

# State of Alaska Priority Sustainable Energy Action Plan

*Meeting the requirements of the Priority Climate Action  
Plan for EPA's Climate Pollution Reduction Grant Program*



Prepared by the Alaska Municipal League  
for the Alaska Department of Environmental Conservation  
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## Acknowledgements

The Alaska Department of Environmental Conservation, in carrying out this planning effort on behalf of the State of Alaska, recognizes the individual efforts of state agencies, local governments, and Tribes in contributing mitigation measures that respond to the EPA's goals of climate pollution reduction and the State's goal of energy affordability. This collaborative, intergovernmental effort helps to achieve one of Governor Mike Dunleavy's priorities – sustainable energy for Alaskans.



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## Definitions, Geography, and Acronyms

### Definitions

<b>Borough</b>	The county-level equivalent regional government for Alaska.
<b>Municipal government</b>	The 164 city and borough governments incorporated under state law, as well as the Metlakatla Indian Community incorporated under federal law.
<b>Retro-commissioning</b>	A process of analyzing and optimizing building systems so that it operates more closely to original designed energy usage parameters.
<b>Tribal government</b>	Sovereign, self-governing, and distinct political entities within the geographic bounds of the United States – for the purposes of CPRG, the 228 federally-recognized tribes in Alaska.

### Geography

As the largest state in the country, there are many ways that regions can be defined, and the specific definitions often depend on the context. The three main ways that Alaska is subdivided are:

- **ANCSA region** – Defined by the Alaska Native Claims Act of 1971, these regions follow the boundaries of twelve the regional Alaska Native Corporations. These regions tend to correspond with Alaska Native cultures and languages.
- **Borough/Census Area** – Where county-level governments, aka boroughs, have formed these statistical areas correspond to their boundaries; otherwise, they follow Census Bureau defined regional statistical areas known as Census Areas.
- **Economic regions** – The following table defines some of the broader geographic regions that are used in general discussions of Alaska’s regions.

<b>Interior Alaska</b>	A geographic and economic region of Alaska bounded by the Alaska Range to the south and the Brooks Range to the north.
<b>Northern Alaska</b>	A geographic and economic region of Alaska generally referring to areas on, or close to, the Arctic Ocean including the North Slope Borough, Northwest Arctic Borough and the Nome Census Area.
<b>Railbelt</b>	The region of Alaska defined by the Alaska Railroad, stretching from Seward, through Anchorage, to Fairbanks. This region shares an electric grid and other infrastructure and acts as an economic center of the state.
<b>Southcentral Alaska</b>	A geographic and economic region of Alaska that includes Anchorage, the Mat Su Valley, and the Kenai Peninsula.
<b>Southeast Alaska</b>	A geographic and economic region of Alaska that generally is considered to stretch from Yakutat to Ketchikan.
<b>Southwest Alaska</b>	A geographic and economic region of Alaska that includes the Alaska Peninsula, as well as the Aleutian and Pribilof Islands.

For this report, it is also relevant to name the regions where tribal planning processes are taking place for CPRG. The Alaska Native Tribal Health Consortium (ANTHC), with its statewide service, has the largest coverage for producing tribal PCAPs, with much Southwest and Southeast Alaska included in their scope of work. Working through their Rural Energy program, they are collaborating closely with Nuvista and Kodiak Alaska Native Association (KANA), as well as other tribal organizations.

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Other tribal consortia engaged in CPRG directly are Tanana Chiefs Conference covering their Interior region, Bristol Bay Native Association, and Kawerak in the Bering Strait region. Tribal partnerships advance work with the Village of Solomon, King Island Native Community, Native Village of Council, and Nome Eskimo Community in Nome; as well as the Chugach Regional Resources Commission and the Native Village of Eyak in Cordova. Chickaloon, Metlakatla, Unalakleet, and the Village are all working independently on tribal PCAPs.

### Acronyms

<b>ACS</b>	Census Bureau American Community Survey
<b>AEA</b>	Alaska Energy Authority
<b>AELP</b>	Alaska Electric Light & Power
<b>AHFC</b>	Alaska Housing and Finance Corporation
<b>AHS</b>	Alaska Heat Smart
<b>AML</b>	Alaska Municipal League
<b>ANCSA</b>	Alaska Native Claims Settlement Act
<b>ANTHC</b>	Alaska Native Tribal Health Consortium
<b>ARDOR</b>	Alaska Regional Development Organization
<b>ARIS</b>	Alaska Retrofit Information System
<b>AWIB</b>	Alaska Workforce Investment Board
<b>AWP</b>	Alaska Workforce Partnership
<b>BBNA</b>	Bristol Bay Native Association
<b>BTU</b>	British Thermal Unit
<b>CAP</b>	Climate Action Plan
<b>CBJ</b>	City and Borough of Juneau
<b>CCS</b>	Carbon Capture and storage
<b>CCUS</b>	Carbon capture, utilization, and storage
<b>CEJST</b>	Climate and Economic Justice Screening Tool
<b>CO<sub>2</sub>e</b>	Carbon Dioxide Equivalent
<b>CPRG</b>	Climate Pollution Reduction Grant
<b>CSEAP</b>	Comprehensive Sustainable Energy Action Plan
<b>DCRA</b>	Division of Community and Regional Affairs
<b>DEC</b>	Alaska Department of Environmental Conservation
<b>DEED</b>	Alaska Department of Education and Early Development
<b>DERA</b>	Diesel Emissions Reduction Act
<b>DNR</b>	Alaska Department of Natural Resources
<b>DOE</b>	U.S. Department of Energy
<b>DOL&amp;WD</b>	Alaska Department of Labor and Workforce Development
<b>DOT&amp;PF</b>	Alaska Department of Transportation and Public Facilities
<b>ECI</b>	Energy Cost Index
<b>EIA</b>	U.S. Energy Information Administration
<b>EJScreen</b>	EPA Environmental Justice Screening and Mapping Tool
<b>EPA</b>	Environmental Protection Agency
<b>EVSE</b>	Electric Vehicle Supply Equipment
<b>GHG</b>	Greenhouse Gases

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<b>GPC</b>	GHG Protocol for Cities – ICLEI framework for conducting GHG inventories
<b>GWh</b>	Gigawatt hour
<b>GWP</b>	Global warming potential
<b>ICLEI</b>	International Council for Local Environmental Initiatives
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>IPP</b>	Independent Power Producer
<b>IRA</b>	Inflation Reduction Act
<b>KPB</b>	Kenai Peninsula Borough
<b>LIDAC</b>	Low Income / Disadvantaged Communities
<b>LIHEAP</b>	Low Income Housing Energy Assistance Program
<b>MMBTU</b>	Million BTU
<b>MSW</b>	Municipal Solid Waste
<b>MT</b>	Metric Ton
<b>MWh</b>	Megawatt hour
<b>NOFO</b>	Notice of Funding Opportunity
<b>PCAP</b>	Priority Climate Action Plan
<b>POW</b>	Prince of Wales Island
<b>PSEAP</b>	Priority Sustainable Energy Action Plan
<b>QAPP</b>	Quality Assurance Project Plan
<b>REAA</b>	Regional Education Attainment Area
<b>REF</b>	Renewable Energy Fund
<b>SBDC</b>	Small Business Development Center
<b>SEC</b>	Southeast Conference
<b>TCC</b>	Tanana Chiefs Conference
<b>UA</b>	University of Alaska
<b>USDA</b>	U.S. Department of Agriculture
<b>VEEP</b>	Village Energy Efficiency Program

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## Executive Summary

### *Purpose and Scope*

The State of Alaska has produced its Priority Sustainable Energy Action Plan (PSEAP) in accordance with the guidance of the Climate Pollution Reduction Grant (CPRG) program, and which satisfies the requirements of a Priority Climate Action Plan (PCAP). The State's purpose in producing this plan is to enable participation by State agencies and political subdivisions in submitting applications to the EPA's CPRG Implementation Grant program.

The scope for the PSEAP is focused on mitigation measures that are consistent with guidelines of the CPRG implementation NOFO, to ensure as broad an opportunity as possible to deliver benefits to Alaska communities. The State recognizes that a more substantial undertaking is ahead, in producing the Comprehensive Climate Action Plan (CCAP) over the coming year, and that this effort will require more detailed analysis and thorough review of opportunities climate pollution reduction.

Ultimately, the State of Alaska has placed an emphasis on including in this initial round of planning mitigation measures that are readily available for implementation and which capacity of eligible entities is identified and ready to submit for the grant program. This effort has the most potential to result in real, tangible improvements for Alaska communities in the shortest amount of time possible.

### *Plan Overview*

The PSEAP is organized into chapters that align with CPRG PCAP guidance. It includes external sources of information, including and especially as it relates to Alaska's Greenhouse Gas (GHG) Emissions Inventory. The PSEAP also includes a Low Income / Disadvantaged Communities (LIDAC) analysis as a standalone worksheet that evaluates equity and environmental justice by census tract, and using available tools provided by the EPA.

This initial planning effort included literature review, data analysis, and active stakeholder engagement. This plan includes chapters required by EPA, as well as initial versions of optional chapters that help to describe the context experienced by Alaska communities. These are summarized below.

### *Responsible Agency*

The Governor designated the Alaska Department of Environmental Conservation (DEC) to lead the CPRG planning effort, and the DEC Division of Air Quality has been responsible for the development of the PSEAP. DEC contracted with the Alaska Municipal League (AML) as the sub-awardee to conduct the greenhouse gas emissions inventory (produced by Constellation Energy), collaborate with Tribal governments conducting their parallel planning efforts, facilitate stakeholder engagement, and produce the PSEAP and CSEAP.

### *State-specific Considerations for Plan*

DEC has adopted by reference any mitigation measure contained within:

- Alaska DOT&PF's Carbon Reduction Strategy, which includes multiple lines of effort that support transportation-related emission reduction strategies.
- Municipal Climate Action Plans, including those of Juneau, Anchorage, Homer; and where relevant findings from Sitka and Fairbanks' CAP development processes.

DEC recognizes the opportunity to collaborate with Tribal governments through this process and its comprehensive planning will advance ways in which complementary, non-duplicative efforts can achieve mutually beneficial goals. Tribal mitigation measures that also advance the State's goals of affordability and energy security will be prioritized, and the potential for multi-jurisdictional implementation will be leveraged to the greatest extent possible.

## ***Review of Existing Local Climate Action Plans (CAPs)***

Since Homer completed the state's first CAP in 2007<sup>1</sup>, five other Alaska communities have worked to produce CAPs and their associated emissions inventories. As a planning document, a local CAP must be developed by the local or tribal government, reviewed by the public in a stakeholder engagement process, and finally adopted by the entity's governing body. Only three Alaska communities have completed this process, with three others in progress.

Most communities who engaged in a CAP process produced some version of an emissions inventory. Both Anchorage and Homer used the ICLEI ClearPath Tool following ICLEI U.S. Community Protocol standards. Anchorage modeled their Emissions Inventory after the *Ann Arbor 2019 Community-Wide Greenhouse Gas Inventory Report*. Emissions inventory documentation often focuses primarily on a municipal scope rather than a community scope, such as in Homer and Sitka.

Likely because of the relatively labor-intensive process behind developing an emissions inventory, additional inventories have been challenging. Juneau, which has inventories for 2007, 2010, and 2021, is the only community with more than two years of inventories on record.

Beyond the plans discussed above, relevant planning efforts in Alaska have largely focused on either 1) affordable, sustainable solutions for rural microgrids or 2) adaptation efforts to respond to the impacts of greenhouse gases. All Alaska municipalities with planning commissions are required to submit comprehensive plans under Alaska statute as a "compilation of policy statements, goals, standards, and maps for guiding the physical, social, and economic development, both private and public, of a community... [including] statements of policies, goals, and standards; a land use plan; a community facilities plan; a transportation plan; and recommendations for implementation of the comprehensive plan."<sup>2</sup> As the primary document guiding the actions of municipal officials, comprehensive plans have many implications for emissions reduction efforts.

A review of borough-level comprehensive plans found many recommended actions with emissions reduction potential. The projects in Juneau's 2011 Climate Action Plan were adapted into the Sustainability section of the 2013 Comprehensive Plan, which now serves as the foundation for more relevant planning efforts such as the 2018 Juneau Renewable Energy Strategy. Comprehensive plans provide the authority for municipal officials to pursue emissions reduction projects. For example, the Kodiak Island Borough Plan<sup>3</sup> put alternative energy solutions for rural communities in the borough as high priority actions. In the Energy chapter of the North Slope Borough's Comprehensive Plan<sup>4</sup>, energy efficiency technologies like weatherization, waste heat recovery, and innovative housing technology are included. The Northwest Arctic Borough Comprehensive Plan<sup>5</sup> establishes the goal to "invest in renewable energy, promote energy efficiency, and reduce reliance on imported fuels," which is furthered via proposed actions and community-level data review via their regional energy plan<sup>6</sup>.

Hazard mitigation planning, which is often a FEMA-funding requirement for many localities, may lead communities to consider some similar efforts as climate adaptation planning. While these do not pertain directly to GHG reduction measures, there may be overlap between proposed adaptation measures and CPRG projects – e.g., projects that increase micro-grid resilience and reduce emissions in these communities. A review of Alaska adaptation plans revealed lack of funding as a major implementation issue and climate action projects may help alleviate this.

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1 <https://www.cityofhomer-ak.gov/citycouncil/climate-action-plan>

2 AS 29.40.030 via <https://touchngo.com/lglcntr/akstats/Statutes/Title29/Chapter40/Section030.htm>

3 <https://www.kodiakak.us/DocumentCenter/View/1507/2008-Comprehensive-Plan-Updatepdf>

4 [https://www.north-slope.org/wp-content/uploads/2022/02/10\\_Energy\\_-\\_NSB\\_Comprehensive\\_Plan.pdf](https://www.north-slope.org/wp-content/uploads/2022/02/10_Energy_-_NSB_Comprehensive_Plan.pdf)

5 <https://nwab2030.org/>

6 <http://www.nwabor.org/wp-content/uploads/NWAB-Regional-Energy-Plan-Update-Final-Reduced.pdf>

Working with the Office of Indian Energy, many communities around Alaska have created Strategic Energy Plans<sup>7</sup> that set renewable generation goals. These plans are confidential, proprietary information belonging to the entity (primarily tribal governments and native corporations) that have completed them, so they are unfortunately not available via any public repository. Those completing CPRG planning for Alaska's tribal governments might benefit from requesting and reviewing them.

### ***Summary of Priority Plan Engagement***

The development of this plan included substantial engagement with state agencies, local governments, and Tribes (including tribal consortia). Stakeholder meetings were held separately with state agencies and municipal governments to discuss ways in which to maximize the potential benefits to Alaska through large-scale, broad mitigation measures. These facilitated discussions were followed up on with individual communication to further develop proposed measures, including to contemplate implementation grant applications.

The hallmark of the State's approach has been collaboration with Tribes and tribal consortia. The State's development of its GHG emissions inventory includes sharing with all tribal planning and applicants. This data-sharing includes the ability for each Tribe or consortia to utilize the mitigation measures evaluation available through this online tool. AML facilitates bi-weekly calls with the state's CPRG Working Group that includes all planning partners.

Further details on engagement for the development of this plan are given in section I, with plans for future engagement detailed in section VII.

### ***Plan Elements and Key Takeaways***

The PSEAP is a preliminary analysis of the potential for climate pollution reduction in Alaska, and corresponding mitigation measures. DEC expects a more thorough review as part of the comprehensive planning process, including a robust stakeholder engagement and public consultation.

This plan includes all of the components required by EPA and has included many of the optional elements to introduce appropriate context for relevant issues.

Key Takeaways include:

- The ability of the State to build the infrastructure for a statewide GHG emissions assessment available to all communities is an important feature of the PSEAP.
- The State's collaboration with tribes and tribal consortia will be critical to successful implementation.
- This initial assessment was limited by available project time before PCAP deadline.
- There is concern voiced by many eligible entities and stakeholders that the tie and timing between the PSEAP and the tribal PCAPs and the implementation grants limits the extent to which disadvantaged communities may receive the most benefit.
- Community need exceeds available resources, and EPA must take an equitable distribution of resources into account.

### ***2022 Greenhouse Gas Inventory***

Section II of this plan contains a summary of the statewide GHG inventory completed for calendar year 2022. This inventory work will also result in community-level reports, resulting in opportunities to evaluate GHG reduction measures broadly at the local, regional, and statewide levels. The emissions inventory and community reports include:

- Stationary Combustion by fuel type, and percentages by sector.
- Transportation by fuel type, and percentages by road and non-road activity.

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7 <https://www.energy.gov/indianenergy/articles/alaska-strategic-energy-plan-and-planning-handbook>

- Purchased Electricity by energy type, with percentages contributed.
- Industrial Processes will be addressed during comprehensive planning.
- Methodology, consistent with the approved QAPP.

The methodology used in the inventory involved the collection or modeling of energy, fuel, and vehicle data, and the calculation of GHG emissions based on fuel types and uses from different sources and sectors. The inventory uses [EPA's standard GHG emissions factors](#) and GPC framework to determine metric tons of carbon dioxide equivalent (MTCO<sub>2</sub>e) for three greenhouse gases: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O).

CO<sub>2</sub>e is an abbreviation for carbon dioxide equivalent, the internationally recognized measure of greenhouse gas emissions. Converting emissions of non-CO<sub>2</sub> gases to units of CO<sub>2</sub>e allows greenhouse gases (GHGs) to be compared on a common basis: the ability of each GHG to trap heat in the atmosphere. In this report, non-CO<sub>2</sub> gases have been converted to CO<sub>2</sub>e using internationally recognized Global Warming Potential (GWP) factors from Intergovernmental Panel on Climate Change (IPCC) assessment reports.

The IPCC developed GWPs to represent the heat-trapping ability of each GHG relative to that of CO<sub>2</sub>. For example, the GWP of methane is 25<sup>8</sup> because one metric ton of methane has 25 times more ability to trap heat in the atmosphere than one metric ton of carbon dioxide. The GWP of nitrous oxide is 298. The CO<sub>2</sub>e measure is used worldwide to report the equivalent weight of carbon dioxide in metric tons (MTCO<sub>2</sub>e) (1,000 kilograms or 2,205 pounds). The global warming potential from each greenhouse gas is based on the amount of carbon dioxide that would have the same global warming potential measured over a specified time period.

### ***Emissions Reduction Strategies & Measures***

The State has identified more than \$700 million in potential mitigation measures that could be advanced by state agencies, the university, and local governments. This could easily be expanded in the development of the comprehensive planning process, and at a more micro level. The State's PSEAP has focused on broadly applicable measures that have maximized the impact of federal investment. GHG reduction measures include the following, organized by category.

#### **Residential Weatherization & Energy Efficiency**

- Alaska Housing Finance Corporation – Weatherization Assistance and Energy Rebate Programs
- Southeast Conference – Residential Beneficial Electrification

#### **Non-Residential Weatherization & Energy Efficiency**

- Juneau Wastewater Treatment Plant Boiler Upgrades
- UAA Anchorage Campus Efficiency/Electrification
- UAF Efficiency, Weatherization, and Heating
- DOT&PF Facilities Energy Improvement Program
- Other Public Facilities & Assets

#### **Solid Waste**

- Central Peninsula Landfill Methane Reduction
- Tlingit & Haida Composting Program

#### **Transportation**

- Green Corridor – Juneau Port Electrification
- AEA EV Charging Infrastructure

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8 [https://www.epa.gov/system/files/documents/2023-03/ghg\\_emission\\_factors\\_hub.pdf](https://www.epa.gov/system/files/documents/2023-03/ghg_emission_factors_hub.pdf)

### Electric Generation

- Dixon Diversion
- Community Generation & Transmission Projects
- DERA, VEEP, & Rural Alaska Distribution
- Solar for All
- Renewable Energy Fund

### Other measures

- DNR Carbon Capture and Utilization Sequestration Program

### ***Benefits Analysis***

The following figure – produced using EPA’s IRA Disadvantaged Communities tools – indicates that almost the entirety of Alaska qualifies under federal criteria, which combines Climate and Economic Justice Screening Tool (CEJST) and EPA Environmental Justice Screening and Mapping Tool (EJScreen) datasets.

