mission is to reduce the cost of energy in Alaska.

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