Alaska Housing
FINANCE CORPORATION

Financing EE: Invest Today, Save Tomorrow

Tim Leach
EE NOW
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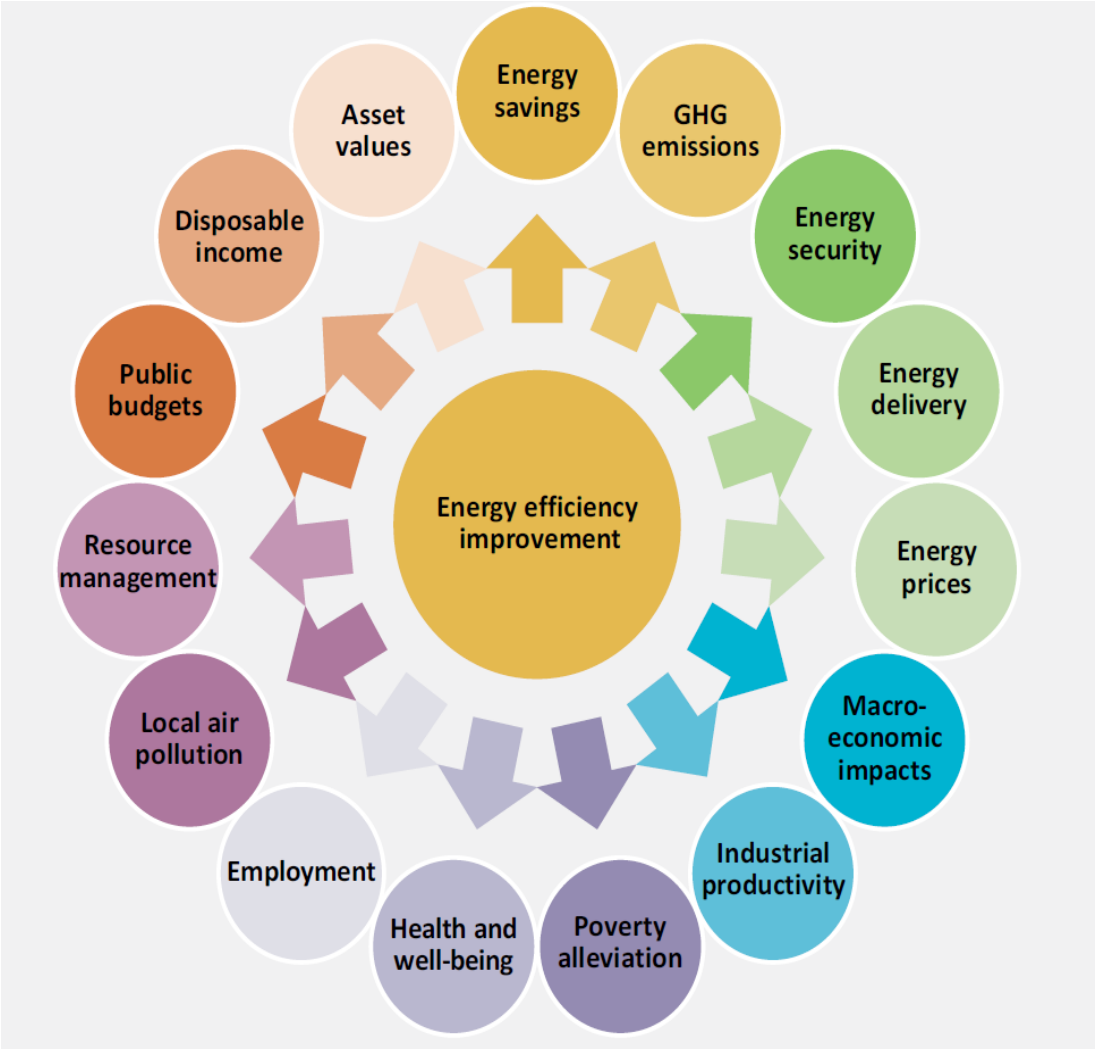
Energy efficiency is a smart investment

Multiple benefits of energy efficiency



iea.org

If it makes so much sense…?

