



**Climate Pollution Reduction Grants Program: Implementation Grants
General Competition**

AHFC Weatherization Assistance Program and Energy Rebate Program

Funding Opportunity Number: EPA-R-OAR-CPRGI-23-07

**Priority Climate Action Plan: State of Alaska Priority Sustainable Action
Plan**

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SECTION 1: OVERALL PROJECT SUMMARY AND APPROACH

Description of GHG Reduction Measures

Alaska Housing Finance Corporation (AHFC) is a State of Alaska owned housing corporation that serves as the lead organization for all housing programs including but not limited to: energy efficiency, cold climate housing research, homelessness prevention, public housing, housing vouchers, teacher housing, Low-Income Housing Tax Credits (LIHTC), home rehabilitation, and mortgage underwriting.

AHFC's proposed Greenhouse Gas Reduction Implementation Measure is a three-pronged proposal to reduce residential energy consumption and associated emissions reductions. AHFC plans to utilize its existing programs, stakeholder relationships, and experience administering energy efficiency programs to maximize Climate Pollution Reduction Grant (CPRG) funds to reduce Greenhouse Gas (GHG) emissions and lower Alaskan's energy costs by increasing the energy efficiency of housing throughout the state.

The three measures are summarized below and described in detail in the following sections.

Measure 1: Weatherization Assistance Program

AHFC's proposed GHG reductions measure number 1 is to utilize CPRG funding to expand and enhance the existing State of Alaska Low-income Weatherization Assistance Program (WAP) to provide deeper energy efficiency retrofits to existing participants and to serve more Alaskans. Alaska's WAP is currently funded by the U.S. Department of Energy (DOE) Weatherization Program and the Health and Human Services Low Income Home Energy Assistance Program (LIHEAP) as well as the State of Alaska. AHFC integrates these separate funding sources, each with different guidelines and requirements, to create a holistic, comprehensive program. Weatherization work is accomplished by non-profit provider organizations and Regional Housing Authorities (RHAs).

Weatherizing housing in Alaska is challenging. The short construction season combined with high transportation costs, both to bring material to Alaska and then to transport material to rural areas not connected to larger urban communities makes the cost of weatherizing a property much higher than the national average. Alaska's weatherization providers face a difficult and complicated process of meeting low-income Alaskan's weatherization needs while maintaining the DOE average cost per unit requirements. AHFC has to layer in multiple other funding sources to raise the average per unit investment to levels that achieve successful energy efficiency retrofits. CPRG funding will provide the necessary resources to accomplish more and deeper retrofits, which will directly benefit low-income participants and Alaskans living in disadvantaged communities by improving the energy efficiency and indoor air quality of their housing.

As mentioned previously, the Alaska WAP is implemented primarily through regional entities like Alaska's 14 Regional Housing Authorities and non-profit weatherization providers, Interior Weatherization, Inc., Rural Alaska Community Action Program (RurALCAP), and the Alaska Community Development Corporation (ACDC). Each entity covers a different geographic region of Alaska ensuring all areas in the state are covered and applicants have a weatherization provider they can apply to. The participation of regional housing authorities has been essential to completing weatherization work in the more than 200 Alaskan communities not on the road system that often face lack of local financial firms, contractors, and affordable materials.

The described priority measure will boost funding for this program to allow an additional 3,200 homes to be weatherized over the ensuing five years. If funded, allocation for WAP will need to be increased gradually and annually over the five years of the project. Weatherization providers are currently staffed to provide services at the rate required by current annual funding. Increasing that funding will need to happen predictably, so providers can increase their capacity appropriately. AHFC and other statewide organizations are working to support this anticipated workforce growth via emerging workforce development programs as described in section 5.

Measure 2: Subsidize Home Energy Audits for Low to Moderate Income Alaskans

AHFC has a range of programs that have served homeowners and renters around Alaska for decades – a new Home Energy Rebate (HER) Program will join this portfolio in coming months adding the potential to bring transformative home energy savings and emissions reductions for thousands of residences around the state. As a part of this program, households will need energy assessments, which are required to determine energy use baselines and savings.

Measure 2 funding will subsidize home energy audits for low-income Alaskans removing barriers to participate in the forthcoming DOE HER program, which will be administered by AHFC. To participate in the DOE HER program, a household needs to obtain an “As-is” home energy audit from a AHFC Certified Energy Auditor and then a “Post” rating after energy efficiency retrofits are completed. The current market rate for an “As-Is” audit in Alaska is more than \$500 with a “Post” audit adding another \$300. This upfront and out of pocket cost will likely make the program difficult to access for low-income Alaskans. Utilizing CPRG funds to subsidize these costs, along with the travel costs necessary for participants in many of Alaska’s remote and rural communities, will ensure Alaskans who most need the benefits of home energy retrofits have access to them. In order to enable the additional retrofits that deliver emissions reductions, activities under Measure 2 will provide funding for 1,800 additional household energy assessments.

Measure 3: Increase Home Energy Rebate Amounts for Low to Moderate Income Alaskans.

Measure 3 funding will increase funding for home energy retrofits under the DOE HER Program for low to moderate income Alaskans. The current guidelines for the HER program limit the dollar amount of rebates to \$4,000 to \$8,000 depending on income and percentage of energy saved. In many parts of Alaska, due to high costs of material and labor, the high cost of travel, and the limited amount of contractors to perform this work, these funding levels will not cover the necessary improvements for Alaskans to see real benefits. CPRG funding will allow low to moderate income Alaskans to perform deeper retrofits on their household without having to face out of pocket costs that would make them unable to afford the necessary work. Measure 3 funding will provide the necessary additional incentive that is required for this program to have a meaningful impact. It is anticipated funding will help 1,800 households realize energy retrofits.

Demonstration of Funding Need

Measure #1 – Weatherization Assistance Program

AHFC has administered the Weatherization Assistance Program (WAP) for the State of Alaska since 1992. Funding for the program has historically come from three sources: Department of Energy Weatherization Assistance Program, Health and Human Services Low Income Home Energy Assistance Program (LIHEAP) and direct Funding from the State of Alaska. AHFC braids these funds together to provide grants to service providers who provide statewide services. Annual funding from DOE has

fluctuated between one and two million dollars, only raising into the low two million since 2019. The first year that AHFC administered the program, DOE WAP funding was \$1,470,000. DOE WAP funding for 2023 was \$2,269,304. For perspective, in order to keep pace with inflation, that amount would need to be at least \$3.2 million. LIHEAP funding has varied somewhat since the early aughts ranging from \$500,000 to a million dollars. Recently, LIHEAP funding has increased; however, it remains inconsistent as no specific funding levels can be anticipated.

State funding has also wildly fluctuated. Oil prices spiked in 2007 and 2008, peaking at more than \$140 per barrel in summer of 2008. Since the State of Alaska relies on tax proceeds from oil and gas projects to fund government services, the high price of oil resulted in a windfall of revenue for the state. The downside of high oil prices resulted in a significant energy cost burden for Alaskan households, especially in the rural and remote parts of Alaska where oil is the primary heating fuel and electricity is generated by diesel-fired generators. To help alleviate the energy cost burden during this time, the State of Alaska funded WAP in the amount of \$200 million in 2008. That funding provided the resources for a robust, decade long program; however, the price of oil waned resulting in a reversion to the mean in program funding. Recently, state investment averages a few million dollars per year.

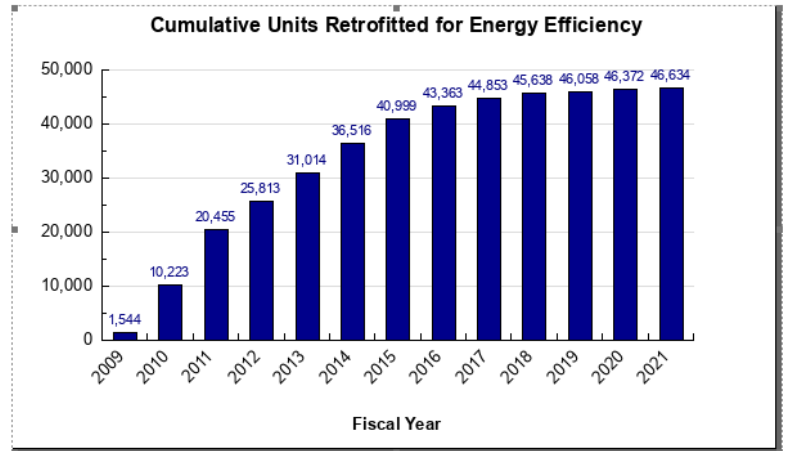
The total amount of funding across the three sources in 2023 amounted to \$4,528,054. Compare that to the funding received in 1992 of \$5,916,900. For the program to provide the same level of service today, the amount of funding would need to be more than \$13 million dollars. This has led to far fewer units receiving weatherization services.