The State of Alaska’s PSEAP recognizes the incredible impact GHG reduction measures will have on LIDACs in the state. Measures included in the PSEAP are responsive to CPRG’s requirement that at least 40% of project benefits accrue to disadvantaged communities.

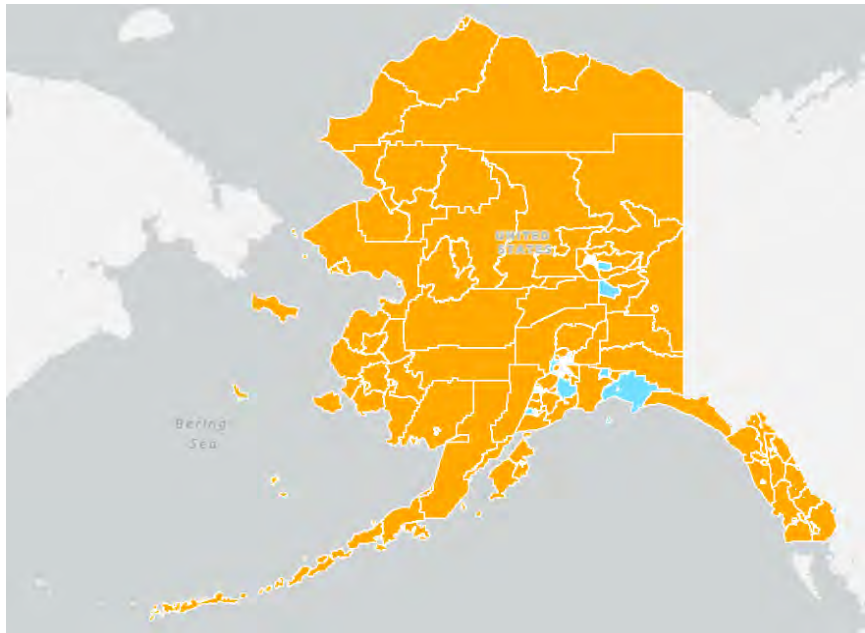


FIGURE 1: EPA IRA Disadvantaged Communities

DEC has included this preliminary analysis of benefits for LIDACs anticipated to result from the GHG reduction measure(s) in their PSEAP and recognizes that EPA anticipates requiring an accounting of such benefits as part of any future CPRG implementation grant application. DEC has used the CEJST along with EPA’s EJScreen as a supplement to CEJST.

### ***Low Income / Disadvantaged Communities (LIDAC) Benefits Analysis for PSEAP and Mitigation Measures***

This is included in the Appendix as a spreadsheet with multiple tabs that indicate LIDAC analysis broadly for the PSEAP, and individually for mitigation measures.

### ***Review of Authority to Implement***

All reduction measures have been evaluated for the proponent’s authority to implement, which falls into three categories. Measures have been submitted by State agencies, the University of Alaska, or local governments (political subdivisions). All have the necessary authority to implement GHG reduction measures proposed in the PSEAP, and a detailed review of authority is included as Chapter VI.

The following describes organizational authority in brief:

- Alaska Housing Finance Corporation – quasi-independent State housing authority

- Alaska Energy Authority – State energy agency
- University of Alaska – State political subdivision
- Alaska DOT&PF – State transportation agency
- Alaska DEED – State education agency
- City and Borough of Juneau – political subdivision, consolidated municipal government
- Kenai Peninsula Borough – political subdivision, county-equivalent
- Southeast Conference – Alaska regional development organization and council of governments

While priority measures are described relative to specific organizational sponsors, the State's PSEAP is crafted such that any entity with similar or relevant authority to implement may do so. Thus, all categories of measures are available to all political subdivisions of the State.

At the same time, DEC recognizes the authority of tribal governmental planning and implementation and adopts by reference the reduction measures identified by Tribes, to the extent they do not come into conflict with State authority to implement or otherwise manage its resources, lands, and activities. Cross-walking of measures will be conducted during the comprehensive planning process.

### ***Intersection with Other Funding Availability***

In addition to particular mention in section III, the PSEAP acknowledges the intersection of the Climate Pollution Reduction Grant program with other federal investments, including:

- EPA's Solar for All
- DOE's Grid Resilience and Innovation Partnership
- DOE's Training for Residential Energy Efficiency Contractors (TREC)
- DOE's Home Energy Rebate Program
- DOE's Renew America's Nonprofits Program
- DOE's Weatherization Assistance Program
- FHWA's Carbon Reduction Strategy allocation
- Investment Tax Credit (ITC) and related IRA incentives

Ultimately, nearly every currently available federal grant opportunity includes reference to the need for projects to advance carbon reduction. The State will evaluate individual opportunities alongside CPRG investments to leverage to the greatest extent possible.

### ***Initial Workforce Planning Analysis***

While continued assessment of workforce needs for these measures will occur, this plan contains an initial workforce planning analysis in section IV. The State's strategy to strengthen and cultivate a workforce capable of implementing the array of GHG reduction measures outlined within the PSEAP follows an important structure:

1. Establish and cultivate increased coordinative capacity within and between the workforce and relevant sectors. This implementation strategy will support career pathways through a diverse network of training providers.
2. Expand outreach efforts to underserved and disadvantaged areas with high unemployment and underemployment. This implementation strategy will provide funding for statewide and targeted outreach efforts.
3. Increase capacity of existing place-based training programs for upskilling and reskilling Alaskans for employment in high-demand industries, implemented by prioritized region. Alaska has numerous existing training programs and facilities that have the potential to meet the training needs of Alaskans but currently lack the capacity to meet the demand.
4. Identify and deliver new or improved rural place-based training to underserved areas for upskilling and reskilling Alaskans for employment in high-demand industries, implemented by prioritized

region and sector. This implementation strategy will focus on adding new place-based training and support systems to prioritized regions, including delivering remote training as necessary.

5. Provide wraparound support services. Implementation efforts should provide support for workers entering into training programs, including housing and childcare, travel, and supplies that alleviate the challenges identified by worker voices.
6. Strengthen economic development and the contractor ecosystem. This implementation strategy will include maintaining and cultivating partnerships with Alaska SBDC and regional development organizations (ARDORs).

Implementing projects that contribute to reducing GHG emissions will take into account Good Jobs Principles. Alaska is committed to fostering safe, healthy, and inclusive workplaces with equal opportunity, free from harassment and discrimination. State agencies and local governments will provide multiple pathways for creating high-quality, middle-class jobs in the residential-serving distributed solar energy industry based on principles outlined below. In addition, eligible entities have considered ways to invest in training, education, and skill development and support the corresponding mobility of workers to advance in their careers. Agencies will assess collective bargaining agreements as identified throughout the life of the project.



## I. Overview

### A. Introduction

#### *i. CPRG Overview*

From the Inflation Reduction Act, the EPA released a number of formula planning grants to states, municipalities, and tribes under the CPRG program. These grants fund the creation of three types of planning documents through 2025 – a Priority Climate Action Plan (PCAP), a Comprehensive Climate Action Plan (CCAP), and a Status Report.

In Alaska, several tribes and tribal consortia are creating plans at the community level, while the state is producing its plans – starting with a Priority Sustainable Energy Action Plan (PSEAP) to meet the requirements of the PCAP – via collaboration between the Department of Environmental Conservation and the Alaska Municipal League. Major partners in this collaboration include The Alaska Native Tribal Health Consortium’s Rural Energy Program, Tanana Chiefs Conference, Kawerak, and the Bristol Bay Native Association.

#### *ii Scope of Plan*

This plan contains a list of quantified GHG reduction measures that could be implemented by state agencies, municipalities, tribal consortia, and councils of government. In line with EPA guidance for this document, measures do not have to address all sectors nor meet a specific target for reductions. Measures for this plan are required to be “near-term, high-priority, implementation ready measures.”

These measures generally focus on a statewide and regional scope that complements the community-level planning effort being conducted by grantees under CPRG tribal planning. Some of these measures are explained in greater detail, given greater availability of information and greater likelihood of agency applications to implement.

Given the impetus to identify high impact measures that are ready to implement, this plan looks at existing programs or projects that can be boosted or completed with CPRG funding to deliver significant, long-lasting emissions reductions are ideal for the priority CPRG plan since they may be able to more easily complete a quality CPRG implementation grant application and receive funding.

#### *iii Alaska Context*

Alaska’s greenhouse gas (GHG) emissions profile is distinct due to its unique geographical, environmental, and economic conditions. In 2020, Alaska’s total CO<sub>2</sub> emissions were reported at 33.4 million metric tons (MMT), an increase from previous years but still lower than the peak of 45.4 MMT in

2005<sup>9</sup> Alaska spends dramatically for energy on a per capita basis. In 2021, Alaska ranked first with a per capita energy expenditure of \$8,711, amounting to nearly 11.15% of its GDP<sup>10</sup>. This ranking has remained consistent since 2015. The EIA attributes this to factors such as Alaska's Arctic environment, which results in long and harsh winters, and the presence of a large and developed oil and natural gas industry.

In 2021, Alaska ranked 39<sup>th</sup> out of all states in terms of energy-related CO<sub>2</sub> emissions. In comparison, states with larger populations and economies, such as Texas and California, recorded 2021 emissions of 663.5 MMT and 324 MMT<sup>11</sup>, respectively. On a broader scale, Alaska's GHG emissions for 2020 constituted approximately 0.66% of the total nationwide GHG emissions. When considering global anthropogenic GHG emissions, which account for 36.44 billion tons<sup>12</sup> per year (TPY), Alaska contributes a mere 0.000092672% of CO<sub>2</sub>e to these global emissions.

Despite Alaska's relatively minor role in overall national and global greenhouse gas emissions, the state stands out for its high per capita emissions, ranking third out of state in 2021 with 53 MT per capita energy-related CO<sub>2</sub> emissions<sup>13</sup>. This contrast is deeply rooted in Alaska's distinctive context. On one hand, its small population size typically leads to a lower total emissions output. However, Alaska's vast and rugged Arctic environment significantly elevates per capita energy and fuel needs, especially during prolonged, harsh winters. Furthermore, the state has a well-developed and mature oil and natural gas industry in both the North Slope and Cook Inlet which provides fossil fuel energy resources for interior markets and is exported to the contiguous United States. Thus, Alaska's unique combination of a low population, an energy-intensive climate, and a major energy industry culminates in its high per capita emissions despite its smaller overall emissions contribution.

On a national scale, the U.S. transportation sector is the largest contributor to greenhouse gas emissions<sup>14</sup>, primarily driven by road vehicles like cars and trucks. However, Alaska's transportation emissions profile is distinct due to its heavy reliance on aviation and marine transportation. While road vehicles dominate the transportation emissions in the contiguous U.S., Alaska's vast landscapes and limited road networks necessitate a more diverse transportation mix. While Alaska's transportation emissions trends reflect its unique geographical and infrastructural challenges, its contribution to the nation's overall transportation emissions is relatively small.

Alaska's emissions trajectory over the past thirty years presents a complex interplay of variables, influenced by infrastructure, technology, and resource utilization. The electrical generation sector reveals patterns of fuel combustion efficiency and technology adaptation, with coal combustion emissions indicating potential areas for technological intervention since 2013. The oil and gas sector's emissions data, juxtaposed with production metrics, offers insights into extraction and refining efficiencies. In transportation, the consistency of gasoline highway vehicle emissions, contrasted with the rise in diesel emissions, points to vehicular technology trends and fuel consumption patterns. The residential sector's data, particularly the spike in natural gas use, suggests infrastructural developments and shifts in energy consumption methodologies. Meanwhile, the agriculture and waste sectors underscore the engineering challenges and opportunities in waste management and sustainable farming practices. The role of emission sinks, from an engineering lens, emphasizes the importance of ecological infrastructure in carbon sequestration. Collectively, this analysis underscores the need for innovative engineering solutions to optimize resource utilization, enhance efficiency, and mitigate environmental impacts in Alaska's future.

9 (Alaska Department of Environmental Conservation, Division of Air Quality, 2023)

10 [https://www.eia.gov/state/seds/data.php?incfile=/state/seds/sep\\_sum/html/rank\\_pr.html&sid=US](https://www.eia.gov/state/seds/data.php?incfile=/state/seds/sep_sum/html/rank_pr.html&sid=US)

11 <https://www.eia.gov/environment/emissions/state/excel/table1.xlsx>

12 (Alaska Department of Environmental Conservation, Division of Air Quality, 2023)

13 <https://www.eia.gov/environment/emissions/state/excel/table4.xlsx>

14 <https://www.epa.gov/greenvehicles/fast-facts-transportation-greenhouse-gas-emissions>

*Electrical Generation.* In the realm of electrical generation, there has been a noticeable plateauing and slow decline in emissions from three of the four fuel combustion types since 1990<sup>15</sup>. However, coal combustion emissions have seen an uptick since 2013. On the other hand, emissions from petroleum distillate (diesel) have slightly tapered off in the last two years of the reporting period, and natural gas emissions have consistently declined since their peak in 2012.

*Oil and Gas.* The oil and gas sector has witnessed a decrease in emissions between 1990 and 2020, primarily attributed to a decrease in crude oil production and refining. Specifically, CH<sub>4</sub> emissions from oil production have declined by 0.325 MMT in the last five years. In contrast, natural gas production emissions saw a minor increase between 2017 and 2019 before decreasing by 0.134 MMT.<sup>16</sup>

*Transportation.* Transportation emissions have shown varied trends. Gasoline highway vehicles emissions have remained consistent over the past three decades, with a slight uptick to over two million TPY of CO<sub>2</sub>e by 2018. Diesel highway vehicles have seen a steady increase in emissions since 1990, culminating just below 800,000 TPY of CO<sub>2</sub>e by the end of the analysis period. Off-road vehicle emissions, which include aviation and marine sources, peaked in the mid to late 2000s but have experienced a slight decline in recent years. When examining on-road vehicle emissions trends from 1990 to 2018, emissions from gasoline highway vehicles have remained relatively consistent, with a slight increase to over two million tons per year (TPY) of CO<sub>2</sub>e by 2018. Passenger vehicle emissions have also seen an increase, reaching over 1.33 million TPY since 1990.<sup>17</sup>

*Residential and Commercial.* The residential sector has shown interesting trends. Statewide residential emissions have largely remained stable since 2013. However, there was a significant increase in residential natural gas use between 2019 and 2020, leading to a rise in emissions of 430,000 tons of CO<sub>2</sub>e since 1990. This increase is noteworthy, especially considering the state's population grew by 181,000 during the same period.<sup>18</sup>

*Agriculture and Waste.* Agriculture and waste sectors also contribute to the state's emissions. Agriculture produces GHGs through mechanisms like fertilizer converting to nitrous oxide and decomposition from agricultural waste that produces methane. These were estimated to account for just 109,000 tons CO<sub>2</sub>e in 2020<sup>19</sup>, less than 0.5% of total state emissions. Waste decomposition, especially anaerobic decomposition of waste food, can release methane.

*Emission Sinks.* Lastly, emission sinks or reservoirs play a crucial role in the state's emissions profile. These are areas where carbon is removed from the atmosphere and sequestered. While wildfires produce CO<sub>2</sub>, N<sub>2</sub>O, and CH<sub>4</sub>, the gases from wildfires are often absorbed by more productive recolonized vegetation.<sup>20</sup>

*Summary.* Understanding Alaska's emissions trends over the past three decades is pivotal for shaping future policies and strategies. These trends reflect the state's evolving economic activities, technological advancements, and policy measures. While some sectors have seen increases in emissions, others have witnessed declines, emphasizing the need for a comprehensive approach to achieve broader environmental and sustainability goals.

15 (Alaska Department of Environmental Conservation, Division of Air Quality, 2023, p. 19)

16 (Ibid. p. 21)

17 (Ibid. p. 31)

18 (Ibid. p. 40)

19 (Ibid. p. 43-44)

20 (McGuire, Genet, He, et al., 2016)

### ***Alaska's Grid Conditions***

There are two distinct grid categories in the State of Alaska: Railbelt and remote. The majority of the state's population (~70%)<sup>21</sup> resides in urban areas of what's known as the Railbelt. This relatively small interconnected electrical system is home to significant Department of Defense assets, tribal governments, highly diverse populations, and a remarkable variety of carbon and non-carbon energy resources.

Alaska's Railbelt is serviced by five electric utilities (four cooperatives and one municipal utility) and is an interconnected grid that loosely follows the route of the Alaska Railroad. The State of Alaska, through the Alaska Energy Authority (AEA), owns significant transmission and generation infrastructure on the Railbelt system. The residents and businesses along the Railbelt consume approximately 75%<sup>22</sup> of the state's electricity across a service area similar to the distance from West Virginia to Maine. On an annual basis, the Railbelt generates approximately 5000 GWh<sup>23</sup>. Interconnection between regions is by single transmission lines, which limits economic transfers and negatively affects system resiliency. The opportunity for residential solar is high in this market.

The remaining ~30% of the state's population resides in over 200 rural and tribal communities and rely on local and regional power generation. These remote, islanded grids are owned and operated by approximately 100 utility operators, including cooperatives, tribal, and municipal entities. Most of these rural Alaska communities are only accessible by plane or marine vessel, with over half classified by the Denali Commission as distressed communities.

Except where these utilities have legacy hydroelectric generation, such as in large portions of Southeast Alaska, these communities<sup>24</sup> are generally supported on the Power Cost Equalization (PCE) program that subsidizes electric rates for rural consumers to bring them in line with those paid by consumers in Anchorage, Fairbanks, and Juneau. Since 1985 when it was implemented to spread the benefit of subsidized energy projects in urban Alaska to rural Alaska, PCE has been a critical feature of Alaska's energy landscape that has helped soften the energy burden faced by rural communities.

To move towards a resilient economy, characterized by less reliance on fossil fuels for energy, the State must embrace local, clean energy that can power value-added economic development. Diversification in this way will strengthen the State's economy overall and increase opportunities for local residents. Private sector innovation is increasingly driving economic development in the state. This trend can be supported within priority industries, with incentives in places where clean energy is used. Supporting centers of innovation such as business accelerators and incubators that assist start-ups focused on value-added activities is critical to creating private sector innovation and fomenting entrepreneurship.

## **B. Vision, Goals & Objectives**

### ***i Vision Statement***

Alaska's vision is for a sustainable energy action plan that results in improved economic development, community resilience, public health, and affordability for residents while delivering transformative and beneficial emissions reductions.

### ***ii Goals***

This vision can be met with goals that are realistic and consistent with Alaska's current conditions and aspirational future. The State of Alaska's goals are to:

21 <https://live.laborstats.alaska.gov/data-pages/alaska-population-estimates>

22 [https://www.epa.gov/system/files/documents/2024-01/egrid2022\\_summary\\_tables.pdf](https://www.epa.gov/system/files/documents/2024-01/egrid2022_summary_tables.pdf)

23 Ibid.

24 <https://gis.data.alaska.gov/datasets/DCCED::power-cost-equalization-pce-program/about>

1. Leverage available federal funding to achieve a widespread and impactful transformation at the residential, commercial, and public sector levels, and across sectors.
2. Deliver equitable benefits such that disadvantaged communities have access to resources that decrease their vulnerability and improve resilience.
3. Align activities with beneficial economic impacts that include improving job quality, increasing workforce opportunity, and strengthening business development.
4. Achieve corresponding environmental and public health benefits, including improving air quality.
5. Significantly diversify power generation with an emphasis on local, reliable, and affordable energy.