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Types of capital

- Cash
- Grant
- Financing

Sources of Capital

- Alaska Energy Authority
  - Village Energy Efficiency Program (VEEP)

Community buildings and infrastructure

Population under 8,000

Competitive award, grant

Sources of Capital

- Alaska Housing Finance Corporation
  - Alaska Energy Efficiency Revolving Loan Program (AEERLP)

State, Municipal, Schools and the University of Alaska

No minimum /maximum

Unsecured loan

Sources of Capital

- Rural Community Assistance Program (RCAC)

Non & for-profits, public and tribal governments

Housing, community facilities, small business

Short-term loans for project development available

RCAC

Sources of Capital

- Community Commerce and Economic Development
  - Alternative Energy Conservation Loan Fund

Alternative energy or EE

Alaska residency requirement

Max of $50,000

Sources of Capital

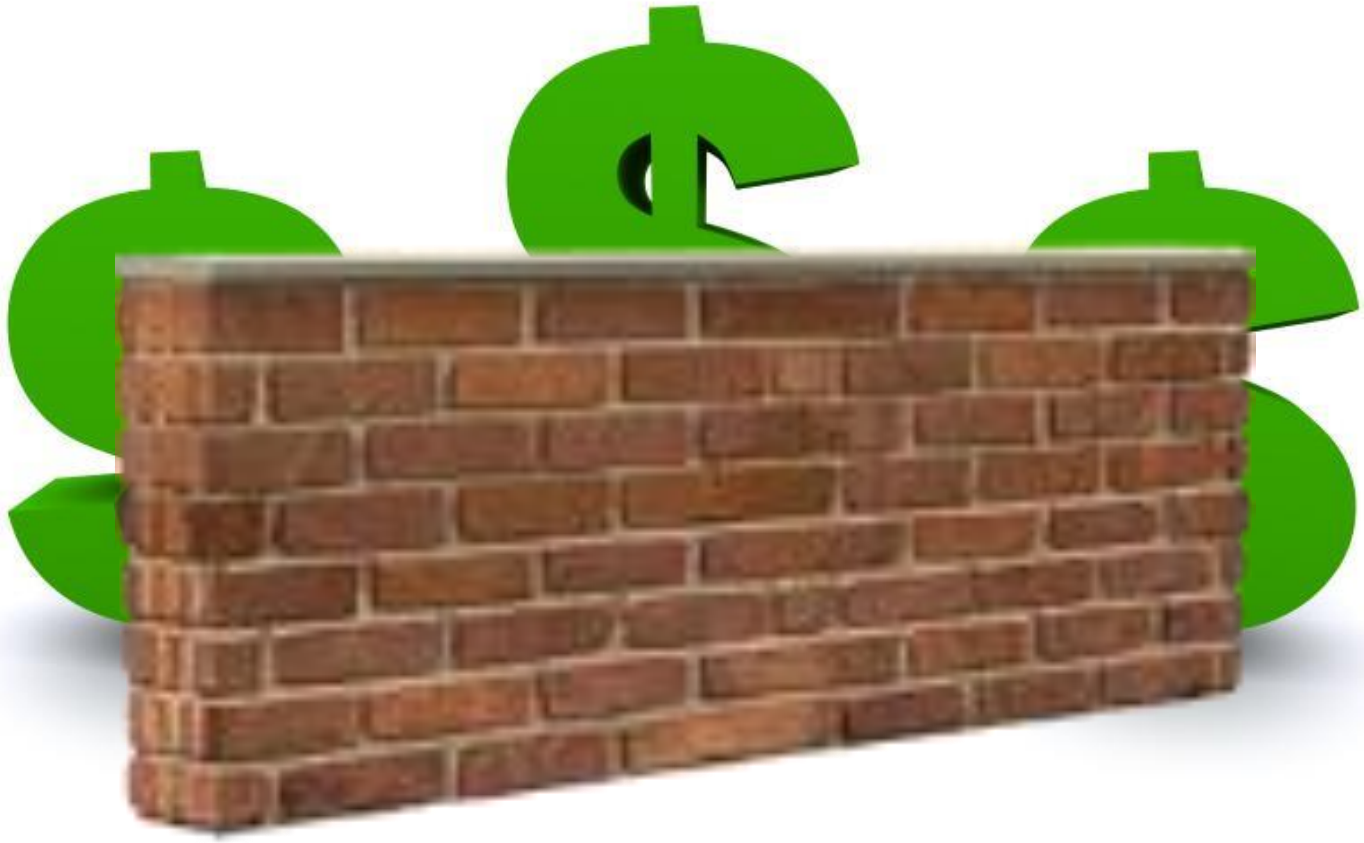
❑Commercial Lenders

Lender originated to lender standards

Financing in the form of loans and lease purchases

May be more restrictive than state programs

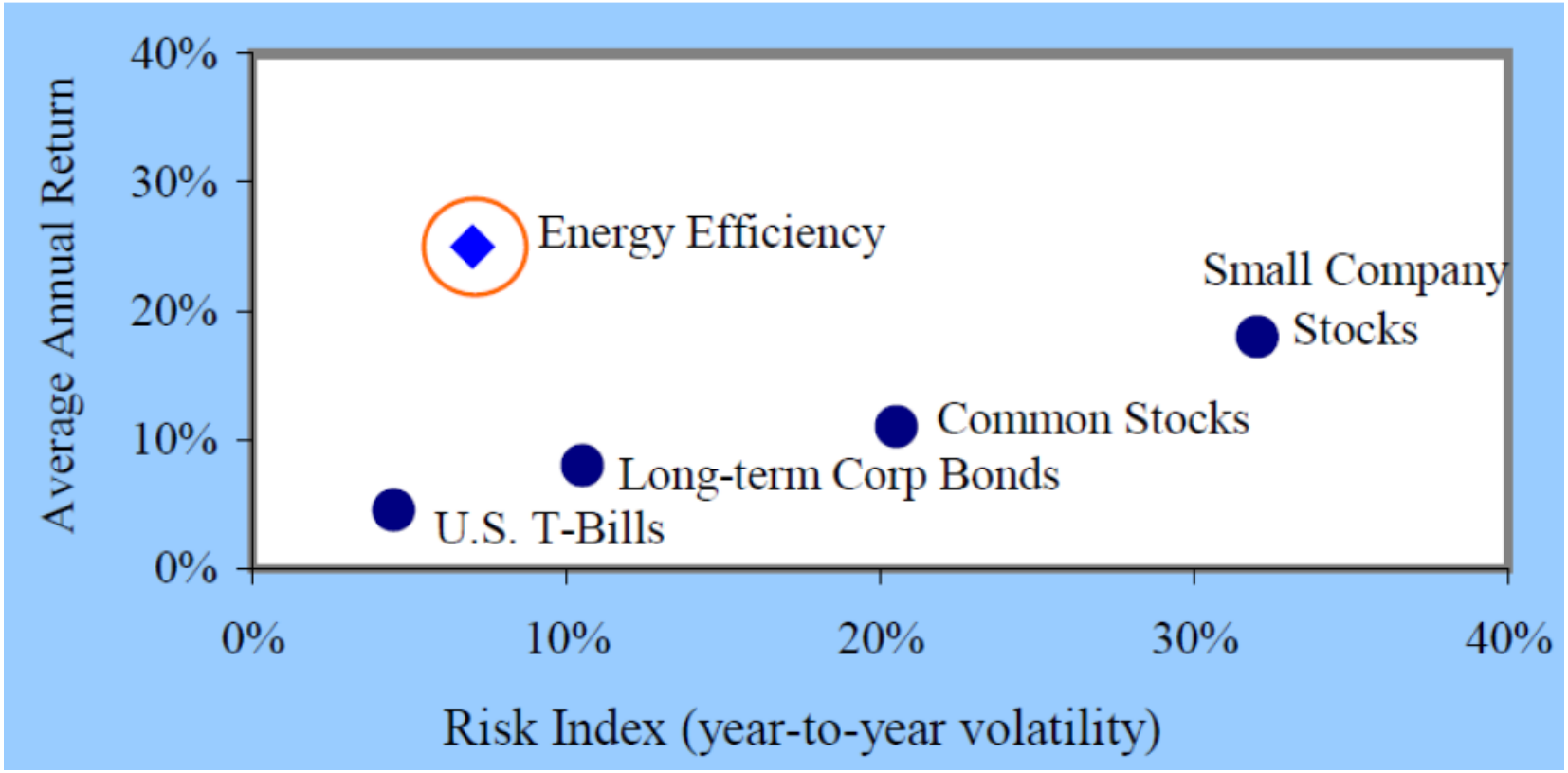
If it makes so much sense…?