Table shows the reduction in units retrofitted annually over the last 10 years. Units retrofitted includes both the WAP and State funded Home Energy Rebate program.

The allowable average cost per unit per DOE guidelines is \$8,497. Due to rising inflation costs, along with the high cost of construction in Alaska, especially in the 200 communities not connected to the road system, weatherization providers struggle to perform basic weatherization services at the DOE average cost per unit. As a result, AHFC enhances the average cost per unit with State funds allowing for an average cost per unit of \$10,000 for road connected communities and up to \$20,000 for homes in remote, rural communities.

Cumulative Units Retrofitted for Energy Efficiency		
Fiscal Year	Annual Energy Reduction in BTUs	Units Retrofitted
FY 2023	12,342	203
FY 2022	13,680	225
FY 2021	15,930	262
FY 2020	19,091	314
FY 2019	25,536	420
FY 2018	63,063	785
FY 2017	135,844	1,490
FY 2016	192,419	2,364
FY 2015	372,959	4,483
FY 2014	443,085	5,502
FY 2013	409,029	5,201

During the era of increased state funding, AHFC raised the average cost per unit to \$30,000 for rural, remote communities, which allowed deeper and more transformative retrofits. But as demonstrated, state funding has been reduced so the impact of weatherization services has also been reduced. Additional funding will once again allow deeper and more complete weatherization retrofits of housing units across Alaska.



AHFC will utilize the additional funding to expand the program in two ways. The first, AHFC proposes to use CPRG funds to raise the average cost per unit for the rural, remote communities up to \$30,000 and the road connected communities up to \$20,000. The rising costs due to inflation, energy prices, transportation, labor, and materials have left many weatherization service providers struggling to perform adequate retrofits under the average cost per unit program requirements. This funding will be layered into the existing program allowing for a more immediate and direct application of services to low-income Alaskans. As a result, service providers can once again perform holistic, deep energy retrofits that make transformative impacts toward energy and carbon reductions.

The second way AHFC will utilize CPRG funding is to reach more households who qualify for the Alaska Weatherization program but are not eligible for DOE WAP. Current FY2023 Income Limes are available on AHFC website at <https://www.ahfc.us/efficiency/weatherization>. When service providers utilize State of Alaska funding, they may serve households up to 100 percent of Housing and Urban Development (HUD) Area Median Income. When service providers utilize DOE funding, they may only serve households with income less than 200 percent of the federal poverty level. The reality of funding levels and program income restrictions results in many households not receiving services. With the additional CPRG funding, AHFC will be able to provide services to a greater number of Alaskans in need who are unable to afford the energy efficiency, health, and safety improvements that will so greatly improve the quality of their lives.

Measure 2 & 3: Subsidize Home Energy Audits for Low to Moderate Income Alaskans and Increase Home Energy Rebate Amounts for Low to Moderate Income Alaskans.

Alaska is set to receive \$37,368,480 in funding, an investment made possible through the Inflation Reduction Act, from the Department of Energy to administer the forthcoming Home Energy Rebate (HER) program throughout the State of Alaska. AHFC administered a similar program from 2008 to 2018 that provided rebates to Alaskan homeowners who made energy efficiency improvements to their primary residences. This program was funded by the State of Alaska with revenue the state received from several years of high oil prices as referenced earlier. The state provided \$242ⁱ million in funding for the AHFC administered program. Many lessons were learned and best practices developed during the decade long program – all of which AHFC will utilize during administration of the DOE HER program.

The Alaska rebate program was not income restricted so was available to homeowners in all income brackets. As a result, participant's income was not tracked but an anecdotal review of program data has led to the conclusion that mostly higher income households participated. The new DOE HER program is

intended to ensure that low-income households and those in economically disadvantaged communities receive a share of the program benefits; however, the DOE HER program incentives are not significant enough to achieve impactful results. During the 2008-2018 program, the average participant expended approximately \$12,081 on retrofitting their home and received a rebate of \$6,958ⁱⁱ. This resulted in participants expending approximately \$5,000 toward the retrofit. Using the previous program as a model, AHFC believes the DOE HER program will not have the intended impact as the incentives are less and energy efficiency retrofit costs are higher than they were 10 years ago. For these reasons, CPRG funding will be applied to the DOE HER program so that energy rebates may be truly attainable for low to moderate income Alaskans.

DOE has stipulated that States can use up to 20 percent of HER administration costs to subsidize program participants energy audits. Utilizing administrative costs for energy audit subsidies, will result in a lessor amount of funding available for individual rebates. As stated above, the current market rate for an “As-is” energy audit is currently more than \$500 in Alaska. Due to the requirements of the forthcoming DOE program, it is likely that energy auditors will need to spend more time on each audit working with participants in helping them understand their audit, what the optimal improvements are, and the associated financial investment. This extra time will come at a cost potentially detracting from investments in additional housing.

With the potential that the as-is and post audit could cost more than \$1,000, it is necessary to ensure that this cost is not a significant enough burden for low to moderate income Alaskans. The entire energy efficiency retrofit project hinges on the initial as-is energy audit, so it is crucial that this program step is implemented in a way that is seamless and a non-financial burden to the participant. Utilizing CPRG funds to subsidize these home energy audits, will allow more low to moderate income participants to invest in energy saving and carbon reducing home improvements.

Transformative Impact

Measure 1: Weatherization Assistance Program

Alaska’s Weatherization program is a long running and proven program that has historically delivered substantial benefits to low-income Alaskans and Alaskans living in disadvantaged communities.

Alaska Weatherization Assistance Program Statistics

Median household income	\$28,263
Households in rural Alaska communities	42%
Alaska Native households	38%
Households with elderly members	34%
Households with children under 6	24%

A life-cycle cost analysis of WAP demonstrates a savings to investment ratio of 1.5ⁱⁱⁱ implying savings from the energy efficiency investments will earn back the money spent plus 50 percent throughout the expected lifetime of the improvement. This statistic alone is an incredible return on investment that results in a massive transformative impact.

Another transformative impact are the continued energy savings WAP program participants realize year after year. These savings are especially significant to residents in rural Alaska where in the winter of 2023 heating fuel in 92 communities had an average cost of \$6.72 per gallon. A significant contrast to the national average of \$4.60 during the same period. In Alaska’s Western region, which has some of the lowest average household incomes in the country, the 2023 average heating fuel price was \$7.50.

Residents in many rural Alaska communities benefit from an Alaska program called Power Cost Equalization commonly known as PCE. The PCE program subsidizes residents' electrical costs up to a specified amount. This program helps significantly with the cost of electricity; however, it does not help with space heating. Reducing residential fuel needs for residents in rural Alaska by performing deeper energy retrofits will have long term transformative impacts. To provide an example, less fuel consumption also means that fuel deliveries do not have to happen as regularly, resulting in greater resilience to freight disruption by weather and disaster that might delay fuel shipments. Over the long-term, reduced residential dependence on diesel may mean that bulk fuel systems in some rural Alaska communities will not need to maintain as much capacity.

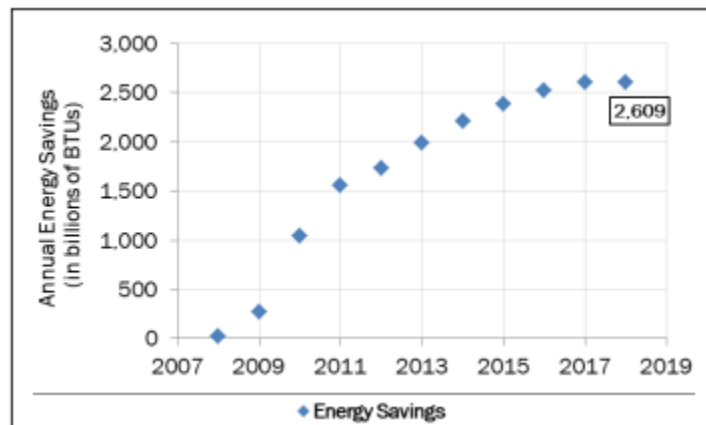
An additional transformative impact of properly-installed residential weatherization improvements is that homes become more livable and comfortable for occupants. Residential weatherization can help prevent moisture management issues that, left untreated, can lead to mold growth, poor indoor air quality, and worse health outcomes. The link between human health and indoor environments is well known and documented. Weatherization done correctly has the additional transformative impact of improving health outcomes.