In aiming to reduce its carbon footprint, the state is focusing on key sectors like transportation and energy production that contribute significantly to emissions. Recognizing the complexities in managing emissions, the state highlights the following aspirations, which are indicative rather than time-bound goals. Further development, and refinement of these targets to sector-level, quantified metrics, will be completed in coordination with relevant stakeholders as part of the comprehensive planning process.

- Emissions reductions of 15%: This milestone reflects the potential impact of reducing GHG emissions from 2022 levels by 15%. This would entail targeting high-emission sectors with immediate measures to reduce emissions.
- Emissions reductions of 30%: This milestone represents the challenging goal of cutting GHG emissions by 30% from 2022 levels. Achieving this would likely require a comprehensive transformation of the state's energy infrastructure, adopting sustainable practices across all sectors, and harnessing Alaska's natural resources for carbon sequestration.

### ***iii Objectives***

- Support and incentivize energy efficiency, renewable energy, decarbonization, and beneficial electrification across all sectors.
- Sustainably increase value-added economic activities (e.g., fisheries, transportation, agriculture, mariculture and marine biotechnology, and petrochemicals) that leverage clean energy and maximize in-place opportunity for residents.
- Develop new carbon-neutral models of community economic development that support diversification, leverage local investment, and strengthen the clean energy economy.
- Support diversification, investment, and established business expertise within sectors addressing carbon reduction.
- Promote and export technological and process innovation related to carbon emission reduction and sequestration.
- Increase and promote growth opportunities in careers that contribute to addressing carbon reduction, including engineering, architecture and design, business, and entrepreneurship.
- Increase the financing opportunities available for affordable and low-carbon clean energy and energy efficiency activities.
- Consider mechanisms to ensure that oil and gas development is conducted more efficiently and with decreased emissions, and with continued private investment.
- Identify ways to reduce fugitive emissions and increase carbon capture, use, storage, and sequestration.
- Set a target of renewable energy that should be included in new oil, gas, mining, and industrial projects.
- Establish programs to finance and support energy efficiency retrofits for residential, commercial, and public buildings.
- Improve electric generation efficiency in the Railbelt through a regionwide system operator and economic dispatch.
- Improve electric generation efficiency in rural Alaska through optimized power generation

maintenance, improved renewable integration strategies, and reduced line loss.

- Increase the efficiency of and reduce carbon emissions in air, rail, road, and marine operations and transportation, and promote the use of more efficient and lower-emitting fuels.
- Prepare for and promote a rapid transition to electric vehicles (EV) and lower-carbon fuels for transportation; this includes providing the requisite EV charging infrastructure, as well as shared bulk purchasing of EVs.
- Establish a Green Bank to develop long-term, state-led financing of clean energy and energy efficiency.
- Explore the state's ability to access or leverage venture capital funds, reinsurance programs, and other innovative opportunities for funding.

## C. Planning Process & Methodology

The development of this plan occurred primarily between August 2023 and February 2024. The following table describes some major milestones:

### *Planning Timeline*

- |             |  |
|-------------|--|
| • August    | Literature Review                        |
| • September | GHG baseline emissions identification    |
| • October   | GHG baseline emissions review            |
| • November  | Measures identification                  |
| • December  | Peak outreach and education              |
| • January   | Draft planning documents                 |
| • February  | Finalizing planning documents            |
| • March     | Release PSEAP as PCAP deliverable to EPA |

### *Community Engagement*

**CPRG Working Group.** Given the short timeline and need to avoid duplication of effort, AML and DEC have focused on coordinating their outreach and engagement efforts with the CPRG Working Group, which includes all Tribal planning awardees and consortia. Regular participants in this group include those working on tribal planning grants for ANTHC, TCC, Kawerak, and BBNA.

**State Agencies.** The development of the PSEAP has required intensive engagement with state agencies that had not previously been engaged in or prioritized carbon reduction activities, and which required new effort to understand and respond to this opportunity, such as DEED. Scoping of this plan is also informed by recent state energy planning efforts for agencies like the Alaska Energy Security Task Force Report.

**Political Subdivisions.** Much of the communication about this program, and soliciting potential measures, has been completed with city and borough governments, who regularly engage with AML's infrastructure programming. Outreach has also been conducted with school districts, tribes, and other public entities. These anchor institutions will have the greatest ability to implement wide-ranging and impactful emission reduction measures.

**Public Awareness.** Several public presentations about CPRG and the development of this plan have been given by AML staff and in coordination with ANTHC's planning team at major events like the Infrastructure Symposium and Alaska Local Government Conference. There have also been several smaller virtual and in-person presentations to groups including the Alaska Municipal Climate Network and the Alaska Environmental Health Association.

DEC anticipates an increased amount of public outreach and community engagement as part of the development of a comprehensive sustainable energy action plan. Additional information on this is detailed in section VII of this plan.



## II. State of Alaska GHG Inventory 2022

This report summarizes the GHG emissions from the State of Alaska for the calendar year 2022. The methodology used in the inventory involved the collection or modeling of energy, fuel, and vehicle data, and the calculation of GHG emissions based on fuel types and uses from different sources and sectors at the community, borough, census area and state-level. The inventory determines metric tons of carbon dioxide equivalent (MTCO<sub>2</sub>e) for three greenhouse gases: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O).

This inventory's methodology utilizes activity data and emission factors to calculate emissions.

Emissions (CO<sub>2</sub>) = Activity Data (MMBTU) x Emission Factor (CO<sub>2</sub> per MMBTU)

Activity data represents the relevant measurement of energy use, such as fuel consumption by fuel type (propane, heating oil, diesel, gasoline, jet fuel, etc.) and metered electricity use, and is collected from a variety of sources, listed below. To translate energy use data, factors from the EPA's 2022 GHG Emissions Factors Hub<sup>25</sup> were used.

Table 1 provides an overview of data on energy use total emissions by sector and source (fuel type) as a result of the emissions inventory process. MMBtu represents one million British thermal units and is a unit of energy used to compare across different fuel quantities, like diesel vs. electricity - all units of fuels, electricity, and wood have been converted to MMBtu for purposes of comparison.

CO<sub>2</sub>e is an abbreviation for carbon dioxide equivalent, the internationally recognized measure of greenhouse gas emissions. Converting emissions of non-CO<sub>2</sub> gases to units of CO<sub>2</sub>e allows greenhouse gases (GHGs) to be compared on a common basis: the ability of each GHG to trap heat in the atmosphere. In this report, non-CO<sub>2</sub> gases have been converted to CO<sub>2</sub>e using internationally recognized Global Warming Potential (GWP) factors from Intergovernmental Panel on Climate Change (IPCC) assessment reports per EPA<sup>26</sup>. The IPCC developed GWPs to represent the heat-trapping ability of each GHG relative to that of CO<sub>2</sub>.

This report used the 2022 calendar year for the reporting year: A standardized emissions inventory report comprises all GHG emissions occurring during a calendar year. Among others, the United Nations Framework Convention on Climate Change, the Kyoto Protocol, the European Union, The Climate Registry, and the California Climate Action Registry all require GHG inventories to be tracked and reported on a calendar year basis.

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25 [https://www.epa.gov/system/files/documents/2023-03/ghg\\_emission\\_factors\\_hub.pdf](https://www.epa.gov/system/files/documents/2023-03/ghg_emission_factors_hub.pdf)

26 Ibid.

In calculating emissions from stationary combustion using fuel use activity data and emission factors by fuel type involves the following steps. First, the inventory process determined the total annual consumption of each fuel combusted at community-level sectors, as well as facilities and assets whenever available. Then, we determined the appropriate CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O emission factors for each fuel using EPA's factors<sup>27</sup>. Finally, we calculated each fuel's CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O emission contributions, and lastly convert CH<sub>4</sub> and N<sub>2</sub>O emissions to MTCO<sub>2</sub> equivalent to determine total emissions. Then based on community membership the data was aggregated at the borough-level and then at the state-level.

Residential and commercial electricity and fuel consumption were estimated for Alaska communities using a similar spatial refinement methodology previously performed by the National Renewable Energy Laboratory (NREL) from the DOE Leading through Energy Analysis and Planning (Cities-LEAP)<sup>28</sup> project.

This methodology represents a revised model using newly available data sets to estimate community-level data for the 2022 calendar year. Modeling was conducted at the U.S. Census tract level and then aggregated accordingly to the community level. For stationary combustion, a number of datasets were used to conduct the analysis, principally the Residential Energy Consumption Survey, and Energy Information Administration's Commercial Buildings Energy Consumption Survey (RECS and CBECS); although data from ARIS, PCE, and other localized datasets was used as well. The estimates also uses EIA's SEDS totals, which itself is based off of regionally aggregated energy consumption surveys, such as for surveys of energy consumption by residential households from the Residential Energy Consumption Survey (RECS, Form EIA-457) and by commercial buildings from the CBECS (Form EIA-871) provide detailed information about the energy end users, their size, their assumed stock of energy-consuming equipment and appliances, and their total energy consumption and expenditures. Although MECS (Form EIA-846) collects consumption by type of use and fuel switching capability from manufacturing establishments grouped by manufacturing classification, usually 3-digit NAICS codes, the FLIGHT database of the GHGRP was used instead at the reporting facility level.

Transportation emissions were modeled using EPA's MOtor Vehicle Emission Simulator (MOVES) model for on-road (passenger vehicles, motorcycles, trucks, buses, etc.) and non-road (equipment, recreational or other crafts) assets at the borough-level and downscaled using ACS and NAICS factors. MOVES models had specific fuel-types per vehicle type. Most electricity generation emissions came from Power Cost Equalization Program (PCE) for rural energy generation and consumption, whereas utility territory specific details from EIA form 861 and downscaled by communities within the territories. Only source and sector emissions were covered with grid-losses assumed to be the difference between upstream generation and downstream consumption.

The end-use sectors in the table follow's US EIA's sector classification for inclusion. For instance, the residential sector classification adopted here follows EIA's definition of an energy-consuming sector that consists of living quarters for private households. Common uses of energy associated with this sector include space heating, water heating, air conditioning, lighting, refrigeration, cooking, and running a variety of other appliances. The residential sector excludes institutional living quarters, which instead appears in the commercial section. Commercial sector is an energy-consuming sector that consists of service-providing facilities and equipment of businesses; federal, state, and local governments; and other private and public organizations, such as religious, social and other such groups. Common end-uses uses of energy associated with this sector include space heating, water heating, air conditioning, lighting, refrigeration, cooking, and running a wide variety of other equipment, such as generators that produce electricity and/or useful thermal output primarily to support commercial activities.

<sup>27</sup> Ibid.

<sup>28</sup> <https://www.nrel.gov/news/program/2019/data-to-decisions-nrels-latest-cities-leap-work-provides-unique-solutions-to-local-governments.html>

**Table 1: Statewide GHG emissions (MT CO<sub>2</sub>e) by source and sector for calendar year 2022**

Sector	Fuel type	Energy in Billion BTU	MT CO <sub>2</sub> e
Residential	Distillate fuel oil	7,955	582,704
	Propane	419	25,752
	Electricity consumption	7,110	670,260
	Natural gas	21,054	1,117,125
	Wood energy	6,080	570,304
Commercial	Distillate fuel oil	8,604	630,243
	Motor gasoline	536	37,638
	Propane	816	50,151
	Electricity consumption	8,730	822,977
	Natural gas	16,439	872,253
	Waste energy	397	36,008
	Wood energy	1,091	102,336
	Coal	7,367	687,194
Industrial	Still gas (industrial)	13,930	1,313,181
	Unfinished oils	463	43,647
	Asphalt and road oil	13,425	1,011,708
	Lubricants	904	67,140
	Distillate fuel oil	15,171	1,111,276
	Propane	126	7,744
	Motor gasoline	524	36,795
	Electricity consumption	4,527	426,760
	Natural gas	321,064	7,035,656
	Wood and waste	71	6,660
	Coal	22	2,052
Transportation	Aviation gasoline	1,037	71,812
	Propane	6	369
	Distillate fuel oil	29,651	2,171,936
	Jet fuel	126,719	9,151,646
	Lubricants	417	30,971
	Motor gasoline	30,930	2,171,905
	Natural gas	484	25,681
	Biodiesel	865	63,872
<b>Total emissions</b>			<b>40,955,755</b>

TABLE 1: 2022 Statewide GHG Emissions (MT CO<sub>2</sub>e) by source and sector for calendar year 2022

Industrial sector is the energy-consuming sector that consists of all facilities and equipment used for producing, processing, or assembling goods. The industrial sector encompasses manufacturing (NAICS codes 31-33); agriculture, forestry, fishing, and hunting (NAICS code 11); mining, including oil and gas extraction (NAICS code 21); and construction (NAICS code 23). Unlike residential and commercial end-uses, the overall energy use in this sector is largely for process heat and cooling and powering machinery, with lesser amounts used for facility heating, air conditioning, and lighting. Non-energy use of fossil fuels is also used as raw material inputs to manufactured products. Like the commercial sector, this sector includes generators that produce electricity and/or useful thermal output primarily to support industrial or manufacturing activities and large facilities are captured in EPA disclosures by the facilities. A related, but separate sector, is the power sector, which is the energy-consuming and process sector that consists of electricity-only and combined-heat-and-power plants within the NAICS 22 category whose primary business is to sell electricity, or electricity and heat, to the public, and thus includes electric utilities and independent power producers. In the state summary table, electricity consumption is separated out based on the in-state sectors consuming that electricity, such as residential, commercial, industrial and transportation end uses.

EIA's transportation classification has also been adopted, which identifies it as the energy-consuming sector that consists of all vehicles whose primary purpose is transporting people and/or goods from one physical location to another, including automobiles; trucks; buses; motorcycles; trains, subways, and other rail vehicles; aircraft; and ships, barges, and other waterborne vehicles. Vehicles whose primary purpose is not transportation (e.g., construction cranes and bulldozers, farming vehicles, and warehouse tractors and forklifts) are classified in this sector by EIA due to their primary use, which is handled within MOVES model's non-road modules.

Direct GHG emissions from stationary (non-transport) combustion of fossil fuels at a facility, such as combustion within boilers, turbines, process heating, but also end-uses like space or water heating, and appliances. These come from residential, commercial, community and industrial buildings and facilities. For each modeled fuel type from sources above Emission factors are calculated ratios relating GHG emissions to a proxy measure of activity at an emissions source. Whenever emissions values were directly provided, we consulted the source, U.S. EPA or the emitters, directly to understand data quality.

In 2022, residential emissions amounted to 2,966,144 MT CO<sub>2</sub>e or accounted around 7% of total statewide emissions in 2022. Commercial emissions on the other hand, amounted to 3,238,800 MT CO<sub>2</sub>e or around 8% of total statewide emissions. Industrial emissions, which include emissions from municipal solid waste landfills, petroleum and natural gas systems, refineries, and other general stationary fuel combustion sources, amounted to 21,062,619 MT CO<sub>2</sub>e or around 51% of total statewide emissions. These emissions include some offshore usage of fuels, not attributed to a specific region or industrial facility. Power generation and distribution is not counted here, but as end-use consumption in respective end-use sectors, such as residential and commercial and non-process industrial stationary combustion. Transportation emissions, which includes both on-road and off-road sources, amount to 13,688,191 MT CO<sub>2</sub>e or around 33% of total statewide emissions. These emissions are direct GHG emissions associated with fuel combustion in mobile sources, such as on- road vehicles (passenger vehicles, commercial trucks, government fleets) and off-road vehicles (planes, ships) or equipment (air support, construction, agricultural, etc.)

Emissions are broken down into Scope 1, 2, and 3. Scope 1 emissions refer to boundary emissions, such as combustion of fuels for use within the community like heating a home or workplace and driving, when the operational boundary is the entire state, all emissions can be considered Scope 1. At more community levels and boundaries, Scope 2 emissions typically refers to grid supplied energy, such as electricity, heat or steam, either combusted within the boundary and then delivered (in which case it would be Scope 1 in the community) or combusted outside the community boundary. All industrial emissions data came from EPA's GHGRP system at the facility level. All residential and commercial emissions were estimated based on records at the zip code level on NAICS code-based entities for commercial, and American Community Survey (ACS) for residential. Scope 3 refers to indirect emissions, such as material and energy inputs from outside of Alaska, or goods and services sold and processed outside of Alaska.



### III. Emissions Reduction Strategies

#### A. Residential

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##### *AHFC Weatherization Assistance Program & Energy Rebate Program*

###### **Summary**

Weatherization has been a housing policy priority throughout Alaska for many years, due to its ability address multiple community challenges, such as poor quality housing and high energy costs, in one fell swoop. Residential energy use accounts for 7.6% of Alaska's energy use<sup>29</sup>, and can be a major household expense, with Alaska's average household spending \$4,186 which is over 1.8 times the national average; however, there is significant variation between regions, with rural and northern communities often facing higher costs. Approximately 14,600 housing units in Alaska are considered very inefficient, which is most pronounced in rural communities. Many rural communities in Alaska rely primarily on diesel fueled electric generators for power, Alaska ranks second only to Hawaii in the total share of electricity 14% in 2022 generated from petroleum<sup>30</sup>. On a per capita basis, Alaska ranks third in the nation in emissions due to it's small population, and harsh winters.

The Alaska Housing Finance Corporation (AHFC) has operated Alaska's Weatherization Assistance Program since the early 90's, which provides direct assistance to low-income Alaskans to make their homes more energy efficient, reducing energy consumption and energy costs while increasing comfort and durability of the home. This program was greatly expanded in 2008, when the state invested \$200 million into the program. From 2008 through 2018, the program invested \$402.1 million to retrofit 20,917 homes<sup>31</sup> across the state, creating 5,460 jobs in the process. Investment in Alaska residential energy projects has shown a substantial socioeconomic benefit<sup>32</sup> over the past 15 years, and renewed investment can continue to provide these benefits.

New programs supported by the Inflation Reduction Act are beginning to emerge, such as the Department of Energy's (DOE) Home Energy Rebate Program which AHFC will administer. Alongside weatherization, this new program will help create a deeper transformation of residential energy landscape in Alaska that reduces emissions and provides more affordable, livable housing.

AHFC administered a state funded Home Energy Efficient Rebate program from 2008-2018 which funded energy efficiency retrofits in 26,587 homes across the state. Homes that participated in the state rebate

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29 <https://www.eia.gov/state/?sid=AK#tabs-2>

30 <https://www.eia.gov/state/print.php?sid=AK>

31 [https://www.ahfc.us/application/files/5516/2576/4404/2019\\_Weatherization\\_Program\\_Impacts\\_Report.pdf](https://www.ahfc.us/application/files/5516/2576/4404/2019_Weatherization_Program_Impacts_Report.pdf)

32 (McKinley Research Group, 2021)

program saw an average annual energy savings of 34%, with their Carbon Dioxide emissions being reduced from 41,090 lbs/year to 28,910, a reduction of 30%. A lifecycle analysis of the State's Home Energy Rebate program showed a savings to investment ratio of 1.8, meaning energy cost saving experienced by the homeowner will earn nearly double the money back spent on installing the measures.

Alaska also benefits from agencies like the Alaska Cold Climate Housing Research Center and the National Renewable Energy Laboratories Fairbanks campus who innovate new solutions to make weatherization and energy efficiency in Alaska communities more affordable and effective.

### **Proposed Measure**

The Weatherization Assistance Program is implemented primarily through regional entities like housing authorities, and non-profits including Interior Weatherization, Inc., RurALCAP, and the Alaska Community Development Corporation. The described priority measure would boost funding for this program to allow an additional 700 homes to be weatherized. The participation of regional housing authorities has been essential to completing weatherization work in the more than 200 communities not on the road system that often face lack of local financial firms, contractors, and affordable materials.