Barriers beyond money

Knowledge and motivation to pursue energy project financing

Efficiency investment risk and return



Cost of delay – case study

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Cash Flow Calculator

INPUTS & OUTPUTS

Pre-Retrofit Annual Energy Expenditure	$460,000	Cost for Improvements	$ 563,000	Loan Term (yrs.)	6
Post-Retrofit Annual Energy Expenditure	$317,000	Design/Engineering	$ 84,450	Interest Rate	2.500%
Post Retrofit Annual Energy Cost Savings	$143,000	Project Management	$ 16,890	Number of Payments per year	12
Post Retrofit Annual Energy Savings %	31%	Contingency	$ 56,300	Down Payment	$ -
Energy Cost Annual Escalation Rate	2.0%	Project Costs - Down Payment	$ 720,640	Discount Rate	8.0%
Assumed Project Life	15				

Cost of delay – case study

CASH FLOW COMPARISON, COST OF DELAY

	Cumulative Cash Flow End of year 15	Difference, compared with Appropriation Awarded yr 5	Difference, compared with Loan, Immediate Action	Difference, compared with Loan, 5 yr Delay	Difference, Compared with No Action
Appropriation Awarded Year 5	$ (6,853,215)	$ -	$ (18,195)	$ 740,866	$ 1,720,856
Loan, Immediate Action	$ (6,835,020)	$ 18,195	$ -	$ 759,061	$ 1,739,051
Loan, 5 Year Delay	$ (7,594,081)	$ (740,866)	$ (759,061)	$ -	$ 979,990
No Action	$ (8,574,071)	$ (1,720,856)	$ (1,739,051)	$ (979,990)	$ -

Thank You

For more information visit:
http://www.ahfc.us/efficiency/energy-programs/

Or Contact:

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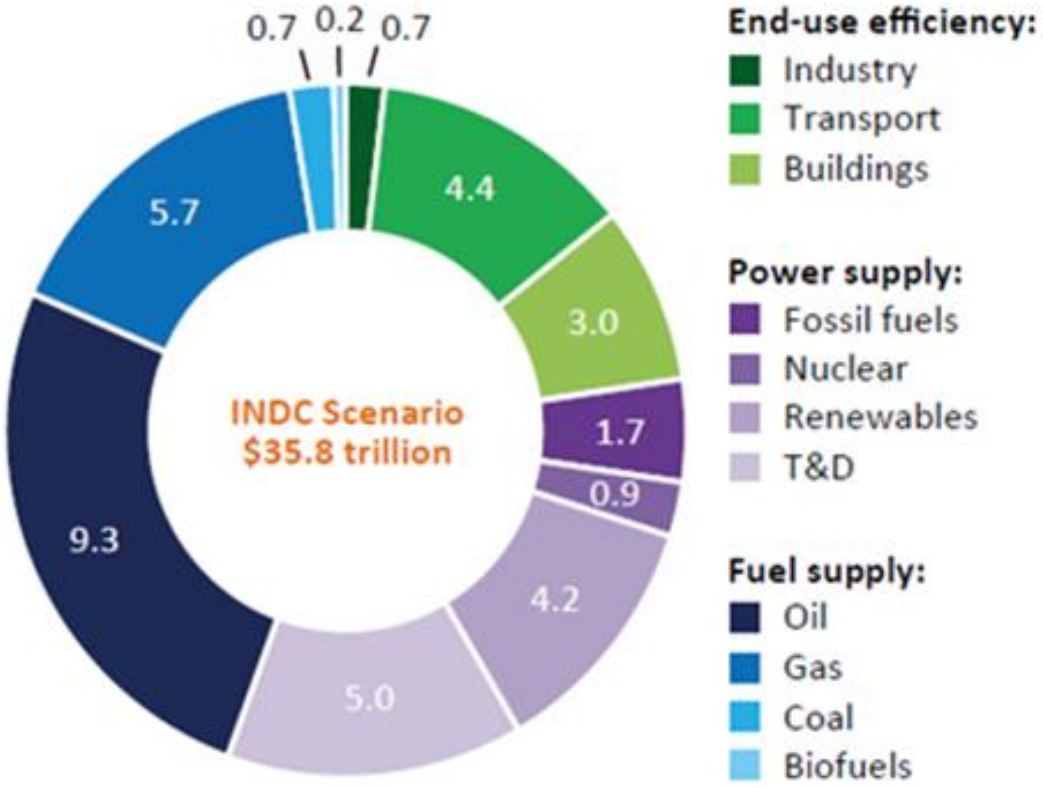
AHFC's AEERLP Rates

01/04/16	
Year	Rate
1	1.875
2	2.000
3	2.125
4	2.125
5	2.375
6	2.500
7	2.625
8	2.875
9	3.000
10	3.125
11	3.250
12	3.375
13	3.500
14	3.500
15	3.625
16	3.625
17	3.750
18	3.750
19	3.875
20	3.875

Cumulative global investments 2015-2030



Note: T&D is transmission and distribution, investments are in trillion dollars, 2013