Measure #2 & #3 Subsidize Home Energy Audits for Low to Moderate Income Alaskans and Increase Home Energy Rebate Amounts for Low to Moderate Income Alaskans.

Information in this section is primarily from a summative report published by the Cold Climate Housing Research Center on AHFC's Home Energy Rebate Program that occurred from 2008 to 2018^{iv}. This program had similar guidelines to the forthcoming DOE HER program.

26,587 homes throughout the state were retrofitted with energy improvements. Participants first received an initial energy audit on their home that resulted in a "star rating" that showed the home's energy efficiency level. Star ratings range from 1-star to 6-star with half-star increments. 6-star is the most energy efficient home. The initial energy audit also identified a list of recommended improvements, which the homeowner used as a menu to pick and choose the optimal energy improvements. After improvements were complete, a post audit verified the installation measures and a final star rating was determined. Rebates were honored for improvements based on the number of half star levels improved, known as steps. The average energy rating for a home participating in the program went from a 2 star plus to a 4 star. Average energy use per household went down by 34% and Alaska's greenhouse gas emissions were reduced by 3.2 billion lbs. of CO₂.

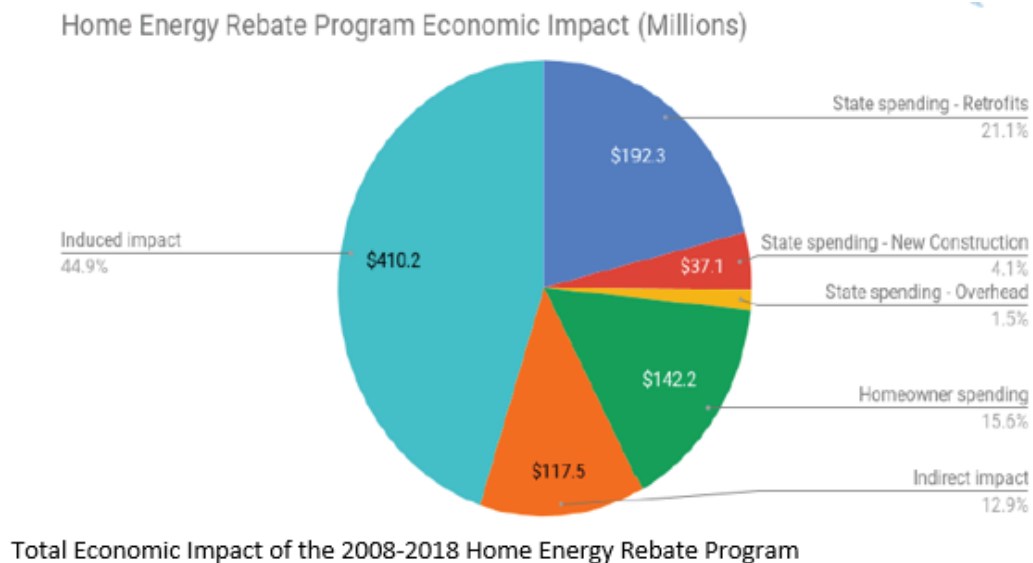
The purpose for outlining the Home Energy Rebate program above is to demonstrate the tremendous transformative impact it had on residential energy consumption in Alaska. Annual residential energy usage decreased by an estimated 2.6 trillion BTUs, equivalent to the energy in 19.2 million gallons of fuel oil, as a direct result of the energy efficiency retrofits incentivized by the program. An estimated 15.7 trillion BTUs, equivalent to the energy in 115.4 million gallons of fuel oil, were saved during the 10-year life of the program.



With the implemented energy efficiency retrofit measures having a savings-weighted average life of approximately 21 years, the lasting impact of the Home Energy Rebate program is the avoided consumption of a total of 54.8 trillion BTUs, or approximately 402.9 million gallons of fuel oil. To put the energy savings in context of an individual home, the average Alaska household consumed approximately 297 million BTUs or 2,184 gallons of heating oil equivalent identified by their as-is audit. Households that participated in the Home Energy Rebate program and received a post audit reduced their annual energy consumption to approximately 197 million BTUs, or 1,449 gallons of heating oil equivalent for a 99.9 million BTU / 735 gallon per year savings. This represents a 34 percent reduction in household energy consumption. The Southeast region had the largest percentage reduction with retrofitted households realizing a 37 percent energy use reduction on average. Households in the Municipality of Anchorage had the largest absolute reduction, saving an average of 113 million BTUs, or 831 gallons of heating oil equivalent per year.

To put energy cost savings in the context of an individual home, the average household at the start of the program paid \$5,480 in energy costs annually (2018 dollars). Homeowners that completed the Home Energy Rebate program reduced their annual energy costs to approximately \$4,091, a savings of \$1,389. This represents a 25 percent reduction in household energy costs. As different fuels have different costs, energy savings as a percent differs from energy cost savings. The Bering Straits and Southeast regions had the largest percentage reduction with completing households experiencing a 31 percent energy cost reduction on average. Households that were retrofitted in the Bering Straits region had the largest absolute reduction saving an average of \$2,889 per year.

As evidence above, the AHFC Home Energy Rebate program has had a significant transformative impact on residential energy use. As a result of this transformative impact, AHFC proposes to utilize CPRG funds to increase the financial resources applied toward the DOE Home Energy Rebate programs by increasing the rebate amounts for low- and moderate-income Alaskans and subsidizing the required Home Energy Audits that are necessary to participate in and benefit from the program.



SECTION 2: IMPACT OF GHG REDUCTION MEASURES

Quantified GHG reductions from CPRG funding = $\left[\frac{\text{Requested CPRG funding}}{\text{Total funding to implement measure}} \right] \times (\text{Total estimated GHG reductions of measure})$

See Appendix B for explanation of GHG Reduction Measure Assumptions

a. Magnitude of GHG Reductions from 2025 through 2030 (20 Pts)

- Measure 1 Using the figures of 400 homes receiving additional weatherization in 2025, 500 in 2026, 700 in 2027, 800 in 2028, 800 in 2029 for a cumulative total of 3,200 homes throughout the state receiving weatherization retrofits, the annual CO₂e reduction will be 21,488 Metric tons, with a cumulative reduction of 508,326 in metric tons between 2025 and 2030.
- Measure 2 & 3 Using the figure of 200 rebates in 2025, 400 in 2026, 400 in 2027, 400 in 2028, 400 in 2029 for a cumulative total of 1,800 homes receiving deeper retrofits through the Energy Rebate Program, the annual CO₂E reduction would be 38,580 metric tons, with a cumulative total of 917,347 tons between 2025 and 2030

b. Magnitude of GHG Reductions from 2025 through 2050 (10 Pts)

- Measure 1: Extrapolating the data through 2050, with the annual reduction across 3,200 homes through the following 25 years would be 508,326 metric tons of CO₂E reduced.
- Measure 2 & 3: Extrapolating the data through 2025, with the annual reduction across 1,800 homes through the following 25 years would be 917,347 metric tons of CO₂E reduced.

c. Cost Effectiveness of GHG Reductions (15 pts)

Cost effectiveness of GHG reductions = $\frac{\text{Requested CPRG funding}}{\text{Sum of Quantified GHG reductions from CPRG funding from 2025-2030}}$

- Measure 1: $1,129 = (\$88,770,451) / (78,566)$
- Measure 2 & 3: $59.28 = (\$8,640,000) / (145,747)$

d. Documentation of GHG Reduction Assumptions – Up to 10 additional pages as an appendix to the workplan

- a. See Technical Appendix B

SECTION 3: ENVIRONMENTAL RESULTS – OUTPUTS, OUTCOMES, AND PERFORMANCE MEASURES

Expected Outputs and Outcomes

Measure 1: Weatherization Assistance Program

Weatherization in Alaska is a complex process with many inputs and factors. AHFC allocates funding across different regions and providers through a process that takes into consideration the associated requirements of different funding sources, current community needs, whether or not previous weatherization services were provided, service provider staffing and capacity, natural disasters, and AHFC program monitoring capacity among other factors. As service providers are currently staffed to provide services commensurate with recent funding levels, increased funding will need to occur proportionately with service provider capacity. AHFC will work with service providers to determine where and how to increase funding and which regions will receive increased funding immediately or gradually. Currently many funding opportunities are available in the energy efficiency space across a multitude of federal programs and AHFC is positioned to work with many entities across the state to ensure areas that are covered under one funding program don't receive duplicate services.