The Alaska Housing Finance Corporation has a range of programs that have served homeowners and renters around Alaska for decades – the Home Energy Rebate 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. The described measure would add to planned Home Retrofit Rebates allowing for additional scope of rebates so that 3,650 households can receive deeper energy retrofits. It would also subsidize household energy assessments, which are required to access portions of the Rebate Program, enabling an additional 1,800 households to receive ratings. Additionally, the program would provide extra funding for households in Alaska's rural and remote communities to perform energy efficiency retrofits under the upcoming Department of Energy Energy Rebate Programs. This will allow households with incomes above the weatherization threshold but would still struggle to pay for their own retrofits to access the benefits and infrastructure provided under that program. We anticipate offering 1,800 expanded energy retrofit rebates.

If funded, allocation for the Weatherization Assistance Program 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 gradually and predictably, so they can increase their workforce to meet it. The Alaska Housing Finance Corporation and other statewide organizations are working to support this anticipated workforce growth via emerging workforce development programs, which are described in Section IV: Initial Workforce Planning Analysis.

To enable the additional retrofits that deliver emissions reductions, this program will provide funding for 1,800 additional household energy assessments and provide extended retrofits for 1,800 homes, allowing homeowners that would struggle to fund their improvements to make deeper and more efficient retrofits.

### *Similar Initiatives*

More intensive weatherization may be completed on a regional level by housing authorities and other community organizations. This plan supports these local efforts.

### **Funding Landscape**

Alaska's Weatherization Assistance Program is currently funded by DOE, LIHEAP and State Funds. Funding has been steady but limited for some time now, only allowing between 200-300 homes to be weatherized annually. Over the 2008-2018 period, over 96% of the programs funding came from state investment.

## STATE OF ALASKA PRIORITY SUSTAINABLE ENERGY ACTION PLAN

The Alaska Housing Finance Corporation is in the process of developing a Home Energy Rebate Program with funding made available under the Inflation Reduction Act; the proposed action in this section would expand upon that emerging program, allowing more Alaskans to participate.

Household Energy Assessment Subsidies to support Home Retrofit Rebates	Home Retrofit Rebates – increased incentives	Additional home weatherization assistance
\$1,500,000	\$7,200,000	\$91,200,000

TABLE 2: AHFC Measure Budget

### Transformative Impacts

Based on the historical performance of the Weatherization Assistance Program, households that go through weatherization experience an average reduction of energy consumption of an equivalent of 6,740 lbs of carbon dioxide a year, a 21 percent reduction. A reduction of 61.7 million BTU's or 453 gallons of fuel oil per year representing an average of 29% energy cost savings per household.

The Weatherization Assistance Program has historically delivered substantial benefits to low-income and disadvantaged communities.

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%

TABLE 3: Alaska Weatherization Assistance Program Statistics

A life-cycle cost analysis of the program shows a Savings to investment ratio of 1.5, so energy cost savings from Alaska's weatherization program will earn back the money spend plus 50 percent over the course of the improvement's life. During the 2008-2018 period when the weatherization program had a state surplus of funds to work with, the program created an estimated 5,460 annual jobs.

These savings are especially significant in rural Alaska, where in Winter 2023 heating fuel in 92 unsubsidized communities had an average cost of \$6.72 per gallon<sup>33</sup> in 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 rises to \$7.50. While diesel use for electricity is supported by Power Cost Equalization (PCE) funds, this is not the case for household heating fuel. Given these statistics, it's evident why reducing the residential fuel needs in rural Alaska has such a disproportionate impact in reducing the economic burden of energy on individual households.

An important function of properly-done residential weatherization is making homes more livable and comfortable for its residents. Residential weatherization can help prevent moisture management issues that, left untreated, can lead to mold growth, poor indoor air quality, and worse health outcomes.

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.

33 <https://storymaps.arcgis.com/stories/b7c2c672432e456a8e1f9f6e52206d1d>

**Estimated Emissions Reduction**

Action	CO2e Reduction (Annual Metric Ton, by 2030)	CO2e Reduction (Through 2030, cumulative metric tons)	CO2e Reduction (Through 2050, cumulative metric tons)
1,800 Households receive subsidized Energy assessments supporting Energy Efficiency Retrofit Rebates	21,640	81,751	514,551
3,650 additional homes are weatherized	44,740	158,122	1,052,922

TABLE 4: AHFC Measure Estimated Emissions Reduction

***Southeast Conference Residential Beneficial Electrification Program*****Summary**

Thanks to factors like the moderate climate, high cost of fuel, and substantial legacy hydroelectric generation, Southeast, as well as much of Alaska's gulf coast, is well-positioned for beneficial electrification of the buildings emissions sector.

As a designated Economic Development District (EDD) and Alaska Regional Development Organization (ARDOR), Southeast Conference serves as the state and federally designated regional economic development organization for Southeast Alaska. Their membership includes most municipalities and tribes in the region, serving as a common resource and a shared voice for these governments. In this role, Southeast Conference plans to work with the Juneau-based nonprofit Alaska Heat Smart to further priority objective #4 of the Southeast Alaska 2025 Economic Plan, which calls for the promotion of beneficial electrification.

Alaska Heat Smart has four years of experience in developing and operating energy efficiency and beneficial electrification programs, and has served over 1000 households and businesses in Juneau with operating funding from the City and Borough of Juneau. It currently manages four beneficial electrification programs with an annual budget of \$1.5 million. It has recently expanded a suite of these services to Sitka. The DOE-funded NORTH program as part of the "Renewing America's Nonprofits" funding opportunity, will begin in late spring of 2024 and take AHS services statewide, increasing the annual AHS budget to just over \$3 million.

**Proposed Measure**

The proposed program would seek to accelerate beneficial electrification, primarily via air source heat pumps, throughout Southeast Alaska via three complimentary areas of action. It would also seek to expand their established work to begin to serve Southcentral Alaska communities. The target for installations in 2025 would be 525 buildings, growing to 650 buildings by 2030 – this project would establish resources and a program which, along with other factors, could set a path to beneficially electrify all oil-heated homes in the region using heat pump systems.

***1. Expand the full suite of one-stop home energy and heat pump educational and advisory services of AHS throughout Southeast Alaska's 'hydro' communities.***

Southeast's "hydro communities" are ripe for rapid acceleration of heat pump adoption for residential space heating due to availability of lower-cost 100% emissions-free electricity. When replacing or supplementing oil-based heating systems, homeowners can quickly realize a greater than 50% reduction

in heating costs and a substantial reduction of their GHG emissions. In many cases, residential emissions can be completely eliminated with the addition of an air source heat pump to a home's heating infrastructure.

## *2. Expand an appropriate suite of home energy and heat pump educational and advisory services of AHS throughout Southeast Alaska's 'partial hydro' communities.*

Partial hydro communities face higher electrical rates than their 100% hydro-powered counterparts. Households in these Southeast towns may require additional reasoning besides cost savings to adopt an air source heat pump. Often, improvements in weatherization and a home's thermal envelope can enable heat pump savings. Education and advisory services in these communities must include a diversity of improvement options as well as guidance on tax credits and financial incentives.

## *3. Scale up AHS's home energy and heat pump educational and advisory services to serve Southcentral Alaska's coastal communities.*

Strong interest in the AHS program model has been expressed by various southcentral communities, contractors, and utilities. The southcentral HVAC landscape is faced with unique challenges. Natural gas is a prevalent heating fuel for many homeowners along the southern Railbelt, contractor availability is extremely thin, and small communities are dispersed over great distances. Such communities may see greater programmatic success through the incorporation of a neighborhood-centric model such as the 2021-2022 AHS Thermalize Juneau campaign. The promise of a significant project tied to efficiencies of scale, along with streamlined product offerings, may entice greater contractor engagement.

## *4. Replicate the developing DOE-funded \$5M AHS NORTHH (NOnprofit Retrofits for Health and Housing) program in order to serve up to 25 nonprofit organizations across Southeast Alaska with building retrofit services.*

AHS has been named one of nine "prime selectees" to receive \$4M in DOE funding for the Renewing America's Nonprofits grant. AHS will lead this program, along with partners the National Renewable Energy Laboratory - Alaska Campus, and Information Insights, to provide energy efficiency retrofits to up to 25 nonprofit organization buildings across the state of Alaska. Projected energy savings of up to 40% and GHG emissions reductions of up to 35% are targeted per building.

The Renewing America's Nonprofits program is a rare opportunity for the nonprofit sector and will allow these organizations to direct savings toward mission critical work. Southeast Alaska will only realize a fraction of the NORTHH program benefits. AHS will develop a "NORTHH – Southeast" program in order to deliver this uncommon opportunity to additional 501c3's operating between Yakutat and Saxman, Alaska.

### *Similar Initiatives*

Municipalities, tribes, and other related entities may consider advancing regional and community-wide incentive programs that support weatherization and beneficial electrification using heat pump systems like proposed for Southeast Alaska. These efforts could follow the model set<sup>34</sup> in communities like Juneau to quickly support beneficial heat pump installations in their jurisdiction.

While systems designed for cold weather are still advancing towards wide commercial availability in Alaska and the electric grid is not substantially decarbonized in many communities, there are comparable examples of widespread air and ground source heat pump adoption in Arctic climates – namely in Norway<sup>35</sup> and Finland.

34 <https://storymaps.arcgis.com/stories/82810913c65e49549753ac1c14c67165>

35 (Sadeghi, Ijaz, & Singh, 2022)

### Funding Landscape

The current funding for AHS is derived from grants made by the City and Borough Juneau, grants from the Departments of Energy and the Department of Housing and Urban Development, and corporate and private donations made to the Alaska Carbon Reduction Fund, which to date has focused primarily on providing services in Juneau. With additional funding from federal programs like the Climate Pollution Reduction Grant program, AHS programs will be able to expand to serve a greater geographic range, and more deeply accelerate a regional energy transformation. The NORTHH program component would expand the benefit from the Renewing America's Nonprofits.

### Transformative Impacts

The services provided by this program seek to reduce the cost of living and increase the use of clean energy in households by removing barriers to the adoption of energy efficiency measures and technologies. This proposal and its programs will provide energy efficiency and home retrofit education, as well as home energy assessment services, with a minimum 50% of program benefits directed to Justice40 communities.

Benefits flowing to disadvantaged communities will be realized via:

- a decrease in energy burden and utility costs with community dependent reductions in home heating of up to 75%
- increase in access to low-cost capital through both energy savings and financial assistance programs
- decrease in environmental exposure due to less use and storage of diesel or heating fuel and improvements in indoor air quality
- increase in high-quality jobs through disadvantaged and local hire and workforce development training, and equipment operations and maintenance in each community
- increased access to clean energy and home retrofit technologies such as high-quality heat pumps, ventilation, insulation
- Nonprofit energy burden reductions allowing an increase in mission-based expenditures

In communities with nearly 100% hydroelectricity such as Juneau, Sitka, Wrangell, Petersburg, Ketchikan, and some POW communities, replacement of oil heat with heat pumps can often result in almost complete elimination of carbon emissions for heating. AHS analysis of home energy data for Juneau homes indicates:

- Average household oil space heating annual cost: \$3,048
- Average household electric resistance heating annual cost: \$2,100
- Projected average annual savings from oil heat to heat pump: \$1,802
- Projected average annual savings from resistance to heat pump: \$1,226
- Average annual heating fuel elimination from installation of a single head heat pump - 500 gallons
- (NOTE: These costs/savings values were calculated assuming oil cost of \$3.58/gallon. Today's oil costs (Jan '24) average \$4.79/gallon so savings would actually be even larger.)

### Estimated Emissions Reduction

Action	CO2e Reduction (Annual metric tons)	CO2e Reduction (Through 2030, cumulative metric tons)	CO2e Reduction (Through 2050, cumulative metric tons)
2833 Southeast households retrofitted with heat pumps	9,428	37,160	225,720

TABLE 5: SEC Measure Estimated Emissions Reduction

## B. Non-Residential

### *Public Building and Asset Weatherization, Energy Efficiency, and Beneficial Electrification*

#### **Summary**

Weatherization, energy efficiency measures, and beneficial electrification of Alaska's public, non-residential facilities like schools, universities, and state and city/tribal office buildings has great potential to provide emissions reduction and broader community benefits through money saved on energy expenses. Importantly, these measures are among the short list of efforts that can be undertaken with expedience and expertise by resource-limited governmental entities. In Alaska, government is one of the largest economic sectors. This is reflected in many small communities where public facilities, such as schools, are critical to human infrastructure, serving a changing role as lodging for out-of-town guests, emergency shelter, and community gathering space. AHFC's 2014 Energy Efficiency in Public Buildings Analysis<sup>36</sup>, among other evidence, points clearly to the economic and environmental benefits

These facilities are also a major driver of costs for governments that are already fiscally distressed or lack access to sufficient revenue to meet growing costs, especially when the buildings are not energy efficient and use expensive heating oil, which in some communities is priced as high as \$13/gallon.<sup>37</sup>

#### **Proposed Measures**

The proposed actions support programs by public entities that promote greater energy efficiency through weatherization, energy efficiency measures, and beneficial electrification in public facilities across Alaska. Other public assets, like vehicle and equipment fleets, may be considered as part of this measure as well. They would be implemented by the University of Alaska, Department of Transportation & Public Facilities, Department of Education and Early Development, municipal school districts, and other public entities like municipal and tribal governments.

#### *University of Alaska*

The University of Alaska was established in Fairbanks in 1917. Now the University of Alaska System includes three universities and 13 community campuses and extended learning centers located across the state. With more than 20,700 students, UA is essential to preparing the state's workforce. The proposed UA projects would address deferred maintenance, energy efficiency, and alternative energy projects (including some related to circulation, pedestrian improvements, and vehicle fleets) with the greatest potential for emissions reductions in the immediate future. UA's measures are well positioned to be implemented within 1-3 years.

#### *Department of Transportation & Public Facilities*

The Alaska Department of Transportation and Public Facilities (DOT&PF) designs, constructs, operates and maintains the state's transportation infrastructure systems, buildings, and other facilities used by Alaskans and visitors. The proposed measure would conduct energy audits, condition assessments and implement feasible energy efficiency upgrades at major State of Alaska facilities. It would also mean implementing already identified energy savings opportunities from other public assets, such as adjusting using LED streetlights on a portion of the state-owned Glenn Highway between Anchorage and the Mat-Su Borough. The majority of DOT&PF actions, in particular those that don't require energy audits, can be completed by the end of 2026.

#### *Department of Education and Early Development*

The Alaska Department of Education and Early Development manages state and federal funding for Alaska's schools to ensure an excellent education for every student every day. The proposed measure

<sup>36</sup> (Wiltse, Madden, & Valentine, 2014)

<sup>37</sup> <https://storymaps.arcgis.com/stories/b7c2c672432e456a8e1f9f6e52206d1d>

would fund major maintenance projects with substantial emissions reduction potential that have been identified through the department's Capital Improvement Project (CIP) program.

Projects on the CIP major maintenance list represent the most important capital projects for schools across the state. Of particular priority are projects in the Rural Education Attainments Areas (REAAs) of the unorganized borough, where the State of Alaska assumes the responsibility for providing K-12 education that would normally be shared with local governments. These REAA school districts operate with their own administration and school boards. The logistical ability to implement these measures varies by location, but they all ought to be implementable within a five-year window. Importantly, most of the projects that districts would consider for this program have been identified, scoped, and even partially designed/engineering as part of their submission to the state's CIP process.

#### *Agencies, Tribes, Municipalities, and School Districts*

Alaska's other state agencies, tribes, municipalities, and school districts provide essential services and maintain the critical infrastructure that support even Alaska's smallest communities. The proposed measure would support these entities in advancing basic energy efficiency retrofits and retro-commissioning of public buildings to reduce emissions via improvements in HVAC systems, insulation, beneficial electrification of space and water heating, rooftop solar systems, and other emissions-reducing modifications. The timeline for implementation of these measures varies based on the entity, but generally these retrofits can generally be made within a five-year window.

With respect to school districts, retro-commissioning should be considered as a cost-effective initial effort for energy conservation. AHFC's analysis found that "[s]ince every school district except Anchorage has an average ECI of greater than \$2 per square foot and some schools have issues with deferred maintenance, retro-commissioning is likely to be very cost effective." This report includes data on ECI, a number of other recommendations that are still relevant to Alaska's public facility managers.

Measures that would be considered by these entities are substantially similar to what has been described for other entities in this section.

#### **Funding Landscape**

The cost of materials and labor for major maintenance can be prohibitively expensive in Alaska, especially in rural communities. In addition to these economic drivers, access to funding for major maintenance has been exacerbated by the ongoing state fiscal crisis which has exacerbated the maintenance condition of both state and municipal facilities.

Even when federal and state grants allow facility managers to consider implementing energy efficiency upgrades, finding non-federal match funds can be a major barrier to these projects. While some home rule municipalities may issue bonds, generally revenue conditions are not sufficient to pay back this debt in a reasonable period.

Action	Estimated Cost
UA - Campus Energy Projects	\$50,000,000
DOT&PF - State Facilities Retrofits	\$50,000,000
DEED - CIP Program Support	\$66,296,653

Table 6: Non-residential budget estimates

### Transformative Impacts

For state facilities, reduced energy usage means deeper savings that reduce expenses give state agencies more fiscal flexibility that allows more complete funding of public services. For the University of Alaska, these projects provide a direct benefit to students, faculty, and staff while also producing savings that support other services and offset the need for revenue such as increased tuition. Actions that produce reduced fuel combustion in Fairbanks helps reduce criteria pollutants which could help address that community's status as a PM2.5 nonattainment area.

Reduced fuel consumption can mean big differences for rural communities in Alaska. First of all, revenue for municipal governments in rural Alaska can be quite limited as communities can have a very restricted tax base; by reducing a reliably costly expense like heating oil, these essential governments may have greater fiscal resilience to economic shock and they may have more flexibility to invest in other needed areas. Reduced fuel use also may mean that fuel deliveries do not need 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. This reduced reliance on importation of fossil fuels can make a huge difference for the most remote communities in Alaska.

### Estimated Emissions Reduction

There is varying degree of certainty regarding emissions reduction, depending on whether the energy project is already scoped or if it needs to be identified with an energy assessment or similar tool.

To capture the potential emissions reduction from significant investment in non-residential energy efficiency that these measures represent, quantification was completed by modeling the impact of energy efficiency upgrades for 1050 geo-coded public buildings around the state, representing roughly 25% of all public buildings across the state.

CO2e Reduction (Annual Metric Tons by 2030)	CO2e Reduction (Through 2030, cumulative metric tons)	CO2e Reduction (Through 2050, cumulative metric tons)
60,761	243,044	1,458,264

TABLE 7: Non-residential Estimated Emissions Reductions

### *Mendenhall Wastewater Treatment Plant*

#### Summary

The Mendenhall Wastewater Treatment Plant stands out as the largest and most energy-inefficient municipal facility within the City and Borough of Juneau (CBJ). A crucial hub for the community's waste management, this facility has been a stalwart but increasingly inefficient in its energy consumption. Its two fuel oil boilers, now in their 38th year of service, have been the primary workhorses behind the plant's operations, requiring 214,000 gallons of oil annually to power the municipally owned utility.

The passage of time has taken its toll on these boilers, which have reached the end of their 35-year service life and are in need of replacement. Recognizing the imperative for a sustainable energy shift, this measure calls for the replacement of one of the two aging boilers with an electric boiler. This transformation is projected to yield substantial savings, estimated at approximately 80,000 gallons of oil each year over the electric boiler's 35-year life cycle, amounting to an impressive 2.8 million gallons saved. While the replacement of a single boiler might initially appear as a modest endeavor, its impact is anything but insignificant.