Year 1		
\$/Unit	# of Housing Units	Total Funding
\$ 27,000.00	400	\$ 10,800,000.00
Year 2		
\$/Unit	# of Housing Units	Total Funding
\$ 27,000.00	500	\$ 13,500,000.00
Year 3		
\$/Unit	# of Housing Units	Total Funding
\$ 27,000.00	700	\$ 18,900,000.00
Year 4		
\$/Unit	# of Housing Units	Total Funding
\$ 27,000.00	800	\$ 21,600,000.00
Year 5		
\$/Unit	# of Housing Units	Total Funding
\$ 27,000.00	800	\$ 21,600,000.00

Additionally, as the WAP program is funded through multiple sources, each with different requirements, AHFC will work with providers to layer in CPRG funds in different ways. Funds will be used to increase the average cost per unit in some areas to allow households to benefit from the program that are above the DOE 200% poverty level but below 100% AMI in other areas to wholly fund some retrofits and to enhance and expand retrofits in others.

Program review has shown that for every \$25,000 increase in overall funding it has allowed one more household to receive weatherization benefits. As we are proposing to increase funding in certain areas, we are using the figure of \$27,000 in CPRG funds per additional household. This will allow 400 additional units the first year, 500 the second, 700 the third and 800 for years four and five. This funding will allow an additional 3,200 households across the state to benefit from weatherization services improving both the energy efficiency and health and safety of housing units.

Measure 2 & 3: Subsidize Home Energy Audits for Low to Moderate Income Alaskans and Increase Home Energy Rebate Amounts for Low to Moderate Income Alaskans.

During the State Home Energy Rebate program that ran from 2008-2018, 26,587 households completed the rebate program. That averages to more than 2,600 households per year. At the peak of the program, Alaska had more than 150 certified energy auditors across the state. Since the program ended, that number has declined significantly. With the lower funding amount and stricter income limits of the forthcoming DOE Home Energy Rebate program, AHFC does not anticipate reaching the levels of the previous program.

AHFC currently is applying for funding under DOE's 40503 Energy Auditor Training Funding Opportunity Announcement and will increase training opportunities for potential energy auditors where available. To some extent, demand for energy audits will need to occur before individuals are interested in enduring

the process to become certified. Taking these factors into account, AHFC is proposing to utilize the CPRG funds for the following outputs during the life of the grant funding. AHFC anticipates subsidizing 200 energy audits during the first year of the program with that number increasing to 400 energy audits annually throughout the following four years.

An increase in the number of energy rebates will follow the same trajectory. Through this funding, an additional 1,800 Alaskans will receive home energy audits and will have the opportunity to perform deeper and more substantial retrofits realizing the increased benefits in energy efficiency and reduced energy costs.

Increased Home Energy Rebates		
Year 1		
\$/Rebate	# of Rebates	Total Funding
\$ 4,000.00	200	\$ 800,000.00
Year 2		
\$/Rebate	# of Rebates	Total Funding
\$ 4,000.00	400	\$ 1,600,000.00
Year 3		
\$/Rebate	# of Rebates	Total Funding
\$ 4,000.00	400	\$ 1,600,000.00
Year 4		
\$/Rebate	# of Rebates	Total Funding
\$ 4,000.00	400	\$ 1,600,000.00
Year 5		
\$/Rebate	# of Rebates	Total Funding
\$ 4,000.00	400	\$ 1,600,000.00

Subsidized Energy Audits		
Year 1		
\$/Audit	# Audits	Total Funding
\$ 1,000.00	200	\$ 200,000.00
Year 2		
\$/Audit	# Audits	Total Funding
\$ 1,000.00	400	\$ 400,000.00
Year 3		
\$/Audit	# Audits	Total Funding
\$ 1,000.00	400	\$ 400,000.00
Year 4		
\$/Audit	# Audits	Total Funding
\$ 1,000.00	400	\$ 400,000.00
Year 5		
\$/Audit	# Audits	Total Funding
\$ 1,000.00	400	\$ 400,000.00

Performance Measures and Plan

Measure 1: Weatherization Assistance Program

The Alaska Weatherization program is governed by the Weatherization Operations Manual (WOM) and Alaska Field Guide. Both resources are produced by AHFC in consultation with service providers, industry experts, and government officials. AHFC provides technical assistance manuals and training on the technical side of energy efficiency improvement measures as well as the use of energy audit and inspection tools. Weatherization service providers use an Alaska specific home energy assessment audit tool called AkWarm. AkWarm determines which improvement measures meet the savings to investment ratio requirements providing service providers the needed information so that they install only cost-effective, energy-saving improvements. AKWarm is required to be used on all weatherized homes.

For specific measures see the State of Alaska Weatherization Operations Manual at www.ahfc.us and the Alaska Field Guide. Common measures include air sealing, attic insulation, floor insulation, heating system tune-ups and replacements, moisture control and ventilation, and energy efficient lighting. Section 5 of the WOM and the Field Guide outline hundreds of eligible measures that may be implemented during weatherization services.

All weatherization service providers must pass the required materials and details onto their subcontractors and maintain verification that each subcontractor has received and is implementing the appropriate guidelines. All service provider agreements and vendor contracts contain language that clearly documents the standard work specifications for work quality. Field inspections and program file monitoring are completed by AHFC ensuring that policies and procedures are being adhered to and appropriate language is included in subcontractor agreements and that they are being followed.

All service providers are required to use blower doors and heating system analyzers during the analysis of each home. They are also encouraged to use infrared cameras, monoxers, Duct Blasters and other testing equipment where applicable while performing home energy assessments. Since AHFC has adopted DOE WAP program guidelines, we ensure that all quality control inspection protocols are followed and heating system diagnostic test procedures and improvements are performed as outlined in the WOM.

Service providers determine the amount of money spent per home (adhering to average cost per unit established levels) after determining a cost-effective weatherization. The number of required units for each service provider is determined by the AHFC Weatherization Program Manager based on the average cost per unit and funding availability.

The executed grant with the service providers is certification that they will follow the guidelines and other pertinent DOE and state documents, and that they will be pass on these requirements to subcontractors. The WOM and the field guide are distributed by email and accessible online. During the annual program monitoring, AHFC verifies that service providers are following the rules and regulations set forth in the WOM in their operations. AHFC also verifies that any pass-through contracts have included the language concerning the use of the AK Field Guide and the WOM. During field monitoring, AHFC personnel verifies that the Field Guide is being referenced.

Measure 2 & 3 Subsidize Home Energy Audits for Low to Moderate Income Alaskans and Increase Home Energy Rebate Amounts for Low to Moderate Income Alaskans.

As AHFC will directly administer the forthcoming DOE Home Energy Rebate programs, which AHFC plans to use CPRG funding to enhance and expand, AHFC will directly monitor the performance of this measure. AHFC will create and establish a robust applicant verification process to ensure all participants are qualified. This will include performing income verification and verification the household is in a CEJST community. Program managers will ensure participants are connected with certified energy auditors, applications are processed accordingly, energy savings are verified and commensurate with rebate amounts, as well as any other aspects that are needed to ensure a robust, seamless program implementation. AHFC is currently building an in-house software management system to ensure all program steps, from participant verification through final payment, are accounted for.

At every step of the program, AHFC will know how many participants are in the program, at which income levels and CEJST status, where they are in the process, and their possible rebate amount they are eligible for. AHFC must report all this information to DOE and will report to EPA on the same information for any participant that is qualified to receive CPRG funds to subsidize their audit or increase their rebate amount.

Authorities, Implementation Timeline, and Milestones

Responsible Parties:

Measure 1: Weatherization Assistance Program

AHFC administers the state Weatherization program through sub-grants to the three non-profit weatherization service providers and Regional Housing Authorities, collectively referred to as Weatherization Service Providers. AHFC personnel is responsible for establishing basic funding per region, managing the funds, auditing financials and performing regular field quality control inspections. The Weatherization providers are responsible for client intake, income verification, comprehensive assessment of the home that includes building diagnostics, energy modeling, in depth client interviews and assessments of behavior, HVAC diagnostics, a visual inspection of all insulated areas that can be accessed, foundation and other structural inspections, ventilation compliance with industry standards, etc.

Weatherization Service Providers

SOUTH CENTRAL

RurAL CAP
Anchorage
www.ruralcap.org

Cook Inlet Housing Authority
Greater Anchorage Area
www.cookinlethousing.org

Alaska Community Development Corporation
Copper River Valley, Kenai-Peninsula Borough, Mat-Su Borough, and Prince William Sound
www.alaskacdc.org

North Pacific Rim Housing Authority
Most Communities along the Prince William Sound
www.nprha.com

Copper River Basin Housing Authority
Surrounding areas of the Copper River Basin
www.crbrrha.org

SOUTHEAST

RurAL CAP
Juneau
www.ruralcap.org

Alaska Community Development Corporation
Southeast Alaska except Juneau
www.alaskacdc.org

Tlingit-Haida Regional Housing Authority
Majority of South East communities excluding Juneau
www.regionalhousingauthority.org

WEST

RurAL CAP
Western Alaska
www.ruralcap.org

AVCP Regional Housing Authority
Western Alaska communities surrounding Bethel
www.avcphousing.org

SOUTHWEST

Alaska Community Development Corporation
Bristol Bay, Kodiak, Aleutians
www.alaskacdc.org

Bristol Bay Housing Authority
Bristol Bay
www.bristolbayhousingauthority.org

INTERIOR

Interior Weatherization
Road system Interior Fairbanks south to Cantwell east to Delta Junction
www.interiorwx.org

Interior Regional Housing Authority
Interior Alaska Off of Road System
<https://irha.org/>

NORTH

Northwest Inupiat Housing Authority
Kotzebue and surrounding communities
www.nwiha.com

RurAL CAP
Northern Alaska
www.ruralcap.org

Measure 2 & 3: Subsidize Home Energy Audits for Low to Moderate Income Alaskans and Increase Home Energy Rebate Amounts for Low to Moderate Income Alaskans AHFC will be administering the forthcoming DOE Home Energy Rebate Programs directly. AHFC currently provides training and certifies Alaska's network of Home Energy Auditors and will put an additional agreement in place for Energy Auditors that will be performing work under the forthcoming DOE program. This agreement will cover increased responsibilities and reporting requirements in order to comply with DOE guidelines. This agreement will cover the requirements for receiving payment direct from AHFC for performing a subsidized home energy audit on a household that is income qualified to receive one. AHFC is currently applying for funding under the Department of Energy Bipartisan Infrastructure Law (BIL) 40503: Energy Auditor Training funding opportunity and will use these funds for necessary training so the CPRG funds will only be necessary for direct subsidy payments. AHFC has a long and close working relationship with the energy auditors throughout the state. All energy audits performed in Alaska are done with AHFC's AKWarm Energy Modeling Software and entered into the AHFC managed Alaska Retrofit Information Systems (ARIS) database. This allows AHFC personnel to review every energy audit performed and logged throughout the state to verify accuracy and completeness.

Per DOE guidelines, only certified and approved contractors can perform work under the Home Energy Rebate Programs. AHFC is developing a set of guidelines and an agreement for contractors that wish to perform work under the program and as such will include guidance and requirements for quality control, documentation, and customer protection in this agreement. This program will rely on contractors throughout the state of Alaska under various trades and as such they cannot all be named here.

Implementation Timeline:

Timeline and Milestones:

Measure 1: Weatherization Assistance The Alaska Weatherization Assistance Program (WAP) is funded by multiple state and federal sources. Alaska Housing Finance Corporation (AHFC) usually receives funding at various times throughout the year. In order to maintain a consistent program for the service providers and keep program accounting regimented, AHFC has established a “Program Year” that runs from April 1 to March 31. This allows AHFC to accumulate funding throughout the year holding it in reserve until April 1 of the new Program Year. At which time, AHFC issues updated grants to service providers with the new available funding.

Timeline:

Upon notification of anticipated funding selection, AHFC will immediately begin collaborating with weatherization service providers to identify region specific needs, resources, and capacity to determine the CPRG funding allocation for the 2025 program year, which starts on April 1. AHFC will also review internal practices to ensure the program expansion is administered in an effective and efficient manner. This will include engaging with weatherization stakeholders throughout Alaska to ensure all regions are covered with no overlap of services. Upon determination of the allocation, including available funds from other sources, AHFC will issue service provider grants by April 1, 2025. This will allow service providers adequate time to prepare for the upcoming construction season. Weatherization activities for rural and remote communities normally begin in the late spring/early summer and are complete by December. Weatherization work in urban road-connected communities occurs year-round with occasional stoppages, common in winter, due to acclimate weather and sub-zero temperatures.

Milestones	
Year 1	
1.1	2025 Allocation Determined
1.3	Grants Issued
1.4	Weatherization of Households performed
1.5	Program Monitoing
1.6	Fiscal Monitoring
1.7	Client File Review
1.8	Field Monitoring
Year 2	
2.1	2026 Allocation Determined
2.3	Grants Issued
2.4	Weatherization of Households performed
2.5	Program Monitoing
2.6	Fiscal Monitoring
2.7	Client File Review
2.8	Field Monitoring
Year 3	
3.1	2027 Allocation Determined
3.3	Grants Issued
3.4	Weatherization of Households performed
3.5	Program Monitoing
3.6	Fiscal Monitoring
3.7	Client File Review
3.8	Field Monitoring
Year 4	
4.1	2028 Allocation Determined
4.3	Grants Issued
4.4	Weatherization of Households performed
4.5	Program Monitoing
4.6	Fiscal Monitoring
4.7	Client File Review
4.8	Field Monitoring
Year 5	
5.1	2029 Allocation Determined
5.3	Grants Issued
5.4	Weatherization of Households performed
5.5	Program Monitoing
5.6	Fiscal Monitoring
5.7	Client File Review
5.8	Field Monitoring

Program Monitoring Timeline

All aspects of monitoring of CPRG funding will immediately begin to be incorporated into the existing monitoring schedules of the Alaska WAP. Program monitoring, which encompasses onsite and virtual inspections of service provider policies and procedures by AHFC program staff, is typically conducted between January and April after most projects are completed and costs are incurred. This allows AHFC program staff to have a more holistic view of how the service provider administered the program. AHFC anticipates adhering to this schedule when monitoring the implementation of CPRG funding.

Weatherization program financial monitoring is conducted by AHFC's Internal Audit Department. Visits are conducted by the audit team between January and March for much the same reasons as stated above, and they typically coincide with program staff inspections. Timeframes may be adjusted as multiple programs are being monitored annually.

AHFC program staff conduct field monitoring, which entails onsite visits to weatherized homes, mostly during the summer and early fall when it is easier to conduct inspections. AHFC staff coordinate closely with the weatherization agencies to schedule an area for inspection after a number of jobs have been completed allowing for a thorough use of resources. Since rural and remote weatherization jobs are dependent on barge and airfreight schedules, which can be affected by weather and other factors, these visits are typically conducted in the late summer, fall, and early winter.

Measure 2 & 3: Home Energy Rebates

Timeline:

The timeline for implementation of measures 2 & 3 will depend on the Department of Energy's approval of AHFC's program plan and issuance of funding. AHFC intends to have the full program application submitted to DOE by Q3 2024, which will likely put the program start date sometime in early 2025. Once the program is active, the CPRG benefits will immediately be available to participants. Income qualified Alaskan's will be able to request their subsidized energy audit and increased rebate amount. As the program will be continuous and ongoing, program monitoring will occur regularly and in line with the requirements set forth by DOE and established by AHFC in policy and procedures. It is too early to specifically identify the exact timeline and monitoring measures for the DOE HER program; however, it is sufficient to say that program monitoring will be robust and thorough.

Milestones:

Milestones	
Yearly and Ongoing	
1.1	DOE Approval of Rebate Program
1.2	Initial Funding Received
1.3	Home Energy Rebate Program Goes Live
1.4	Applicants Income Qualified
1.5	Income qualified applicants receive their audits and can schedule their energy efficiency retrofits with their higher possible rebate amounts
1.6	Energy Auditors Receive Payment for Subsidized Audits
1.7	Retrofits are completed and post installation audits performed
1.8	Quality of energy efficiency installations are verified throughout the process
1.9	Energy Auditors Receive Payment for Subsidized Audits
1.10	Rebate is paid to homeowner or contractor.
1.11	Verification that 40% of participants are in a CEJST region (ongoing)

SECTION 4: LOW-INCOME AND DISADVANTAGED COMMUNITIES

Community Benefits

Measure 1: Weatherization Assistance Program

AHFC and weatherization service providers and contractors do not and shall not discriminate on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations. These activities include, but are not limited to, hiring and firing of staff, selection of volunteers and vendors, and provision of services. We are committed to providing an inclusive and welcoming environment for all members of our staff, clients, volunteers, subcontractors, vendors, and clients.