In fact, this conversion to clean and renewable hydro-powered electricity carries profound implications, extending beyond the walls of the Mendenhall Plant. In its inaugural year of operation, this transition

promises to reduce the collective carbon dioxide (CO<sub>2</sub>) emissions from all CBJ-managed facilities—excluding schools and hospital buildings—by 11%. This significant reduction underscores the project’s significance in both environmental and community terms, marking a pivotal step toward greener and more sustainable municipal operations.

CBJ, with its proven track record and systematic approach to energy efficiency enhancements, stands well-prepared to implement this transformative measure. It is part of a broader strategy that aligns seamlessly with CBJ’s Juneau Renewable Energy Strategy<sup>38</sup> (JRES). As a cornerstone of JRES, this project contributes to the overarching goal of increasing renewable energy usage to a remarkable 80% of the total community energy consumption by the year 2045. Thus, it not only addresses the immediate energy efficiency needs of the Mendenhall Plant but also reflects CBJ’s steadfast commitment to a more sustainable and eco-friendly future for Juneau and its residents.

#### Estimated Emissions Reduction

Metric	Emissions Reduction
Fuel Oil Savings	80,000 gallons per year
CO <sub>2</sub> e Reduction	711 metric tons per year
Percentage of Total CBJ Emissions	Over 11% of CBJ facility emissions (2021, excluding schools and hospital buildings)
Overall CBJ Emissions Reduction	More than 5% reduction in CO <sub>2</sub> emissions (2021 GHG Emissions Inventory Update) when considering all operational emissions (buildings, equipment, fleet, etc.)

TABLE 8: CBJ Estimated Emissions Reduction

#### Community Benefits

Community benefits stemming from this project encompass both tangible and long-lasting advantages for the residents of Juneau. One of the primary benefits lies in the reduction of energy costs, a factor that directly impacts the economic well-being of the community residents. By mitigating the potential for long-term fuel cost increases, this project holds the promise of curbing the necessity for future rate hikes by the water utility. This is particularly significant for lower-income residents, it should be noted that this initiative extends its reach to benefit those residing in the federally designated disadvantaged community of Lemon Creek, represented by Census tract 4.

The City & Bureau of Juneau has already conducted an evaluation of replacement options for the Mendenhall Plant’s outdated boilers. This evaluation estimates that with an electric boiler there would be a projected energy use cost savings of \$5 million over the 35-year life cycle of this sustainable infrastructure. Replacement of the current boiler with an electric boiler also offers significant potential for emissions reduction, aligning with environmental goals and promoting cleaner air for the entire community. It is crucial to acknowledge that the initial capital costs for bringing an electric boiler online amounts to nearly \$10 million, a financial commitment that surpassed CBJ’s fiscal capacity without substantial grant funding assistance.

In the absence of support from programs like the CPRG (Community and Project Renewable Generation) or equivalent grant funding, CBJ would be compelled to proceed with the installation of two new fuel oil boilers. This scenario is driven by the fiscal realities faced by the community, and it underscores the challenges of funding such crucial projects independently, especially within the constraints of a municipality like Juneau. The reliance on external grant funding becomes not just an option but a vital

38 <https://renewablejuneau.org/policies-for-renewables/cbj-renewable-energy-strategy/#:~:text=This%20ambitious%20energy%20strategy%20brings,hydroelectricity%20%E2%80%93%20for%20roughly%20100%20years.>

lifeline for realizing both the economic and environmental benefits that this project promises to deliver to the community for generations to come.

### Timeline

The timeline of this project is dependent on the procurement equipment lead times. Installment of electric boilers could be completed by 2026 if funded.

### Project Budget Estimate

Item	Cost
Electric Boiler (equipment, parts, construction, etc)	\$5.5 million
Escalation, Contingencies, Design, CBJ Admin, etc	\$1.6 million
CBJ-side Electrical Upgrades	\$2.5 million
AELP-side Electrical Upgrades	\$150,000
<b>Total Budget</b>	<b>\$9,750,000</b>

TABLE 9: CBJ Budget Estimate

### Other Funding Sources

CBJ is committed to funding both the purchase and construction/installation expenses associated with the secondary fuel oil boiler, which will serve as a crucial backup to the electric boiler. This proactive measure not only enhances the facility's resilience but also aligns with sustainability goals by introducing a significantly more efficient alternative to the aging fuel oil boilers. The addition of this new boiler is anticipated to yield even greater reductions in greenhouse gas (GHG) emissions. The estimated cost for the acquisition and implementation of the new fuel boiler is projected at \$3 million, reflecting CBJ's commitment to investing in cleaner and more energy-efficient solutions for its municipal facilities.

## C. Solid Waste

### *Central Peninsula Landfill Methane Capture Project*

#### Summary

The Central Peninsula Landfill (CPL) has been actively receiving Municipal Solid Waste (MSW) in its lined landfill cells since 2006. Presently, there are three open cells, with Cell 3 currently in active use. Given the landfill's size, the Kenai Peninsula Borough has not been obligated to actively collect landfill gas from these cells. Instead, passive horizontal gas vents have been installed throughout the cells to release any landfill gas into the atmosphere. An ongoing project is in progress to install a new leachate concentrator at CPL, which will have the capability to utilize landfill gas, resulting in significant savings on natural gas consumption. Furthermore, our local electrical energy cooperative is exploring the feasibility of installing a landfill gas-powered generator. This generator not only holds the potential to provide sustainable energy to the Borough but also to capture waste heat from its operation for use in the concentrator.

The Central Peninsula Landfill is the MSW landfill serving the Kenai Peninsula that is accessible by road. The Central Peninsula Landfill processes waste from a range of communities, spanning from Homer to Hope and Seward. Currently, the methane produced from the waste degradation process is passively released into the atmosphere. However, it's well-established in the industry that collecting and burning methane through a flare is a standard practice that mitigates methane emissions and harnesses its potential.

Beyond the environmental benefits of reducing methane emissions, CPL recognizes the opportunity to put this valuable resource to practical use within our facility. KPB has initiated a project to introduce a new leachate concentrator at CPL, specifically designed to handle the leachate generated within

the landfill cells. This concentrator will be equipped with a flare capable of burning both natural gas and landfill gas to power its equipment processes. Additionally, it can utilize waste heat to drive its operations. Once this state-of-the-art concentrator is installed, anticipated in the summer of 2024, we will be equipped to directly utilize landfill gas to power the evaporator, thereby significantly reducing our reliance on purchased natural gas. This, in turn, will lead to substantial utility cost reductions for both the landfill and the Borough.

The regional electric cooperative, Homer Electric Association, is actively exploring the feasibility of introducing a landfill gas-powered generator at the CPL site. There is potential to provide a renewable energy source for the Peninsula, further contributing to the emissions reduction potential of this project. Additionally, the waste heat generated by this generator could be captured and channeled into the leachate concentrator, further reducing waste and diminishing the need for gas consumption in the concentrator's operations. Although this project is currently in the design phase, it presents a promising avenue for a mutually beneficial partnership that aligns with our commitment to environmental stewardship and resource efficiency.

### **Community Benefits**

The first notable benefit of this project is its capacity to significantly reduce the release of methane into the atmosphere within the Kenai Peninsula Borough. Historically, the landfill has been a substantial source of greenhouse gas emissions. By mitigating methane venting, this project would actively address localized environmental concerns and contribute to sustainable waste management for the Kenai Peninsula Borough.

In tandem with the reduction in methane emissions, another crucial advantage lies in the decreased reliance on natural gas at the landfill site. The new leachate concentrator is rated to use 18,000 CFH of natural gas. Any offset of this usage is a benefit in reducing emissions, saving taxpayer funds and reduction in usage of natural gas that is projected to be in short supply in coming years<sup>39</sup>. By optimizing the Central Peninsula Landfill's energy usage and minimizing the consumption of natural gas, this project embraces both fiscal responsibility and proactively responds to the challenges posed by an evolving energy landscape.

### **Estimated Emissions Reduction**

Landfill gas, a byproduct of the decomposition of organic waste, comprises a complex mixture of gases. It typically contains approximately 50-55% methane, 45-50% carbon dioxide, and less than 1% of non-methane organic compounds, along with trace amounts of inorganic compounds. Methane, a predominant component of landfill gas, is a particularly potent greenhouse gas, possessing the ability to trap heat in the atmosphere 28 to 36 times more effectively than carbon dioxide over a 100-year period. Understanding the composition of landfill gas and the environmental implications of its emissions is critical in developing strategies to mitigate its impact.

Gas to energy initiatives, such as this proposed project, are designed to capture a substantial portion of the methane generated by landfills, with capture rates typically ranging from 60% to 90%, contingent on the efficiency and effectiveness of the system in place. The captured methane can then be repurposed, typically by burning it to produce electricity or heat, converting it into water and carbon dioxide in the process. This not only mitigates the release of methane, a potent greenhouse gas, into the atmosphere but also harnesses it as a valuable energy resource.

In the context of the Central Peninsula Landfill, the significance of landfill gas management becomes apparent when examining the emissions data. In 2022, the existing leachate concentrator was

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39 <https://alaskapublic.org/2023/06/02/alaskas-natural-gas-shortage-how-did-we-get-here-and-what-comes-next/>

## STATE OF ALASKA PRIORITY SUSTAINABLE ENERGY ACTION PLAN

responsible for producing 2,255.3 metric tons of carbon dioxide (CO<sub>2</sub>) through the combustion of natural gas. With the introduction of the new unit, it is anticipated that this figure will surge by approximately 250%, resulting in the generation of 5,638.3 metric tons of CO<sub>2</sub>. Concurrently, the landfill itself was estimated to emit 2,125.96 metric tons of methane in 2022, a value that is expected to increase annually as waste continues to be deposited in the landfill. Implementing a landfill gas capture system with a capture rate of 60-90% could have averted the release of 1,275.6 to 1,913.4 metric tons of methane into the atmosphere while reducing natural gas usage for necessary operation of the leachate concentrator, a significant reduction with important environmental implications.

The following total CO<sub>2</sub>e reduction was calculated using the LFG Benefits Calculator, pulling from EPA's Landfill Methane Outreach Program (LMOP) database.

CO <sub>2</sub> e Reduction (Annual metric tons)	CO <sub>2</sub> e Reduction (Through 2030, cumulative metric tons)	CO <sub>2</sub> e Reduction (Through 2050, cumulative metric tons)
49,067	196,268	1,177,607

TABLE 10: CPL Estimated Emissions Reduction

### Implementation Schedule

Project Phase	Duration
Grant acceptance and pre-planning	1 month
Design procurement	3 months
Design of project	6 months
Construction procurement	2 months
Construction, installation, and startup	12 months
Project Close out	1 month
<b>Total project duration</b>	<b>25 months</b>

TABLE 11: CPL Implementation Schedule

This table outlines the estimated duration for each phase of the project, as well as the total project duration, which ranges from 24 to 30 months based on project scheduling variability.

### Proposed Metrics

The proposed project encompasses a multifaceted approach to maximize the efficient utilization of landfill gas at the Central Peninsula Landfill (CPL). Central to this initiative is the installation of gas meters strategically placed along the gas lines. Complementing the installation of gas meters, the project also includes the implementation of a Supervisory Control and Data Acquisition (SCADA) system. By monitoring gas flow rates, pressures, and other critical parameters, the SCADA system will track the usage and gas volumes over the lifetime of the project.

### Funding Landscape

The total construction cost of this project is estimated to be \$4,160,000.

There are currently no funds appropriated for this stand alone project. The Homer Electric Association is actively searching for funds for construction of the proposed combined heat and power project mentioned in the above measure narrative.

### *Southeast Alaska Composting Program*

#### **Summary**

Southeast Alaska tribal communities face an urgent solid waste management crisis, with most tribal communities relying on environmentally risky Class III landfills or shouldering the economic burden of shipping waste to the lower 48 states. The pressing need for immediate action arises to reduce greenhouse gas emissions, protect local resources, mitigate and alleviate the economic strain on these underserved and overburdened communities. Additionally, recognizing the significance of composting emerges as a crucial aspect in this comprehensive, region-specific emission reduction measure. Composting not only reduces greenhouse gas (GHG) emissions, but also reduces the volume of waste sent to landfills, enriches the soil, and contributes to the preservation of local ecosystems while promoting sustainable agricultural practices. Implementation of composting initiatives alongside other waste management strategies becomes imperative in addressing the urgent challenges faced by Southeast Alaska tribal communities, ensuring the protection of our local drinking water sources, subsistence resources, and overall health of our tribal communities.

The Central Council of The Tlingit and Haida Indian Tribes of Alaska (Tlingit & Haida) is proposing a measure to design and construct composting facilities tailored specifically for four tribal communities (Wrangell, Hoonah, Petersburg, Yakutat) and one urban city (Juneau) in the Southeast Alaska region. The proposed measure to establish composting facilities within tribal communities under the stewardship of Tlingit & Haida presents a robust and sustainable solution to mitigate greenhouse gas emissions while fostering environmental stewardship and community resilience. By strategically partnering with tribal communities, this measure aims to address solid waste management challenges while simultaneously reducing greenhouse gas emissions through composting organic waste.

Tlingit & Haida's expertise in collaborative stewardship projects and its established government-to-government relationship uniquely positions the organization to spearhead this initiative effectively. Led by Director Desiree Duncan and supported by a dedicated team with decades of combined experience in grant management, program implementation, and environmental stewardship, Tlingit & Haida brings a wealth of knowledge and expertise to the table. The organization's Environmental Manager and Environmental Coordinator possess extensive experience in managing environmental grants and solid waste programs. Their leadership ensures the smooth execution of the proposed measure, from establishing partnership agreements with tribal communities to developing comprehensive scope of work reports and service agreements with contractors.

Additionally, Tlingit & Haida's recent success in securing the EPA Solid Waste Infrastructure for Recycling (SWIFR) grant underscores its capacity to leverage funding opportunities and implement large-scale environmental initiatives. With the support of the Regional Greenhouse Coordinator, and Environmental Specialist, the organization is well-equipped to navigate the complexities of composting infrastructure development and optimization.

By integrating composting facilities into tribal communities and providing training on proper composting techniques, Tlingit & Haida not only facilitates substantial reductions in greenhouse gas emissions but also fosters community empowerment and capacity building. The proposed measure aligns with the organization's commitment to enhancing and protecting land, environment, and culture while promoting sustainable development and resilience within tribal communities. Through collaborative efforts and strategic partnerships, Tlingit & Haida aims to establish a model for sustainable waste management that can be replicated and scaled across regions, ultimately contributing to significant, long-term emissions reductions and environmental stewardship.

### Community Benefits

The Central Council of the Tlingit & Haida Indian Tribes of Alaska is a federally recognized tribal government representing 37,000 tribal citizens in 18 villages and communities in Southeast Alaska – most of which are not connected to a road system and are only accessible by boat or plane. Being remote and often isolated, Southeast Alaska Native Villages and the areas of Wrangell, Prince of Wales, and Metlakatla are underserved and identified as being disadvantaged according to the EPA Climate and Economic Justice Screening Tool. These tribal communities in Southeast Alaska often have inadequate and unsustainable management of organic resources.

The proposed measure goes beyond immediate environmental concerns and GHGs emission reduction; this measure is geared towards fostering collaboration, capacity building, and information exchange throughout the region. By establishing a network for cooperation among tribes, government entities, non-profits, and other groups, the measure seeks to strengthen the collective ability of tribal communities in Southeast Alaska to implement and sustain effective organics recycling programs. Additionally, the proposed measure emphasizes the cultural and economic significance of the region's lands, waters, and wildlife, aiming to connect and restore these vital elements that form the foundation of the communities' cultural existence and economic welfare. Overall, this measure represents an inclusive approach, aligning with Tlingit & Haida mission, and positioning the tribal government as a regional coordinator for collaborative stewardship projects that address the unique challenges of organic resource management in Southeast Alaska.

Communities shipping waste to out-of-state landfills can attain cost savings by locally diverting heavy food waste and producing compost on-site, thereby reducing dependence on expensive soil amendments. Composting programs can be scaled up more quickly and are less expensive than landfills or incinerators. These incentives encourage active engagement in this effort, fueled by the potential for localized waste management solutions and economic benefits tied to compost production.

The benefits of this measure will extend to the entire Southeast Alaska region, including tribal communities, municipalities, residents, businesses, and the environment. Community gardens, food producers, gardeners, school gardens, and the entire region can benefit from locally sourced compost for local agriculture, food security, and food sovereignty. The local economy will benefit through revenue generation, job creation and cost savings through organics recycling. This regional measure will help to safeguard drinking water sources, protect subsistence resources, enhance community aesthetics, and promote the overall well-being and sustainability of our region.

### Estimated Emissions Reduction

CO2e Reduction (Annual metric tons)	CO2e Reduction (Through 2030, cumulative metric tons)	CO2e Reduction (Through 2050, cumulative metric tons)
48,206	144618.15	293719462.7

TABLE 12: CCTHA Estimated Emissions Reduction

This quantification is based on a Waste Reduction Model (WARM)<sup>40</sup> using data from the following reports: Wrangell Integrated Solid Waste Management Plan Updated December 2021, Yakutat Tribe Environmental Department Soil Security Stewardship (Compost) Data January 20, 2021, Municipality of Skagway Solid Waste and Recycling Management Plan February 28, 2013. Additionally estimates for Juneau were based on the Juneau Commission on Sustainability (JCOS) Juneau Solid Waste Factsheet dated March 12, 2021. The tonnage of compostable items for each community was calculated using

40 <https://www.epa.gov/warm>

the percentages of food, yard trimmings, paper, and cardboard identified in the waste characterization studies and the annual total tonnage disposed of in the landfills or shipped to the lower 48 states. The calculated total CO2E reduction value represents the maximum potential for 100% diversion of all compostable items for 5 communities in Southeast Alaska.

### Implementation Schedule

#### Phase 1: Planning and Design (01/2025 - 06/2026 1.5yrs)

Milestone 1. Establishing partnership agreements with tribal communities (MOAs/MOUs) - Outline roles and responsibilities for collaboration.

Milestone 2. Developing Scope of Work Report - Conduct site assessment and feasibility studies to evaluate potential locations for composting facilities.

Milestone 3. Service Agreements with Contractors - Identify qualified contractors with experience in composting facility design, construction, and operation.

Milestone 4. Developing Initial Composting Infrastructure Design Options - Site layout, equipment specifications, waste handling process. Present design to tribal communities for review and feedback.

#### Phase 2: Implementation (07/2026 - 11/2028 2.5yrs)

Milestone 5. Procurement - Issue Request for Proposals (RFPs) for composting equipment, infrastructure, and solid waste management consulting.

Milestone 6. Installation of Composting Infrastructure - Begin construction of composting facilities based on approved designs, site inspections to verify design specifications and timelines.

Milestone 7. Develop comprehensive Standard Operating Procedures (SOPs) detailing the protocols for operating and managing the composting facilities. These SOPs will outline guidelines for waste segregation, composting processes, equipment maintenance, safety procedures, and quality control measures.

Milestone 8. Equipment Testing and Optimization - testing of composting processes, train staff and community members on proper composting techniques.

Milestone 9. Reporting and Documentation - Compile data on composting performance, including waste diversion rates, greenhouse gas emissions reduction, and compost quality.

#### Phase 3: Data Collection and Sustainability (12/2028 - 12/2029 1yr)

Milestone 10. Long-term Monitoring and Evaluation - Collect data on key indicators such as waste diversion rates, greenhouse gas emissions reductions, and community engagement levels.

Milestone 11. Sustainability Planning and Capacity Building -Identify funding sources and opportunities for revenue generation. Build capacity within tribal communities to independently manage and operate composting facilities. Roadblocks: Regulatory compliance, community engagement, funding constraints.

### Proposed Metrics

The proposed measure for establishing composting facilities within tribal communities in Southeast Alaska under the stewardship of the Central Council of The Tlingit and Haida Indian Tribes of Alaska (Tlingit & Haida) will be tracked using various metrics to gauge progress and effectiveness. These metrics include:

- Type of equipment installed for each community: This metric will track the actual implementation of composting infrastructure within tribal communities and urban areas, including Wrangell, Hoonah, Petersburg, Yakutat, and Juneau.

- Volume of organic waste diverted from landfills: Tracking the amount of organic waste diverted from Class III landfills or shipments to the lower 48 states will indicate the effectiveness of the composting facilities in reducing the burden on existing waste management systems.
- Reduction in greenhouse gas emissions: Quantifying the reduction in greenhouse gas emissions resulting from the implementation of composting initiatives will provide insight into the environmental impact of the measure. This could include metrics such as tons of CO2 equivalent emissions avoided through composting.
- Number of community members trained in composting techniques: Monitoring the number of community members trained in proper composting techniques will demonstrate the level of engagement and capacity building achieved within tribal communities.
- Investment in composting infrastructure: Tracking the investment made in designing, constructing, and optimizing composting facilities will provide insight into the financial commitment and resource allocation towards waste management solutions.
- Job creation and workforce development: Assessing the number of jobs created and workforce development opportunities generated through the implementation of composting initiatives will demonstrate the economic benefits and community empowerment achieved.

By tracking these metrics, Tlingit & Haida can effectively monitor progress, identify areas for improvement, and demonstrate the tangible benefits of the proposed measure in addressing solid waste management challenges, reducing greenhouse gas emissions, and fostering environmental stewardship within Southeast Alaska tribal communities.

### **Funding Landscape**

The estimated cost for this program is just under \$15M.

Tlingit & Haida has been awarded the following grants for work related to solid waste:

- EPA Solid Waste Infrastructure for Recycling (SWIFR) grant - currently in awarding process for \$1,499,999 to establish a regional recycling hub and expand Tlingit & Haida's current composting program which will help bolster this measure.
- USDA Composting Food Waste Reduction (CFWR) grant - awarded in 2023 for \$375,000 for composting infrastructure including an in-vessel composting and storage building.

Current funding being considered:

- Denali Commission Regional Solid Waste Management Planning funding for \$500,000 to develop detailed community Organics Recycling Plans (ORPs) tailor to community specific needs and establish a composting network between tribes and municipalities in Southeast Alaska.
- Alaska Native Tribal Health Consortium (ANTHC) funding for \$50,000 to develop detailed community planning for recycling and composting on a smaller scale while also establishing a community network for recycling and composting in Southeast Alaska.

## **D. Transportation**

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### *Green Corridor – Juneau Port Electrification*

#### **Summary**

The cruise industry is a major economic feature along the southern coast of Alaska. In 2001, the world's first shore power facility for cruise ships was installed at one of the two private cruise ship docks serving Juneau's visiting cruise ships with success, continuing to serve ships over twenty years later. Communities like Juneau receive as many as seven ocean-class cruise ships daily.

Juneau is one of three communities in Alaska to have an approved climate action plan addressing emissions reduction measures, with a goal of reducing emissions 25% by 2032. There is greater public ownership of shoreside infrastructure in Juneau than some other communities, as two of the four cruise ship berths in Juneau are municipally owned.

The development of shore power in Juneau serves as just a portion of the Green Corridor project<sup>41</sup> being lead in collaboration with the Port of Seattle and other partners. The Port of Seattle says that “A green corridor is a shipping route where zero greenhouse gas solutions are considered, demonstrated and supported. Green corridors—through collaboration across sectors—establish the technological, economic, and regulatory feasibility needed to accelerate implementation of low and ultimately zero GHG emission vessels.”

As a “first mover” of the Green Corridor project, Juneau serves as an example for infrastructure being developed in other “first mover” communities in Southeast Alaska, like Sitka, Haines, and Skagway as well as other communities who are exploring cruise terminal shore power like Ketchikan and Whittier.

### Proposed Measure

#### *City & Borough of Juneau*

The City and Borough of Juneau’s objective is seeking to install equipment at their two cruise docks to provide shore power to the ships moored there, thus substantially reducing the emissions produced by the on-board generators during the “hoteling” that occurs while the ship is at port. This electrification would greatly reduce criteria pollutant emissions in one of the densest areas of Juneau, while also greatly reducing greenhouse gas emissions by shifting energy use to the Alaska Electric, Light, & Power (AEL&P) grid which has 100% of its firm electrical needs supported by hydroelectric power.

Other Alaska communities and ports along the green corridor could develop projects to a similar scope and scale of what has been proposed in Juneau.

### Timeline

The engineering effort for Juneau’s project will require a 12-month period to complete, which will also be used to apply for additional funding. With the completion of design and development of construction documents, as well as the final acquisition of funding, the project will be bid. The project may be segregated into two phases, allowing one shore power facility to be constructed before full acquisition of funds needed to complete the second facility. The bid period is anticipated to require a 2-month period. After award of a construction contract is received, the acquisition of transformers, high-voltage switchgear, stationary or floating support structure at the dock, and shore power deployment equipment will take 12 to 24 months. Construction can be completed within 12 months.

Design and Construction Documents	12 Months
Grant Applications (concurrent with design)	18 Months
Bidding	2 Months
Procurement	12 to 24 Months
Construction	12 Months

TABLE 13: Green Corridor - Juneau Implementation Timeline

Similar projects in other communities may have longer timelines than Juneau due to additional time needed for feasibility and other initial scoping.

41 <https://www.portseattle.org/projects/exploring-green-corridor-cruise-pacific-northwest-alaska>

### Funding Landscape

An application seeking \$1,500,000 in funding for this project via the 2022-2023 Diesel Emissions Reduction Act (DERA) National Grants was submitted.

In 2022, the City and Borough of Juneau committed \$4,900,000 to this project and additional funding will be contributed using local funds generated by cruise industry fees and additional grants.

### Transformative Impacts

The proposed cruise ship dock electrification will reduce exposure to criteria pollutants in the downtown business district and nearby residential neighborhoods. The reduced air emissions and health impacts will further benefit Juneau's efforts to provide EJ to the elderly, under-served, and children residing in the downtown Juneau port area. Juneau was a PM-10 nonattainment area in 1987 and a redesignated maintenance area in 2013.

Juneau is also home to two federally recognized tribes and is thus considered partially disadvantaged according to the EJScreen tool. The Douglas Indian Association includes over 700 tribal members, with its historic townsite located across the water from the cruise docks. The Central Council of Tlingit & Haida Indian Tribes of Alaska, which is headquartered in downtown Juneau, has 24,000 active enrolled citizens with a portion of this population residing in the community. Juneau's population is 19% Alaska Native, with a substantial younger population representing 25% of all Juneau youth.

The broader Green Corridor project could help address environmental justice and economic opportunity needs along the entire corridor proposed.

### Estimated Emissions Reduction

The electrification of both the north and south berth of the Juneau project would likely produce the following emissions reduction.

CO2e Reduction (Annual metric tons)	CO2e Reduction (Through 2030, cumulative metric tons)	CO2e Reduction (Through 2050, cumulative metric tons)
7,795	31,180	187,080

TABLE 14: Green Corridor Estimated Emissions Reduction

## Electric Vehicle Supply Equipment Installation Program

### Measure Summary

The proactive installation of Electric Vehicle Supply Equipment (EVSE) in both urban and rural Alaska communities will serve as a vital step in bridging the existing funding gaps between private and public programs, with a primary objective of alleviating range anxiety among electric vehicle (EV) drivers and promoting EV adoption throughout Alaska. This project aligns seamlessly with the state's comprehensive NEVI strategic plan, which through thorough evaluation sited both Level 2 and Level 3 charging stations at key locations. Level 2 chargers cater to urban areas, providing convenient daily charging solutions, while Level 3 chargers are more conducive to locations along major long-distance routes, facilitating quick recharges during extended journeys.

In a collaborative effort alongside the Department of Transportation and Public Facilities (DOT&PF), the Alaska Energy Authority (AEA) actively spearheads the implementation of Alaska's share of the National Electric Vehicle Infrastructure (NEVI) funding. This joint endeavor is driven by the shared goal of maximizing resources and efficiently developing a comprehensive and robust EV charging network that is designed to meet the unique needs and challenges of Alaska's diverse landscape.

The significance of this infrastructure development cannot be overstated, as it directly addresses the critical funding gaps that have hindered the expansion of EV infrastructure. By strategically placing charging stations, this measure aims to reduce range anxiety, thus creating a market environment conducive to increased EV adoption. In essence, this initiative plays a pivotal role in fostering seamless charging experiences and removing existing barriers to EV adoption, ultimately contributing to a cleaner and more sustainable transportation sector in Alaska. Furthermore, an infusion of funding into this endeavor follows a similar model to the NEVI funding program, ensuring a streamlined and efficient allocation of resources to further accelerate the growth of EVs across the state.

### **Community Benefits**

The program aims to achieve several key objectives including enhancing clean transportation access and addressing environmental concerns. One of its primary goals is to enhance clean transportation access by strategically siting charging stations and increasing the number of EV charging stations located in Justice40 areas. This effort is designed to alleviate the burden of transportation energy costs by providing reliable access to affordable charging, and lowering the burden of EV ownership for all.

Additionally, the program seeks to bolster the clean energy job pipeline, offering job training and establishing job-creating enterprises within disadvantaged communities. This initiative aims to generate new clean energy jobs and related opportunities, thus contributing to economic growth in these areas. Simultaneously, the program intends to reduce environmental exposures to transportation-sector emissions, benefiting the health and well-being of those communities where stations are directly sited, and those communities along impacted roadways.

Moreover, there are positive economic impacts anticipated for business owners through increased retail and site sales owing to visitation by patrons charging their electric vehicles. The program emphasizes knowledge sharing and program awareness, encouraging community engagement and fostering opportunities for dialogue. Lastly, it underscores the direct air quality improvements brought about by the deployment of charging ports, particularly in Justice40 communities. Cleaner air benefits everyone, and the transition to electric vehicles showcases these advantages, particularly in urban areas like Fairbanks, of which a portion is classified as a PM2.5 nonattainment area, where reduced vehicle emissions can substantially improve air generally poor air quality, especially during winter months where temperature inversions trap airborne pollutants near the ground. This program represents a multifaceted approach to creating a more sustainable and healthier transportation ecosystem for all Alaskans.

### **Estimated Emissions Reduction**

Based on the International Council on Clean Transportation's (ICCT's) Global Comparison of the Life-Cycle Greenhouse Gas Emissions of Passenger Cars<sup>42</sup>, an estimated amount of carbon emissions was determined for Internal Combustion Engine (ICE) vehicles and Electric Vehicles (EVs). The ICCT report identified life-cycle emissions per mile driven and also categorized the emissions into Passenger Cars (PCs) and Sport Utility Vehicles (SUVs). A comparison was made between the two fuels for PCs and SUVs, and it was determined that electric PCs have an annual benefit of 13.4 g CO<sub>2</sub> / mile reduction and electric SUVs have an annual benefit of 15.2 g CO<sub>2</sub> / mile reduction.

Alaska's vehicular fleet is comprised of 76% trucks and SUVs and 24% PCs and minivans, so a blended rate was compiled. Since Alaskan's drive an average of 11,111 miles per year<sup>43</sup>, the result is each EV conversion results in a reduction of 166,665 g CO<sub>2</sub>, or 455 tons CO<sub>2</sub> per year. The National Renewable Energy Lab estimates that by 2030 there will be a need for 28 million charging ports to support the

42 <https://theicct.org/wp-content/uploads/2021/07/Global-Vehicle-LCA-White-Paper-A4-revised-v2.pdf>

43 <https://www.policygenius.com/auto-insurance/average-miles-driven-by-state/>

estimated 33 million EVs on the road<sup>44</sup>. This conclusion results in the need for 0.848 ports per EV. Therefore, each port can be concluded to reduce emissions by 536 tons CO<sub>2</sub> per year.

This measure can be applied to each port deployed and scaled as the program expands. Further, Alaska will measure the adoption rates as it relates to the increase in the number of ports to determine if further correlation exists. The measure will also be compared with port usage to ensure that the station and ports are receiving usage to support the carbon reduction claims.

Each site will follow requirements and standards set in Title 23 for the National Electric Vehicle Infrastructure (NEVI) program in that four ports will be deployed at each site. Each site will provide a benefit of reducing CO<sub>2</sub> emissions by 2,144 tons per year.

### Implementation Schedule

This measure has an anticipated project timeline of three years. Major project tasks will include: community outreach in targeted communities, administration of requests for applications in said targeted communities to select charger site hosts, a competitive selection process, and installation and commissioning of related EVSE.

### Proposed Metrics

At the highest level, the metric for the success of this measure will be the number of EV charging stations installed. Each site will follow the requirements and standards set in Title 23 for the National Electric Vehicle Infrastructure (NEVI) program with four ports deployed at each site. It is estimated that each site will provide a reduction of CO<sub>2</sub> emissions up to 2,144 tons annually. Post installation the utilization of these ports can be monitored to document use and track the actualized emissions reduction on an annual basis.

### Cost Estimate

Budget Component	Estimated Cost (Per Site)	Number of Sites	Total Estimated Cost
Level 3 Charging	\$600,000	15	\$9,000,000
Level 2 Charging	\$15,000	40	\$600,000
<b>Total Project Budget</b>			<b>\$10,000,000</b>

TABLE 15: EVSE Cost Estimate

### Funding Landscape

While no other funding for this measure has been committed to date, potential funding to leverage in support of this project includes; the National Electric Vehicle Infrastructure (NEVI) Program, the Charging and Fueling Infrastructure (CFI) Program, and the potential of a site host/ community match from those communities targeted in this effort.

## E. Electric Generation

### Dixon Diversion Project

#### Summary

The Dixon Diversion project is a significant expansion of the Alaska Energy Authority (AEA)-owned Bradley Lake Hydroelectric project. This project aims to divert water from the Dixon Glacier through a diversion dam and a five-mile underground tunnel into Bradley Lake. From there, the water will flow into an existing hydroelectric power plant connected to the main Railbelt electric grid. The Railbelt is the

44 <https://www.nrel.gov/docs/fy23osti/85654.pdf>

electrical system serving 75% of the state’s population stretching from Homer to Fairbanks. This project also includes modifications to the Bradley Lake Dam, increasing its full pool height by up to 28 feet.

The Dixon Diversion project will harness renewable energy with minimal localized environmental impact, making it a promising step towards a more sustainable energy future for Alaska. The addition of this project is a key assumption shared across all feasible scenarios in long-term Railbelt grid energy planning completed by NREL (National Renewable Energy Laboratory) and ACEP (Alaska Center for Energy & Power) that was conducted in 2022 and 2024 respectively.

**Emissions Reduction**

The Dixon Diversion project will convey water from the Dixon Glacier Basin into Bradley Lake, resulting in an estimated increase of 190,000 MWh per year in energy production resulting from the additional inflows to the lake and from higher head pressures associated with the dam raise. This remarkable surge in energy equates to a 50% boost to the Bradley Lake hydroelectric project, which currently supplies about 10% of the Railbelt’s electric demand. The increased capacity of hydro generated electricity for the Railbelt can be achieved with a limited environmental footprint. This project includes the construction of only one mile of new road, utilization of less than five acres for the diversion dam, an underground tunnel, and the inundation of up to 400 acres due to a higher lake level. Importantly, Bradley Lake is an alpine lake that is not an existing fish habitat, minimizing ecological impact.

AEA has a proven record of accomplishment in managing projects of similar scope. In 2020, the AEA successfully completed the Battle Creek Diversion project, a similar expansion to the Bradley Lake project. With its experience and expertise, the AEA is well-positioned to implement the Dixon Diversion project.

**Proposed Implementation Schedule**

Year	Project Activity
2024	Geotechnical investigations near the entrance and exit of the Dixon Tunnel
2024 -2026	Comprehensive study activities
2027-2030	Construction

TABLE 16: Dixon Diversion Implementation Schedule

**Community Benefits**

The benefits of this project will positively impact all Alaskans. Dixon Diversion stands as one of the largest renewable projects ever undertaken in the state, promising cheaper and more reliable hydroelectric power that will lower electricity costs for Railbelt consumers. This, in turn, will indirectly reduce energy costs for Power Cost Equalization (PCE) ratepayers throughout Alaska. The project’s storage component offers a significant advantage over other renewable resources like solar and wind, allowing Railbelt utilities to reliably dispatch renewable power throughout the year – with the additional water storage capacity, utilities will be able to regulate non-firm energy generators more easily on the grid, indirectly fostering additional non-firm generation development.

The project would offset 190,000 MWh/year of natural gas-generated electricity on Alaska’s Railbelt electric grid, resulting in substantial CO2e emissions and a more resilient grid. This does not account for the potential emission reductions as a result of intermittent renewable generation projects that are newly dispatchable by utilities thanks to the project’s increased energy storage component. Additionally, the Dixon Diversion project is expected to displace at least 1.5 billion cubic feet of natural gas annually, offsetting a portion of anticipated Cook Inlet natural gas supply shortages in the coming decade.

CO2e Reduction (Annual metric tons)	CO2e Reduction (Through 2030, cumulative metric tons)	CO2e Reduction (Through 2050, cumulative metric tons)
131,094	262,188	2,884,068

TABLE 17: Dixon Diversion Estimated Emissions Reduction

**Funding Sources**

The current total project budget for completion of the project stands at \$342,000,000, which includes a contingency fund. The following funding has already been committed:

Funding Source	Amount
State of Alaska (FY24 Funds)	\$5,000,000.00
Renewable Energy Fund Grant	\$1,000,000.00
Utility Contributions	\$1,360,000.00

TABLE 18: Dixon Diversion Budget Estimate

**Community Electric Generation and Transmission Projects****Summary***Railbelt Electric Grid*

Alaska's Railbelt grid is the largest electric grid in Alaska, supplying power to approximately 70% of Alaska's population. This system stretches from Homer to Fairbanks and consists of a number of intertied, member-owned utility cooperatives. In recent years, two detailed studies<sup>45,46</sup> have been conducted to assess the feasibility and impacts of decarbonizing the Railbelt grid over the next 25 years. These reports have presented and analyzed potential scenarios and timelines, but generally consider it feasible to achieve 80 percent generation within the Railbelt by 2040. This measure supports generation projects that work towards that goal.

*Remote, Islanded Electric Grids*

Through tribal CPRG planning and other previous energy planning work, there are a significant number of emissions reducing projects across rural Alaska which have conducted and completed feasibility, conceptual design, and advanced-stage design work. Often, the high cost of logistics to bring these projects to completion results in these planned and designed projects languishing in limbo at the expense of the respective community's residents. These projects should not be expected to deliver complete replacement of diesel generation, but rather they can reduce reliance on aging diesel equipment and gradually increase renewable electric generation. This measure would seek to support these remote, islanded electric grid projects that aren't otherwise captured in a tribal PCAP.

**Proposed Measure**

Alaska's tribes and municipalities provide essential services in the maintenance of the critical energy infrastructure that support Alaska's communities; their role is especially important in the state's most geographically remote communities. Even in communities where they do not operate the utility, they will often work closely with the utility as a major customer and landowner.

This measure would support projects delivered by a municipality, tribe, or related entities (including state agencies) directly as well as in partnership with electric cooperatives or Independent Power Producer (IPP) which delivers renewable generation that offset fossil fuel generation. These projects

45 (Cicilio & et al., 2023)

46 (Denholm, Schwarz, DeGeorge, Stout, & Wiltse, 2022)

include (but are not limited to) wind, solar, hydroelectric, hydrokinetic, nuclear, and geothermal and must be able to be integrate and interconnect into the local electric grid both effectively and beneficially.