As such, Alaska's WAP prioritizes clients based on the following three tiers:

1. The household includes a resident who is elderly, disabled, or a child under 6 years old, and the total household unit income is less than or equal to the income limits published by the U.S. Department of Energy (DOE) that are current as of April 1st of the program year.
2. The household includes a child who is 6-18 years old, and the total household unit income is less than or equal to the income limits published by the U.S. Department of Energy (DOE) that are current as of April 1st of the program year.
3. Other households with total household unit income that is less than or equal to the income limits published by the U.S. Department of Energy (DOE) that are current as of April 1st of the program year.

The weatherization program by its design benefits lower income Alaskans and residents living in disadvantaged communities across the state. 42 percent of WAP beneficiary households are in Alaska's rural communities and 38 percent have an Alaska Native member living in the household.

AHFC proposes to utilize the Climate and Economic Justice Screening Tool (CEJST) to map communities and households that benefit from the expanded program and ensure that 40 percent of overall program benefits flow to these communities. As demonstrated by the inset CEJST mapping tool, a significant portion of residents in Alaska qualify as living in communities designated as disadvantaged. Alaska has 44 Census tracts that are considered Disadvantaged by the CEJST criteria. Collectively they encompass 130,764 residents of the State of Alaska, representing nearly 18% of the state's population of 733,390 residents. All CEJST identified census tracts will be eligible to receive funding under the Weatherization program. All 229 Alaska Native Villages are considered disadvantaged communities per the CEJST. The allocation formula that establishes the basic funding per

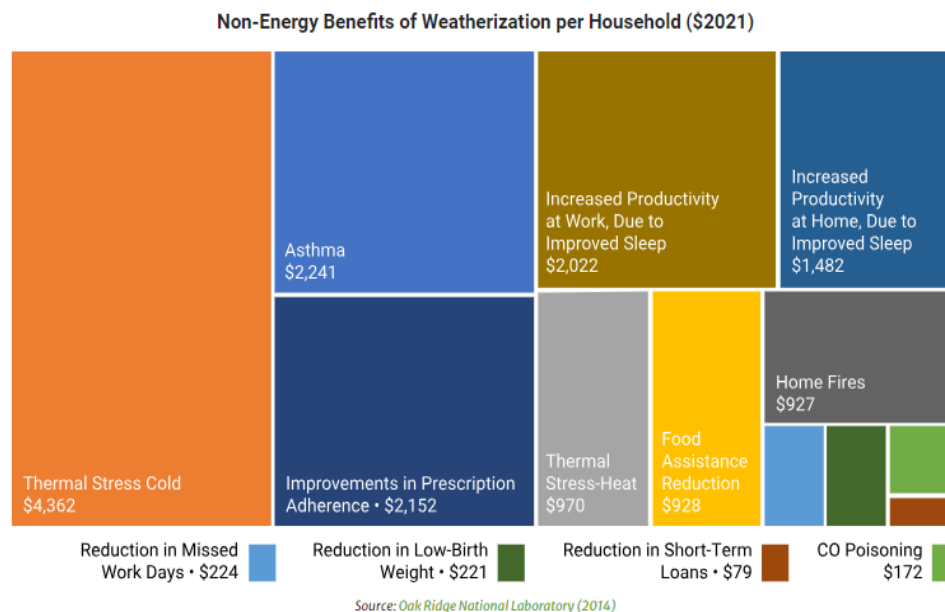


MAP 1: CEJST Mapping Tool – Alaska

region is based on a variety of factors and updated with new census information. WAP program managers realign funding based on the following criteria:

1. Demonstrated need in a planned service area,
2. Ability of the service provider to perform under the terms of the grant; or
3. Other extenuating circumstances (i.e. natural disaster or other delaying work in an area)

Weatherization benefits go beyond energy efficiency improvements and energy savings by delivering non-energy benefits such as increased home comfort, improved health outcomes, and consequently lower out-of-pocket medical expenses. Per Oak Ridge National Laboratories *Health and Household-Related Benefits Attributable to the Weatherization Assistance Program* report from 2014, Weatherization in a home could deliver over \$15,000 in lifetime societal non-energy benefits and \$1,800 in lifetime benefits direct to the household. Weatherization in a home could deliver over \$15,000 in lifetime societal non-energy benefits and \$1,800 in lifetime benefits direct to the household.



Measure 2 & 3 Subsidize Home Energy Audits for Low to Moderate Income Alaskans and Increase Home Energy Rebate Amounts for Low to Moderate Income Alaskans.

The recent State of Alaska Home Energy Rebate Program that ran from 2008-2018 was not an income restricted program. It was open to all Alaskan's and AHFC did not require or track participant income. Review of the program after its completion leads to the conclusion that it was mostly utilized by higher income Alaskans in larger urban areas. This forthcoming DOE Home Energy Rebate program is directly intended to benefit both LMI residents and residents in disadvantaged communities. As detailed elsewhere, these residents face more difficult barriers to participate in the program. From the upfront cost of receiving an energy audit to the high cost of having a certified contractor perform the necessary improvements, AHFC's mission is to ensure these participants aren't left behind and are able to fully access and receive the intended benefits of the program. Some of the statistics from AHFC's previous Home Energy Rebate program are that the \$242.6 million invested by the state resulted in \$142.2 million in private investment for home retrofits, created 6,789 annual jobs and resulted in \$912.5 million in direct, indirect and induced economic benefits. By ensuring more LMI Alaskan's can participate in the program, AHFC will ensure that they also benefit from these follow-on benefits.

A life cycle cost analysis of the Home Energy Rebate program shows a savings-to-investment ratio of 1.8.^{vi} This means energy cost savings from the program will earn back nearly double the money spent on installing the efficiency retrofit measures over the course of their useful life. The return on investment for homeowners participating was an average of 26% over an average of 21 years for energy efficiency retrofit measures.

Benefits of participating in the program go beyond energy efficiency and energy cost savings as well. Statewide 56 percent of all occupied homes are at risk for moisture and air quality related issues due to inadequate ventilation - a problem not unique to Alaska but due to the age of our housing stock and climate it is a higher percentage than many other states. 16 percent of participants in the previous program, more than 4,300 households, installed new mechanical ventilation systems in their home improving air quality and comfort. The existing quantitative data tracking improvements under both of these programs will be used to show the impact of residential improvements under these measures.

As a statewide effort, this program affects all CEJST tracts in Alaska. A list of these tracts is attached.

The vast majority of homes impacted by these programs include heating and other appliances that depend on combustion, and thus reduced energy needs as a result of this application will result in reduced CAP and HAP emissions. A review of AkWarm data and audit results for affected homes will be used to quantify CAP and HAP emissions using standard emissions factors for these pollutants.

Community Engagement

Measure 1: Weatherization Assistance Program

Alaska's Weatherization Assistance Program is an existing program with a long successful history in the state, and as such is widely known by Alaskans. As such, the required community engagement is less focused on awareness and knowledge of the program but in coordinating eligible households in regions to be served. When a remote community is selected to receive weatherization services by a weatherization provider, they attempt to do as many units in the community as possible, taking advantage of economies of scale and distributing logistic, transportation, and housing costs across as many retrofits as possible. Alaska's construction season is limited to the summer months and planning for a year's weatherization activities must often begin the year prior with the Weatherization Providers working with AHFC's Program Manager to determine which communities and villages to serve in a given year based on applications received, resources available, community need and was the community previously served by weatherization. After a community is selected, assessments must be done in the winter with materials ordered and consolidated by early spring. The materials must be shipped by barge from Seattle to the remote villages beginning in late spring until August. Once the materials are in place, the work starts in a very intense and concentrated manner in an effort to complete all the necessary weatherization activities in the village over several months before the hardest weather conditions set in.

Urban/road connected areas are served over a longer period but there are areas which cannot be worked in from about November until April because of the climate conditions. These areas include the Richardson and Parks Highway, road connected areas out of Fairbanks, and parts of the Kenai Peninsula will be inaccessible due to snow and ice. The Anchorage and outlying area is served almost year around, but Fairbanks itself can be shut down due to temperatures below -40 degrees for weeks at a time.

AHFC publishes its guidelines in its Weatherization Operations Manual each year, which weatherization service providers are required to follow. The guidelines for outreach programs are as follows and will be the same for weatherization work funded through this program:

The Grantee will design its outreach program to reach, inform, and solicit applications from the target client base.