The electric utility landscape in Alaska is diverse and at is generally operated and maintained by entities within the local community. To incorporate new, clean generation in an effective manner, upgrades relating to existing diesel generation, transmission, and distribution may be as important to emissions reduction as the generation themselves. Components of these projects may include diesel power plant improvements, such as switch-gear upgrades, that are necessary for the successful integration other generation types but are severely limited in their eligibility for other sources of funding. Transmission and distribution projects that enable greater access and deployment of affordable, reliable, and emissions-reducing generation are also considered as part of this measure.

Per EPA guidance, a project must be ready-to-implement. For the sake of this plan, we consider this to be a project coming online by 2029 at the latest; although projects that are partially designed may be require an even shorter time to completion. In addition to lasting GHG reduction, critical metrics that project sponsors should keep track of include improved grid resilience and reliability, decreased community energy burden, decreased hazardous air pollutants, and increased generation capacity that enables the future beneficial electrification of other community sectors.

### **Funding Landscape**

Many federal and state programs provide funding for eligible electric generation projects, including the Renewable Energy Fund, as mentioned later in this plan. Unfortunately, national competitive funding opportunities are frequently difficult to access for Alaska projects, especially for remote, islanded grid communities. Beyond the limited nature of funding, there are a combination of factors that make federal funding for Alaska rural energy projects difficult to access. These include logistical hurdles – which increase costs and timelines – and administrative burdens – which decrease the ability of short-staffed utilities to respond. Additionally, with inability to fully-substitute diesel fueled electric generation with renewable generation owing to considerations for life and safety, with many potential renewable generation types characterized as intermittent in their ability to deliver power when it is needed, many of the critical projects regarding operational and efficiency upgrades to diesel-generation related infrastructure are found to be ineligible for such national, competitive opportunities and otherwise.

### **Transformative Impacts**

#### *Railbelt Electric Grid*

In response to a natural gas shortage that is the result of declining production and availability of known supply in the Cook Inlet, in January 2024<sup>47</sup> a coalition of eleven mayors throughout the Railbelt region began convening together to assess their respective communities' energy needs and begin to chart a path forward through this crisis which threatens high cost burdens associated with higher input costs for Railbelt electric utilities including more costly utility bills, reducing both the discretionary income of both residents and businesses alike, with potential deleterious effects including a reduction in local consumption and consequently, overall decreased available capital for business reinvestment. With electric utility costs being a primary cost input regarding cost-of-living expenses, there also remains additional risk that such cost escalations may result in further out-migration from Alaska to elsewhere in the nation. Large-scale renewable energy projects that seek to offset the predominantly natural-gas-fueled Railbelt generation may help delay this crisis coming to a head, support greater adoption of beneficial electrification in the buildings and transportation sector, and ultimately make Alaska's energy system more resilient in the face of global economic disruptions that would add to the already volatile markets for carbon-based fuels.

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47 <https://alaskapublic.org/2023/12/13/southcentral-alaska-mayors-form-coalition-to-address-looming-natural-gas-shortfall/>

*Remote, Islanded Electric Grids*

The characteristics of remote, islanded electric grids in Alaska can differ substantially depending on factors such as community size, the utility owner and/operator, and geographic location. While benefits are best inferred for specific projects, it can be generally said that reduced diesel generation can improve air quality, strengthen community resilience, and reduce operating costs associated with the power plant. While most scenarios don't allow communities to entirely substitute all diesel generation, projects that allow significant reductions in plant runtime can have a substantial impact on all of these factors. When projects are implemented by IPPs, there are proven mechanisms whereby PCE subsidies can be maintained in such a way that utilities can remain financially solvent as they are faced with the added expenses related to the renewable energy infrastructure.

Less fuel consumption also means that fuel deliveries do not have to occur as regularly, resulting in greater resilience to disruptive events concerning fuel conveyance such as freight disruption by weather and disaster that may materially delay fuel shipments. Over the long-term, reduced dependence on diesel may mean that bulk fuel systems in some rural Alaska communities will not need to maintain such high levels of available fuel, reducing a community's exposure to risks regarding spills such as surface water contamination, fire, and/or personal injuries.

Greater resilience and community energy independence are critical needs that can be met by electric generation and transmission projects for remote grids in Alaska.

**Measure Quantification***Railbelt Grid*

For the sake of quantifying potential emissions reduction for the off-set of fossil fuel consumption, we presumed a 1000 GWh/year reduction of fossil fuel generation (primarily natural gas) across Railbelt communities. This quantification also presumes that this generation is replaced by zero-emission generation, such as (but not limited to) wind, solar, hydroelectric, hydrokinetic, and geothermal. This quantification also presumes a gradual ramp-up of generation capacity towards a 10% reduction between 2025 and 2030.

*Remote, Islanded Electric Grids*

For the sake of quantifying potential emissions reduction for the off-set fossil fuel usage, we presumed a 10% GWh reduction of fossil fuel generation (primarily Diesel #1) across non-Railbelt communities. This quantification also presumes that this generation is replaced by zero-emission generation, such as (but not limited to) wind, solar, hydroelectric, hydrokinetic, and geothermal. This quantification also presumes a gradual ramp-up of generation capacity towards a 10% reduction between 2025 and 2030.

Measure	CO <sub>2</sub> e Reduction (Annual Metric Tons by 2030)	CO <sub>2</sub> e Reduction (Through 2030, cumulative metric tons)	CO <sub>2</sub> e Reduction (Through 2050, cumulative metric tons)
Railbelt	555,601	798,645	11,910,665
Non-Railbelt	31,248	829,893	1,454,853

TABLE 19: Community Generation & Transmission Estimated Emissions Reduction

These measure quantifications are hypothetical. Many communities may look to reduce their diesel usage and increase their energy resilience by integrating renewable energy generation, while retaining generators as a safety measure in case of disasters. The State of Alaska views renewable energy options as an opportunity to grow strength and capacity within our isolated communities.

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***AEA DERA, VEEP, and Rural Distribution Programs*****Summary**

The Alaska Energy Authority (AEA) is spearheading a comprehensive measure proposal aimed at addressing critical energy challenges faced by rural communities in Alaska. This proposal encompasses three key components: Diesel Emissions Reduction Act (DERA) Program Expansion, Distribution System Upgrades, and the Village Energy Efficiency Program (VEEP). AEA is committed to making substantial, long-term emissions reductions while simultaneously delivering numerous benefits to these remote communities.

The State DERA program, in which the Alaska Energy Authority (AEA) participates, relies on annual funding from Congress, with states applying for DERA funds based on population. Additionally, EPA oversees a competitive tribal DERA program that awards funds nationwide.

DERA encompasses a variety of project types, ranging from replacing school buses to upgrading railroad engines. AEA, on behalf of the State of Alaska, exclusively utilizes DERA funds to replace prime power diesel engines in rural Alaska. These engines typically operate 24/7 and have a substantial impact on air quality in rural communities.

In most rural Alaskan communities, the absence of a larger electric grid requires them to generate electricity locally. Small diesel power plants are used for this purpose, creating isolated grids. These diesel engines emit pollutants and are inefficient, which results in both increased fuel consumption and higher power costs. Installing newer, certified, and more efficient engines helps reduce emissions per unit of fuel and improves electricity generation efficiency. AEA's existing annual [DERA work plan](#) includes specific estimates for each community.

The Alaska Legislature established the Village Energy Efficiency Program (VEEP) in 2010 as an Alaska Energy Authority (AEA) grant program aimed at reducing per capita consumption through energy efficiency. VEEP's objective is to actively implement energy and cost-saving efficiency measures in buildings and facilities within small, high-energy-cost Alaska communities.

**Proposed Measure**

AEA will issue sub-award grants to replace diesel engines in rural Alaska communities, expanding the scope of the EPA's DERA program. These communities rely on small diesel power plants to generate their electricity, and many of these plants use older, high-emission engines. AEA's program aims to replace non-certified and lower-tier diesel engines with cleaner Tier 2 and 3 marine engines and low particulate matter (PM) emitting nonroad engines. These upgrades enhance performance and reduce emissions.

AEA compiles a priority list for engine replacements within communities, highlighting eligible ones.

AEA will issue sub-award grants to upgrade distribution systems in rural Alaska communities, enhancing efficiency and sustainability. These microgrids, predominantly diesel-generated, are over 50 years old and in need of modernization.

The upgrades will reduce line losses, diesel fuel usage, and ensure readiness for renewable energy integration.

AEA will work in coalition with tribal consortia, including Tanana Chiefs Conference, to advance qualified high-energy cost communities for energy-efficient upgrades to public buildings and infrastructure. AEA will also issue sub-award grants through an RFA for Alaska communities not part of the coalition effort.

**Measure Activities*****DERA***

The replacement of older engines with certified marine engines is expected to result in immediate fuel savings and emissions reductions. Over the long term, DERA engines are estimated to provide fuel savings, emission reductions, and health benefits for many years.

## STATE OF ALASKA PRIORITY SUSTAINABLE ENERGY ACTION PLAN

### *Distribution*

Upgrades are anticipated to significantly reduce line losses, improving energy efficiency and environmental impact. Reduced reliance on diesel generators will lead to lower emissions, better air quality, and lower costs.

### *VEEP*

Over past VEEP solicitations, 56 communities have offset a total of 1,189,463 kWh/year, demonstrating the effectiveness of energy efficiency in reducing diesel consumption. The program not only saves costs but also enhances community safety through improved community/street lighting.

### **Capacity to Implement**

AEA has a strong track record in rural energy infrastructure development, with projects spanning power generation, bulk fuel facilities, distribution systems, renewable energy integration, and maintenance. Recent powerhouse upgrade projects and VEEP solicitations illustrate AEA's commitment to rural energy solutions.

### **Estimated Emissions Reductions & Community Benefits**

Program	Emissions Reductions	Community Benefits
DERA	Replacement engines in Akiachak have demonstrated the following reductions: <ul style="list-style-type: none"> <li>• 23% NOx reduction,</li> <li>• 93% PM2.5 reduction</li> <li>• 75% HC reduction</li> <li>• 46% CO reduction</li> <li>• 7% CO2 reduction</li> <li>• Over a 10-year lifespan, substantial emissions reductions.</li> </ul>	<ul style="list-style-type: none"> <li>• Improved air quality in communities</li> <li>• Reduced fuel costs for residents due to increased engine efficiency</li> </ul>
Distribution	Reduced line losses through distribution upgrades	<ul style="list-style-type: none"> <li>• Cost savings for residents and businesses through energy efficiency upgrades</li> <li>• Environmental benefits, including reduced emissions, promoting sustainability and improved health</li> </ul>
VEEP	Collectively offset a substantial amount of kWh annually, leading to long-term emissions reductions.	<ul style="list-style-type: none"> <li>• Economic benefit to communities through cost savings from energy efficiency improvements</li> <li>• Enhanced safety in public areas with improved lighting</li> </ul>

TABLE 20: DERA/VEEP/Distribution Estimated Emissions Reduction & Benefits

### **Implementation Schedule**

Program	Duration	Justification
DERA	Approximately 2 years	Project span includes complexities, construction season, and supply chain challenges
Distribution	Approximately 2 years	First year focused on planning, design, permitting, and procurement
VEEP	5 years	Administering \$10 million over five years for VEEP projects

TABLE 21: DERA/VEEP/Rural Distribution Implementation Schedule

**Proposed Budget**

Program	Cost Estimation	Description
DERA	\$10 million	Engine replacements in over 150 communities
Distribution	\$10 million	Distribution upgrades in communities in need
VEEP	\$10 million	VEEP programs over five years

TABLE 22: DERA/VEEP/Rural Distribution Budget

**Funding**

This measure would leverage existing funding sources and partnerships including State of Alaska matching funds, the Denali Commission, BIA and EPA grants, community matching funds, and DOE programs.

Expanding the DERA program, upgrading distribution systems, and enhancing energy efficiency through VEEP will address rural Alaska's energy challenges in a multi-prong effort. These activities promise long-term emissions reductions, economic benefits, and improved quality of life for rural communities while leveraging multiple funding sources to achieve these benefits.

***AEA Solar for All Program*****Summary**

Solar for All (SFA) is an impactful measure proposed by the Alaska Energy Authority (AEA), in collaboration with the Alaska Housing Finance Corporation (AHFC), aimed at bringing solar-centric renewable energy solutions to the forefront of Alaska's energy landscape. The primary objective of this program is to facilitate the widespread deployment of solar photovoltaic (PV) infrastructure across the state of Alaska, with a targeted focus on PV development for low-income and disadvantaged households.

Comprising two components, SFA encompasses an AEA-managed initiative that funds community solar and battery projects, primarily in those rural and/or remote areas of Alaska. Concurrently, AHFC will oversee a residential rooftop solar installation program, catering to eligible low-income and disadvantaged households. By bridging this divide, the program strives to make renewable energy accessible to many Alaskans who would otherwise be financially challenged and unable to utilize solar PV technology. The successful execution of SFA promises substantial reductions in carbon dioxide emissions by mitigating the reliance on natural gas-generated electricity.

In terms of its timeline and scalability, the Solar for All program is slated for completion within a span of five years. However, it is worth noting that the program remains fully adaptable to absorb additional funding should it become available. Furthermore, SFA dedicates resources to bolster the initiative through workforce development, technical support, rooftop upgrades, and community outreach, ensuring that the benefits extend beyond energy generation and encompass various facets of Alaskan society.

AEA's approach draws upon the lessons and framework established by the Renewable Energy Fund, while AHFC's experience in implementing its successful Weatherization Program is directly complementary to its management of the residential rooftop solar component. With solar PV systems known for their long useful life and minimal maintenance requirements, these installations promise to provide sustainable electricity production for over three decades. Moreover, community-scale solar PV integration with Battery Energy Storage Systems will fortify electrical distribution in select rural Alaska communities, delivering both resilience and reliability for the foreseeable future, further solidifying SFA's position as a transformative program, diversifying Alaska's energy landscape.

### Estimated Emissions Reductions

If fully funded this measure is estimated to reduce emission equivalent to 11,202 tons of CO<sub>2</sub> annually, or 336,060 tons of CO<sub>2</sub> over a 30-year project life cycle.

### Community Benefits

A distinguishing feature of this initiative is its unwavering commitment to directly benefit low-income and disadvantaged households. With no financial burden imposed on participants, the program becomes readily accessible to such low-income and disadvantaged households, granting access to the transformative potential of renewable energy to those who might otherwise never have the opportunity. For an average participating household, the program is projected to yield approximately a 40% reduction in their annual electricity bills, making it a compelling proposition for those seeking economic relief from rising energy costs.

Beyond the immediate cost savings, the Community Solar PV and Battery projects play a pivotal role in bolstering the reliability and resilience of aging and isolated microgrids scattered throughout the state of Alaska. The risk of damage to associated community infrastructure for microgrid-communities face significantly increases when blackouts occur, especially during the harsh winter months when rapid freeze-ups can damage the fragile above-ground water and sewer systems. Integration of Solar PV and Battery systems into the existing diesel grid will be a game-changer, significantly diminishing the frequency, duration, and impacts of these disruptive events. In essence, this program serves as a lifeline for communities in dire need of enhanced energy stability.

Furthermore, the Solar for All program is set to cultivate a local Alaskan-grown solar workforce. This endeavor is provided for by substantial investment in workforce development programs and a surge in demand for solar installations. This dual approach not only promises to expand and augment the expertise and capacity of the domestic Alaskan solar industry but also paves the way for future solar development opportunities that extend beyond the scope of the program. It is an endeavor that not only promises immediate benefits but also lays the foundation for future sustainable growth and innovation in Alaska's energy sector.

### Implementation Schedule

AEA envisions a five-year implementation period of this project. Year one will be dedicated to planning activities, including project partner engagement, community outreach, and multi-agency collaboration for workforce development.

### Measure Metrics

The proposed metrics to track the progress and impact of this project include the number of households impacted, and the electric bill savings of said households. Other metrics that apply to this project are featured in the following table:

Metric	Unit
Solar Capacity Deployed	14.3 MW
Battery Storage Capacity Deployed	5.7 MWh
Average Rooftop Solar Array Size	6 kW
Annual Emissions Reduction	11,446 mtCO <sub>2</sub> e

TABLE 23: Solar for All Metrics

### Funding Landscape

In October 2023, the Alaska Energy Authority (AEA) submitted a grant application to the Environmental Protection Agency (EPA) as part of the Solar for All program with a proposed budget of \$100 million. This

initiative was part of a broader, nationally competitive program with a \$7 billion budget allocated for renewable energy projects.

AEA's application was one of two submissions from Alaska for this program. The Tanana Chiefs Conference (TCC) partnered with the Alaska Native Tribal Health Consortium (ANTHC) to submit a separate proposal, reflecting the collective effort within the state to harness the potential of solar energy. AEA anticipates notice on the status of this application in March of 2024.

#### Cost Estimate

Item	Cost Estimate
AEA Community-Owned Solar + Battery	\$41.3MM
AEA Administration, Travel, Overhead	\$5.1MM
AHFC Residential & Multi-family	\$40MM
AHFC Enabling Rooftop Upgrades	\$3.5MM
AHFC Program Administration & Overhead	\$3MM
Workforce Development, Technical Assistance, Community Outreach	\$7.1MM
<b>Total Program Budget</b>	<b>\$100MM</b>

TABLE 24: Solar for All Cost Estimate

#### *AEA Renewable Energy Fund*

The Alaska Energy Authority (AEA) is looking to augment its Renewable Energy Fund Grant Program<sup>48</sup> (REF). The REF is a proven grant program which provides critical financial assistance in support of the feasibility, design, construction, and integration of renewable energy projects throughout the state. The REF provides financial support and incentive for sustainable renewable energy development in Alaska enabling the harnessing of Alaska's vast potential of renewable energy potential. Under AEA leadership and administration, this measure will continue to deliver substantial, long-term reductions in emissions, bolster the capacity to scale renewable projects, and provide immense benefits to Alaskan communities statewide.

#### Summary

The Renewable Energy Fund was established in 2008, has been a beacon of success in the journey towards renewable energy adoption. With over \$317 million in state-appropriated grants, it has achieved remarkable results. An independent impact analysis revealed that the REF offset approximately 85 million gallons of diesel fuel, equivalent to 5% of all petroleum consumed in Alaska in 2021. It also reduced 2.2 million cubic feet of natural gas and mitigated 1,063,500 net metric tons of carbon dioxide emissions.

This initiative has not only saved an estimated \$53 million in net energy costs but has also had a significant impact on employment, generating an estimated 2,931 additional jobs across the state. Beyond direct state investment, the REF has leveraged over \$300 million in external funding, supporting federal opportunities, local contributions, and additional capital for projects. Moreover, the REF program was renewed indefinitely in May 2023, showcasing its importance to Alaska's energy landscape.

Administered by AEA, the REF boasts a dedicated team with experience in managing grant awards. A 9-member advisory committee has successfully overseen the program since its inception, ensuring its continued effectiveness.

48 <https://www.akenergyauthority.org/What-We-Do/Grants-Loans/Renewable-Energy-Fund>

### Estimated Emissions Reduction

The REF has a proven track record in reducing electric generation and transmission-related emissions. Through its awarded projects, the REF has helped to offset millions of gallons of diesel fuel, natural gas, and carbon dioxide emissions. For Round 16, AEA evaluated 28 applications, with 24 passing economic and technical feasibility evaluations. These projects are estimated to reduce emissions by 1,186,857 tons of CO<sub>2</sub> annually, or a total 24,278,625 tons of CO<sub>2</sub> over their lifespan. Even with conservative estimates, the emissions reduction potential is significant.

### Community Benefits

The REF focuses on LIDAC communities, with 80% of past awards granted outside the Railbelt region. It delivers numerous advantages, including reducing reliance on carbon-based fuels, thereby stabilizing energy costs, improving air quality by offsetting diesel generation, enhancing energy security, and creating new jobs in the renewable energy sector. It is an inclusive initiative that benefits those diverse communities across Alaska.