1. *For large, rural service areas, outreach may be targeted to specific communities within the service area to group projects for greater cost efficiency.*
2. *At a minimum, this will include providing public notice of the program, the Grantee agency, and the process for obtaining an application.*
3. *Notice should be ongoing as long as funding is available to ensure that priority households are reached.*
4. *Outreach may be conducted through a variety of means such as, but not limited to, Alaska 2-1-1, Public Service Announcements, press releases, informational mailings, and other forms of advertisements. Enlisting the aid of other entities to post fliers and/or distribute applications at the local level is encouraged. Some examples include Village Councils, senior centers, community organizations, places of worship, employment centers, Fair Housing groups, social service agencies, utilities, general stores, schools, food banks, etc.*

The Alaska Weatherization program has two parts: urban and rural. The urban part of the program serves five major regions, which compose 88 percent of the population and 90 percent of the dwelling units in the state. The Enhanced Weatherization program (rural) serves four other regions comprising 12 percent of the population and 10 percent of the dwelling units, primarily located in rural remote communities not connected by road to a hub community or Alaska's Highway system in an area over 400,000 square miles in size. These communities are accessible only by boat or by plane. The regions are:

Road Connected Regions:

- Fairbanks North Star Borough and Adjoining Road System
- Southcentral Alaska
- Municipality of Anchorage
- Southeast Alaska
- Juneau

Enhanced Weatherization Program Region

- Northern
- Western
- Interior
- Bristol Bay/Aleutians

Measure 2 & 3 Subsidize Home Energy Audits for Low to Moderate Income Alaskans and Increase Home Energy Rebate Amounts for Low to Moderate Income Alaskans.

The forthcoming DOE HER program, which these measures are proposed to enhance and expand, will be available to households all over the state, with benefits intended to flow to LMI residents and residents in disadvantaged communities. AHFC will work directly with community leaders, non-profits, regional housing authorities, tribal entities, and local municipalities across the state to support residents in all regions accessing these benefits. AHFC will offer LMI Alaskans easier entry into the program and higher rebate amounts allowing them to perform deeper retrofits that would otherwise financially be out of reach. This will have widespread benefits to all Alaska communities.

Section 5: Job Quality

AHFC in partnership with the Alaska Energy Authority (AEA) submitted an application under the Department of Energy's Training for Residential Energy Contractors (TREC) program in the amount of \$1,296,870 to be used over 4 years for the training of energy contractors in the state to support the variety of energy related programs that are currently being stood up. Weatherization work is a key component of that training. Alaska will apply TREC funds to supplement existing workforce development programs and create new workforce programs to (1) reduce the cost of training contractor employees; (2) provide testing and certification to contractors who are training and educated under a state program; and (3) partner with nonprofit organizations to develop and implement a state program that will achieve these goals. AHFC has a program for energy auditor training in place and is pursuing separate funding from other sources.

AHFC has identified critical community and labor stakeholders to comprise Alaska's Workforce Advisory Group (AWAG), which will provide input and feedback for the workforce development piece. The AWAG members include:

- Association of Alaska Housing Authorities (AAHA);
- Alaska Housing Finance Corporation (AHFC);
- Alaska Municipal League (AML);
- Alaska Energy Authority (AEA);
- Alaska Vocational Technical Center (AVTEC);
- Alaska Works Partnership, Inc. (AWP);
- Associated Builders and Contractors (ABC Alaska);
- Renewable Energy Alaska Project (REAP);
- Cold Climate Housing Research Center (CCHRC);
- RurAL CAP;
- Sheet Metal Workers, Local 23 Joint Apprenticeship and Training;
- Matanuska Electric Association (MEA);
- Alaska Heat Smart (AHS);
- Department of Labor and Workforce Development (DOLWD);
- University of Alaska (UA).

AHFC knows that having regional and statewide support from expert advisors in the workforce and training development space increases the likelihood of success. The AWAG's network of knowledgeable organizations actively engaged in developing, deploying, and managing training programs that can provide targeted education or technical knowledge increases the likelihood of project success. Allowing a process for communities, workforce development organizations, workers, employers, and ultimately homeowners, to access this network will streamline the program's implementation. AWAG will be especially important for workforce development to benefit small and disadvantaged communities with limited human capital.

Additionally, and as previously mentioned, AHFC will be administering the forthcoming DOE Energy Rebate programs and has a joint application with the Alaska Energy Authority under the EPA's Solar for All Grant program. Both of these initiatives have training components and funding for energy efficiency. A greater demand for trained and skilled workers across the entirety of Alaska's clean energy sector will ensure workers have strong negotiating power with their employers and that wages and benefits will remain competitive.

Impact and Quality of Weatherization Jobs:

According to Oak Ridge National Laboratory's National Evaluation of State Energy Departments, prepared for the Department of Energy, Alaska's Weatherization Program has created or retained 327 jobs since 2015, an average of 1 job created or retained for every \$12,500 invested in the program^{vii}. According to the Cold Climate Housing Research Center's Weatherization Impacts Report, commissioned by AHFC to study the impacts of the increased state funding received by the program in 2008, 5,460 annual jobs were created by the program in the period between 2008-2018, with an estimated 167 of them being permanent due to the \$26.2 million in energy costs saved annually by households that participated. Induced economic impacts are expected to continue over the life of retrofit measures.

AHFC invests heavily in Training and Technical Assistance (TTA) for the state's weatherization providers. The majority of the TTA funds are given to service providers to enhance their knowledge, skills and abilities. AHFC hosts statewide training or conferences specifically for the weatherization providers subsidizing costs to encourage attendance.

It is required that all new hires that are supervisors, crew leads or permanent crews eventually get a certificate of completion in OSHA 10 or 30, mold and asbestos identification and containment. It is recommended that permanent crew be encouraged to take classes with the Building Performance Institute (BPI) for appropriate certifications. Because there is a lot of seasonal turnover, training and certifications are tailored to the service provider's needs. All people involved in the assessment receive AKWarm training, which is offered regularly by AHFC.

Each service provider currently has one or two QCI inspectors, multiple crews and supervisors with RRP and OSHA training, and one or two assessors. AHFC has two QCI inspectors. All service providers and AHFC are actively working to have more people certified in EA/QCI.

All of the weatherization service providers engage in on-the-job training with new employees. Because of the vast distances of this state from community to community, it makes a lot more sense to do specific targeted training to seasonal employees. Training for the existing network is primarily composed of the following four categories:

- Administrative and Software
- Technical Training (Conference Participation)
- Targeted Technical Specific Training
- Certification - EA/QCI with BPA Bellingham and RRP with local environmental agencies.

AHFC assesses each service provider to determine their TTA needs, which is reviewed and approved by the WAP Manager. This targets funding to what each agency needs for training purposes. Additionally, AHFC sponsors training sessions for individual agencies and for all weatherization providers each year. AHFC also contributes to the regional Energy OutWest Conference held every other year and a biannual building/weatherization conference held within the state. AHFC is a strong supporter of the Energy OutWest Peer Exchange group from which many trainers and training curriculum are developed and utilized within the region. AHFC provides training to keep providers in compliance with mandatory requirements.

All of Alaska's service providers are very current on advanced technical training and when new staff onboard, the first effort is to utilize peer mentoring to bring individuals through all of the basics. Once

they are through the basics, they are enrolled in Building Science courses or some other specific technical training recognized by the State for weatherization technicians.

Other ongoing activities include regional and national peer to peer exchange, technical publications, memberships and sponsorships, etc. AHFC may approve training, special projects and/or sponsor technical conferences in conjunction with other financial supporters, such as Cold Climate Housing Research Center, Alaska Craftsman Home Program, Alaska Building Science Network, Wisdom and Associates, and other trainers throughout Alaska.

SECTION 6: PROGRAMMATIC CAPABILITY AND PAST PERFORMANCE

Past Performance

The Alaska Housing Finance Corporation (AHFC) has administered the Low-income Weatherization Assistance Program (WAP) since July, 1992. Cumulative funding from DOE, LIHEAP and State of Alaska for weatherization activities has been \$529,093,420, overseeing the weatherization of 19,127 housing units over that time.

AHFC administered an Alaska based Home Energy Rebate program from 2008-2018, administering \$242.6 million in funding and overseeing retrofits of 26,587 homes, nearly 16 percent of the housing units in the State of Alaska. Average energy use reduction of participants was 34 percent, with an average administrative cost of three percent of program funding.

AHFC administers a bundled grant program it calls Greater Opportunities for Affordable Living (GOAL) to encourage housing development for lower-income persons and families, including seniors, by combining Low-Income Housing Tax Credits (LIHTCs); federal Home Investment Partnership Program (HOME) funds, National Housing Trust Fund (NHTF); and state funds through the Senior Citizens Development Fund (SCHDF) into a single application and funding process. This is a successful program that allocates millions of dollars a year toward housing initiatives.

AHFC also administers the Supplemental Housing Grant Program, a state funded program that supplements development funds by U.S. Department of Housing and Urban Development for Indian Housing Projects constructed by Regional Housing Authorities. The program funds new construction or rehabilitation of existing housing units. This includes housing projects that a regional community or village that has appointed the housing authority as their Tribally Designated Housing Entity (TDHE) and has contributed their HUD/NAHASDA awarded funds to the project. AHFC has administered \$45.9 million in funding through this program over the last decade working with Regional Housing Authorities in rural communities across the state.

Reporting Requirements

Under the DOE WAP program, all homes completed with DOE funds must receive a QCI inspection from a qualified inspector. Each client file must include a form that certifies that the unit had a final inspection and that all work met the required standards. This form must be signed by the QCI inspector. The final QCI will include an assessment of the original audit and confirm that the measures called for on the work order were appropriate and in accordance with the AKWarm audit procedures and protocols approved by

DOE. Missed opportunities or deviations from the original audit shall be documented in the final QCI report.

AHFC has provided training and certification to inspectors from each agency. AHFC will continue to monitor the credentials of QCI inspectors and track the continuing education for all the QCI inspectors. AHFC will provide the appropriate continuing education QCI classes and or authorize agencies to utilize Training and Technical Assistance (T&TA) funds to complete this task through attendance at qualified conferences and/or training.

AHFC will provide follow-up inspections and review and/or verification of diagnostic testing and submitted data on a minimum of five percent (5%) of DOE units that are inspected by a QCI agency inspector. anomalies or problems are found, AHFC will meet with the subgrantee agency to determine a solution. AHFC will inspect a minimum of ten percent of the agencies DOE jobs that include that inspector, until all issues are resolved with the quality of the inspections.

In some cases, the agency assessor may need to perform the final QCI inspection. If that scenario happens, the agency must contact AHFC to let them know that the assessor and the QCI inspector are the same person in specific service district areas of the state due to logistics, costs or other extenuating circumstances. Once approved by AHFC, the state will conduct a total of ten percent (10%) of QCI follow up inspections in this area.

Upon the final inspection, any deficiencies are reported to the subgrantee and must be addressed by the agency. If an agency continues to demonstrate problems, more site visits will be scheduled increasing the overall percentage of units inspected to a minimum of 10%. The final inspection by the subgrantee also must include client education instruction on the long term maintenance of any given installed measure if it appears that the client needs further education. No dwelling unit is reported to DOE as completed until all feasible, affordable and practical weatherization measures have been installed and the Subgrantee or any authorized representative has performed a final inspection (s) in

There are three types of monitoring visits that will occur throughout the year:

Agency Program Monitoring, includes a thorough review of agency policies and practices by the Program Manager once towards the end of the program year. Areas examined include: adherence to WOM and grant attachments; personnel policies; outreach and intake; in house inspection process; rental policies and landlord contributions; walk away and deferral incidents; prioritization of clients; inventory and warehouse control; equipment and vehicles; training and technical assistance activities; certifications of people and the agency. The Program Monitoring will also verify that all requirements of the SWS and technical requirements are passed through to the subcontractors.

Client File Review. At the program monitoring a minimum of five to ten percent of client files will be reviewed to verify that all required documentation is present, including: income verification; assessment; AkWarm files (including the Improvement Options Report) ; diagnostic testing; client signatures; scope of work; materials and labor costs; final inspection report; notes of anomalies on the job; required Lead certifications; Lead compliance documents, ASHRAE compliance documents and, SHPO documents, etc. As the review is conducted diagnostic numbers are evaluated and reviewed for compliance with technical standards.

Fiscal monitoring that is conducted by the grant's administrators scheduled once each program year. That includes a review of financial audits; procurement practices; cost allocation; billings; eligible costs; and risk evaluation. This is performed annually by the Audit Department and Grant Management staff from AHFC Research and Rural Development Division (R2D2). This includes a review of financial audits, procurement practices, cost allocations, billings, eligible costs, and risk evaluation. Because this monitoring covers all programs administered by the agencies, it is scheduled to coincide with completions for all programs not just weatherization.

Staff Expertise

Jimmy Ord - Director, Research and Rural Development Department AHFC

Jimmy Ord joined AHFC in 2011 as the Program Information Manager in R2D2. In 2018 he became the Department Manager and in 2022 I took over as the Acting Director. His primary responsibility is to manage and support staff so that they have the resources and direction they need to accomplish our mission.

Mimi Burbage - Weatherization Program Manager

Mimi joined AHFC as part of the DCRA merger in 1992 and is the current Weatherization Program Manager. Mimi prepares, manages, and monitors the Weatherization Program. Mimi works with the Department of Energy to ensure we can meet the needs of Alaskans, oversee training for the Weatherization Providers and tracks Weatherization funding and performs follow up inspections all across Alaska.

Michael Spencer - Energy Program Manager

Michael has 13 years of experience with the Alaska Housing Finance Corporation (AHFC) working within various programs supporting energy efficiency, such as the Alaska State Rebate program, and currently manages the State Energy Programs (SEP) funds for AHFC, as well as the Alaska Home Energy Rebate System (AKHERS) with its associated software, energy raters, and quality control. BPI Building Analyst-certified, testing for QCI. B.A from the University of New York.

Tom Benkert - Home Energy Rebate Program Manager

Tom's background includes over 20 years of experience in a wide variety of programs, initiatives, and projects involving alternative energy, energy efficiency, and construction. In various roles in the energy sector, his background also includes program management, program and business development, incentives and finance, litigation, and regulatory compliance. Tom holds a B.A. Degree in Communications and an M.B.A in International Management.

Ethan Stoops - Energy Information Manager

Ethan joined AHFC as the Energy Information Manager for R2D2 in 2022 after 15 years in construction management. Ethan's primary duties are coordinating information dissemination, managing special projects and collaborating with stakeholders inside and outside of AHFC and the Research and Rural Development Department

Mona Jones - Support Services Manager

For more than 20 years, Mona has been employed by Alaska Housing Finance Corporation (AHFC), in which she has held a variety of roles, which includes managing a program. In her current role, Mona is responsible for overseeing the department's overall budget, that includes the financial aspects of grant

review and closure. Mona, maintain up to date on federal and program-related guidelines, rules, and regulations to ensure the grant administration is efficient. Mona obtained an Associate Degree in Accounting.

Wendy Perez - Program Coordinator

Wendy started to work with Alaska Housing in 2014 as a Processor and then a Call Center Specialist for the Home Energy Rebate Program. In 2018 Wendy became the Support Services Technician and in 2021 moved up to Program Coordinator. Wendy manages the Supplemental Housing block grant and assists with monitoring the Weatherization Program.

Michael Liebner - Energy Specialist

In 2015 Michael started at AHFC in the Admin/Risk and after 5 years moved over to the Research and Rural Development Department as an Energy Specialist. Michael's focus is professional education and assistance with real estate professionals, builders and inspectors. Michael reviews and updates to the AHFC requirements for energy efficient building based off of the International Code Council recommended changes.

Pricilla Keith – Support Services Technician

Priscilla has been with AHFC for just over a year now. She provides administrative support for the entire department including being the main point of contact for purchasing and travel arrangements. She works closely with the Support Services Manager to assist with contract and grant preparation, administration and closeouts, processing grant and contract invoices, and tracking budget expenditures.

SECTION 7: BUDGET

Budget Narrative:

AHFC's strategy for the Measures contained in this proposal is to utilize funding available under this grant to enhance and expand existing and forthcoming programs to bring benefits to more low- and moderate-income (LMI) Alaskans while minimizing additional administration and program support costs. We will explain in the budget narrative how AHFC will implement these measures with minimal additional costs. AHFC's personnel, travel, supplies and other support costs total approximately 3% of the total proposed amount, the remaining 97% will go directly to support Weatherization activities, subsidize home energy audits for LMI Alaskans and increased Home Energy Rebates for LMI Alaskans.

Please see attached Budget Spreadsheet and Budget Detail Appendix A

ⁱ <http://cchrc.org/home-energy-rebate-program-energy-efficiency-measures-review/>

ⁱⁱ Adjusted to 2018 dollars

ⁱⁱⁱ http://cchrc.org/media/WX_Impacts_Report.pdf

^{iv} <http://cchrc.org/home-energy-rebate-program-energy-efficiency-measures-review/>

^v https://weatherization.ornl.gov/wp-content/uploads/pdf/WAPRetroEvalFinalReports/ORNLTM-2014_345.pdf

^{vi} https://www.energy.gov/sites/default/files/2021/01/f82/WAP-fact-sheet_2021_0.pdf

^{vii} <https://www.energy.gov/scep/articles/state-and-community-energy-programs-project-map-alaska>