### Proposed Timeline

Activity	Time Period
Allocation of \$100 million	Ongoing
Solicitation for projects	Summer 2024 (occurs annually)
Recommendations to Alaska State Legislature	January 2025 (occurs annually)
Grant awards for funded projects	Beginning July 2025 (ongoing)
Procurement, installation, construction	Beginning Fall 2025 (ongoing)
Allocation of \$100 million	Ongoing

TABLE 25: REF Proposed Timeline

### Metrics

To assess measure progress, AEA will employ various metrics, including program expenditures, renewable capacity deployed, battery storage capacity, renewable power produced, CO<sub>2</sub> emissions avoided, and diesel fuel reduction.

### Proposed Budget

Program	Proposed Budget	Implementation Period
Renewable Energy Fund	\$100 million	Five-year period

TABLE 26: REF Proposed Budget

This table outlines the proposed budget of \$100 million for the Renewable Energy Fund and the intended implementation period of five years for CPRG measures.

### Funding Sources

The REF is primarily funded through state appropriations by the Legislature, with no statutory obligation to fund the program. Historically, funding availability has been linked to the state's fiscal health, resulting in years where the program went unfunded owing to budgetary constraints. Despite these challenges, the REF has persevered and remains a vital tool in Alaska's renewable energy development toolkit.

The Alaska Energy Authority's Renewable Energy Fund has a proven track record of reducing emissions, creating jobs, and advancing renewable energy development in Alaska. With dedicated leadership, community benefits, and a substantial capitalization, the REF remains poised to continue making significant strides in building a sustainable energy future for Alaska.

## F. Carbon Capture, Use, and Sequestration

### *Carbon Capture & Storage and Carbon Offset Program*

#### **Summary**

The State of Alaska is preparing to harness its abundant subsurface resources for the purpose of carbon capture and storage (CCS). Spearheaded by the State of Alaska's Department of Natural Resources (DNR), this initiative aims to make these state-owned resources accessible for CCS projects, thereby contributing to global efforts to combat climate change. To realize this vision, Governor Mike Dunleavy has put forth legislative proposals that would establish a comprehensive carbon storage program. This program's administration would fall under the oversight of the Division of Oil and Gas within DNR. With this framework in place, a range of activities would be facilitated, including in-depth research and characterization of subsurface resources, negotiations for commercial access terms, and the permitting and approval of projects situated on state-owned land. Collaboration with other state agencies, the University of Alaska system, and regulators would be pivotal in ensuring the seamless execution of these endeavors.

In addition to the CCS-focused program, DNR has already been actively involved in tackling greenhouse gas emissions through its Carbon Offset Program. This existing initiative focuses on a multifaceted approach that includes both nature- and technology-based solutions. To support the development of projects aimed at reducing greenhouse gas emissions, the program has identified key infrastructure enhancements. Among these are the improvement of roads and bridges providing access to forested state lands. Such enhancements would enable more active forest management, the implementation of carbon-boosting silviculture practices, reforestation efforts in areas impacted by beetle infestations and wildfires, and terrestrial storage of biomass, thereby preventing its release into the atmosphere through combustion or natural decomposition.

DNR's strategic investments encompass the acquisition of portable biochar equipment. This technology allows for the conversion of biomass, including timber residues and beetle-killed trees, into a stable carbon product, bolstering carbon sequestration efforts. Additionally, the construction of additional electric vehicle charging stations aligns with the Alaska Energy Authority's (AEA) ongoing EV Infrastructure Plan, facilitating the growth of electric vehicles, which contribute to greenhouse gas reduction efforts. By engaging staff from various divisions within DNR, such as Forestry & Fire Protection, Mining, Land, & Water, and the Office of Project Management & Permitting, and by leveraging the capacity to collaborate with project developers and secure additional state funding when necessary, DNR is well-equipped to implement these initiatives efficiently.

#### **Community Benefits**

Carbon sequestration and carbon removal projects in Alaska present employment opportunities, improved air and water quality, improved fish and wildlife habitat, improved access for recreation, hunting, fishing, and other subsistence uses, and other associated environmental and cultural benefits.

#### **Implementation Schedule**

The Carbon Offset Program was authorized by the Alaska Legislature in May of 2023. Efforts are currently underway to hire staff, enact a regulatory framework, establish contracting procedures, and identify suitable carbon removal projects. Regulations are anticipated to be enacted by May of 2024, with the goal of beginning the registration process for carbon removal projects in August of 2024.

The Administration is proposing the Legislature enact the carbon capture and storage (CCS) program this (2024) legislative session. The Department of Natural Resources will then proceed with regulation development and implementation as necessary.

### **Measure Metrics**

The most direct metric for the Carbon Offset Program will be the number of in-development and accredited carbon removal projects on state lands. Secondary metrics would include the number of miles of forested roads and bridges constructed that improve access to carbon removal project areas, the purchase and deployment of biochar equipment, and the construction of electric vehicle charging stations.

For the carbon capture and storage (CCS) program, while there may be many other intervening measures of success (resource assessment data gathered, etc.) the establishment of carbon capture facilities that intend to sequester carbon dioxide in State-owned subsurface resources is the most direct metric.

### **Funding Landscape**

State funds may be allocated to CCS efforts. The University of Alaska may pursue characterizations efforts as well, along with federal agencies, such as the U.S. Geological Survey, and/or private industry entities.

For the Carbon Offset Program, \$649,000 in ongoing operating funding is appropriated annually for program-related staff and \$425,000 in capital funding was appropriated in FY24 for carbon removal project development over the next five years.

### **Cost Estimate**

This project is in a preliminary stage. Assessments to confirm subsurface resources are available for sequestration are scalable to any cost level, and would result in more expansive and/or definitive information about potential to sequester carbon dioxide.

For infrastructure improvements that would support carbon and other greenhouse gas removal projects under the Carbon Offset Program, costs would be dependent upon additional assessments of the number of road miles and bridges that would need to be constructed to access the areas with the highest potential for carbon and GHG removal projects, the number of biochar equipment needed to address the most critical and prospective carbon-reducing areas of the 2+ million acres of beetle-killed and fire-affected state forestlands.



## IV. Initial Workforce Planning Analysis

### Employment Data

Looking first at the more traditional measure of unemployment, Alaska’s unemployment rate remains near the historic low of 3.6% in May 2023<sup>49</sup>. While the unemployment rate is even lower in urban areas, unemployment remains high in most rural areas. For example, December 2023 unemployment (not seasonally adjusted) sat at 9.8% in the Bethel Census Area and 7.4% in the Nome Census Area, while Anchorage and the Mat-Su sat at 4% for the same period<sup>50</sup>. The prime-age employment gap data confirms that parts of the state are doing relatively well by that measure, other parts of the state have gaps of as much as 39 percentage points and all of the state’s economic development regions have pockets with high gaps.

Based on projections by the Alaska DOL&WD<sup>51</sup>, from 2020 to 2030 there will be about 1600 vacancies per year for positions that require postsecondary training or education. The 2022 excess unfilled job vacancies included approximately 3000 positions for which employers typically require or prefer postsecondary education. Alaska lags U.S. averages, however, ranking 46th in November 2023<sup>52</sup> seasonally adjusted unemployment rate. In 2021 and 2022 the Alaska job opening rate increased and ranged between about 8 and 14% (seasonally adjusted). The highest rates correspond to a ratio of only 0.4 unemployed person per job opening. The job opening rates are the highest since the survey began in 2012 and higher and more variable than those for the national 6.5% annual average.

Both national and state numbers show job openings are much higher than before the pandemic<sup>53</sup>. Three factors have been cited to explain this worker shortage: retirements and early retirements of the large “Baby Boom” cohort; difficulty in obtaining child care; and in Alaska, outmigration of working-age adults. In September-October 2022, Alaska labor force participation rate was 65.6% and the labor force was 62.7% of the population, the highest values since 2017 and 2015, respectively. Both slightly exceeded the 2019 percentages. In the last 50 years the peak labor force participation was 75.3% and the peak labor force percentage of the population was 69.8%, both in 1989, and there has been a slow, steady decline since then. This is attributable to an aging population. Alaska’s participation rate is unlikely to improve further without support.

49 <https://www.bls.gov/web/laus/laughsthl.htm>

50 <https://live.laborstats.alaska.gov/data-pages/labor-force-home>

51 <https://live.laborstats.alaska.gov/occfst/occupations>

52 <https://live.laborstats.alaska.gov/trends-magazine/2024/January/outlook-for-alaska-jobs-in-2024>

53 <https://labor.alaska.gov/trends/aug22.pdf#page=12>

In addition to the aging population, the Alaska worker shortage is exacerbated by outmigration. Net outmigration of young adults developed after 2015, and outmigration of all working age groups has increased. Given the normal labor participation rates in 2022, outmigration appears to be an important reason for the continuing worker shortages. From 2015 to 2020 Alaska lost an annual average of 5070 residents aged 15 to 64. The cumulative 6-year loss is 8.5% of the average labor force during that period. In 2020, there were about 110,000 jobs in Alaska that required postsecondary education, about 30% of total jobs. The total projected job openings for the period 2021-2030 are 11% or 12,000 per year. However, most of those will be transfers to other positions in Alaska, often within the same career or industry.

The following describes potential careers for clean energy, including many careers that do not currently exist or marginally so in Alaska: environmental technician, wind turbine technician, planner, solar installer, air quality engineer, energy auditor, energy manager, utility operator, energy engineer, health and safety officer, siting assessment and permitting, feedstock development, wholesale market administration, contract management, lifecycle analyst, asset management, distribution grid developer, economist, appliance distributor, financing, contracting, and procurement. For example, Alaska's Solar for All program will focus on the applicability of these careers to solar, specifically, but also look to leverage the interconnections across the clean energy industry. This recognizes the interoperability necessary and the reskilling that may occur over the course of any workforce development program.

### Workforce Challenges

Attracting, training, and placing hundreds of new workers in trade jobs in every region of the state has many challenges. Other industries will be competing for the limited supply of new workers. Another challenge is having enough qualified instructors to train the new workforce. Alaska has a shortage of trade instructors; it is a challenge to recruit instructors due to the competitive wages they can earn in their industry sector; and new instructors need to be trained in classroom management, safety, and methods for teaching technical skills. An even larger obstacle is providing training and employment for persons living in rural Alaska, where occupational training opportunities are limited and compounded by transportation, climate, and technology barriers. High school graduates and job seekers who live in rural Alaska need an assortment of support services so they can attend training and transition to work. Providing support requires having experienced case managers who can assist individuals and access resources from multiple partners on behalf of the client.

Alaska's workforce training landscape is shaped by a combination of strengths and challenges rooted in its unique geography, economy, and culture. On the positive side, the state benefits from rich natural resource industries like oil, gas, fisheries, mining, and timber, which create opportunities for specialized workforce training programs and offer job stability with competitive wages. The presence of Alaska Native corporations also plays a significant role in supporting workforce development, particularly in sectors such as construction, transportation, and tourism. Alaska boasts a network of vocational and technical education institutions, including the University of Alaska system that also serves a community college mission, regional training centers, and trade schools, which provide tailored training programs aligned with the state's workforce needs. Additionally, Alaska receives federal funding for workforce development, further bolstering training initiatives and skill-building opportunities.

However, Alaska also faces several challenges in its workforce training efforts. The state's vast size and remote communities present geographic isolation challenges, making it difficult for individuals to access training centers and educational resources. Extreme weather conditions, particularly during the harsh winter months, can disrupt transportation and training schedules, hindering residents' ability to participate in programs. The high cost of living in Alaska poses financial challenges for individuals trying to balance education and training expenses with basic living costs. The limited economic diversity, primarily reliant on resource industries, can leave the workforce vulnerable to commodity price fluctuations and affect opportunities for training in other sectors.

Seasonal employment in industries like tourism and fishing leads to periods of unemployment and reduced access to training during off-seasons. Cultural diversity, including a significant Indigenous population, necessitates culturally sensitive and accessible training programs. Additionally, addressing healthcare workforce shortages, substance abuse, and mental health issues are vital aspects of Alaska's workforce development agenda. To mitigate these challenges and leverage its strengths, Alaska's workforce development initiatives must involve multi-sector collaborations, financial assistance programs, online and distance learning options, and a commitment to addressing the unique needs of rural and Indigenous communities.

### State Energy Workforce Strategy Outline

The State's strategy to strengthen and cultivate a workforce capable of implementing the array of GHG reduction measures outlined within this plan, and to be expanded upon in the comprehensive plan, include the following:

1. Establish and cultivate increased coordinative capacity within and between the workforce and relevant sectors. This implementation strategy will support career pathways through a diverse network of training providers.
2. Expand outreach efforts to underserved and disadvantaged areas with high unemployment and underemployment. This implementation strategy will provide funding for statewide and targeted outreach efforts.
3. Increase capacity of existing place-based training programs for upskilling and reskilling Alaskans for employment in high-demand industries, implemented by prioritized region. Alaska has numerous existing training programs and facilities that have the potential to meet the training needs of Alaskans but lack the capacity to meet the demand.
4. Identify and deliver new or improved rural place-based training to underserved areas for upskilling and reskilling Alaskans for employment in high-demand industries, implemented by prioritized region and sector. This implementation strategy will focus on adding new place-based training and support systems to prioritized regions, including delivering remote training as necessary.
5. Provide wraparound support services. Implementation efforts should provide support for workers entering into training programs, including housing and childcare, travel, and supplies that alleviate the challenges identified by worker voices.
6. Strengthen economic development and the contractor ecosystem. This implementation strategy will include maintaining and cultivating partnerships with Alaska SBDC and regional development organizations (ARDORs).

Implementing projects that contribute to reducing GHG emissions will take into account Good Jobs Principles<sup>54</sup>. Alaska is committed to fostering safe, healthy, and inclusive workplaces with equal opportunity, free from harassment and discrimination. State agencies and local governments will provide multiple pathways for creating high-quality, middle-class jobs in the residential-serving distributed solar energy industry based on principles outlined below. In addition, eligible entities have considered ways to invest in training, education, and skill development and support the corresponding mobility of workers to advance in their careers. Agencies will assess collective bargaining agreements as identified throughout the life of the project.

Ideally, implementing entities will take an approach to quality jobs that means that project staff will have (1) fair, transparent, and equitable pay that exceeds the local average wage for an industry, while delivering; (2) basic benefits (e.g., paid leave, health insurance, retirement/savings plan); (3) providing workers with an environment in which to have a collective voice; and (4) helps the employee develop

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54 <https://www.dol.gov/general/good-jobs/principles>

the skills and experiences necessary to advance along a career path. In addition, the partners will offer good jobs that provide (5) predictable schedules and a safe, healthy, and accessible workplace devoid of hostility and harassment. With good jobs, (6) employees are properly classified with the limited use of independent contractors and temporary workers. Workers have a (7) statutorily protected right to a free and fair choice to join a union under the National Labor Relations Act (NLRA).

Implementing entities will ideally encourage project staff to participate in training programs and encourage contractors to offer paid time for employees to participate in skills training. This will include the provision of personalized, modularized, and flexible skill development opportunities, such as on-demand and self-directed virtual training. This will be included as part of the cohort support system established through the project. These programs will identify and provide continuing education programs for employees to earn credentials and degrees relevant to their career pathways.

### State Leadership - Alaska Workforce Investment Board

The Alaska Workforce Investment Board (AWIB) is the Governor of Alaska's appointed, lead planning and coordinating entity for Alaska's public workforce and development system. The Board provides policy oversight of state and federally funded job training and vocational education programs. Board members—who represent a variety of sectors in Alaska including business, industry, education, organized labor, and state government—examine employment trends and emerging occupations to ensure training efforts are aligned and that Alaskans are trained and ready for the jobs that pay well and are in demand.

The Board is tasked with reviewing plans and providing recommendations to the State of Alaska to further train and prepare Alaskans for the workforce - and help grow Alaska's economy. To meet the workforce needs of this plan's measures, AWIB will partner with employers to design training that includes apprenticeships as part of an implementation effort to increase the number of workers employed in emerging renewable energy and related industries. Collaborations with community-based organizations and leaders are vital to AWIB's mission of engaging with underserved communities, ensuring that our programs are inclusive and accessible.

The rapid growth of occupations in the renewable energy industry has led to many companies struggling to fill workforce shortages. Wind Turbine Technicians and Solar Photovoltaic Installers<sup>55</sup> are two of the fastest growing occupations in the U.S. Training is often on-the-job and can lead to long-term employment in the community being served. Employers also provide flexible training schedules that accommodate seasonal employment patterns and offer training during off-peak seasons. This includes ensuring that training programs are culturally sensitive and inclusive, respecting the diverse backgrounds and languages of participants, particularly in Indigenous communities.

Alaska has unique workforce challenges. To help track those challenges, Alaska's Occupational Database<sup>56</sup> was designed to help measure success and inform policy-making. AWIB will utilize collected data to accurately track training investment and jobs outcomes. This will include tracking what percentage of participants are employed after training, their average wages by occupation, and whether they are employed in Alaska one year after training. AWIB will utilize its existing workforce investment grants to support wrap-around services for workforce development and training. These fund sources include, but are not limited to the following programs: Statewide Training Employment Program<sup>57</sup>, Alaska Workforce

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55 <https://www.bls.gov/opub/btn/volume-10/pdf/solar-and-wind-generation-occupations-a-look-at-the-next-decade.pdf>

56 <https://live.laborstats.alaska.gov/occfct/usemeth.html>

57 <https://awib.alaska.gov/training-programs/step.htm>

Infusion Grant<sup>58</sup>, Training and Vocational Education Grant<sup>59</sup>, Workforce Investment and Opportunity Act funding<sup>60</sup>, and the Alaska Construction Academy<sup>61</sup>.

## Recent Workforce Developments

TREC and Solar for All are two recent program opportunities highlight the State’s approach:

### *TREC – Home Energy Efficiency Training*

Alaska’s Training for Residential Energy Contractors (TREC) program funded by DOE envisions a residential home energy efficiency training program that is focused on certifying an incumbent and new workforce, utilizing intermediary training providers like AWP, ABC Alaska pre-apprenticeship programs, and apprenticeships facilitated by the AFL-CIO, AVTEC, and UA to deliver medium and high wage occupation opportunities to disadvantaged communities. DOL&WD’s Alaska Job Centers are well-positioned to assist supporting unemployed and underemployed residents work through an intake and navigation process that leads to training partnerships, including apprenticeships and pre-apprenticeships. There is widespread support for expanding apprenticeship in Alaska, particularly due to federal support through previous USDOL apprenticeship expansion grants and progress made since the 2015 American Apprenticeship Initiative, which continues today with two active State Apprentice Expansion grants. While apprenticeships are less common in residential activities, project partners will review and identify key opportunities to make pathways available to program beneficiaries.

Construction trade skills take years of training and work experience to master the occupation. AHFC acknowledges that research indicates the most effective way to learn these skills is through a Registered Apprenticeship. In 2018, the AWIB adopted the Alaska Apprenticeship Plan<sup>62</sup>, or AAP, with strategies to expand and diversify apprenticeships. The plan has action steps to increase the number of employers that train apprentices, increase the number of industries using the apprentice model, and increase the number of women and persons of color who become apprentices. The plan calls for coordinated efforts among employers, unions, apprentice sponsors, educators, and the public workforce system. Comparing 2017 data (pre-AAP) to 2021, women apprentices increased from 10-18% and persons of color from 30-36%.

The project will engage with the DOL&WD Job Center Employment Services Center Technicians who have the ability to assess and identify current occupational needs, organize career fairs, and assess the impacts of existing workforce training. Employment Services Technicians work with university campuses, training providers, and employers to bring synergy and cohesion of activities among both campuses and statewide industry partners. The Employment Services Technicians are responsible for keeping up to date with industry needs and opportunities in the engineering and technology sectors and connecting industry partners with trainings. The tasks of the Employment Services Technicians include overseeing job placement, internships, job shadowing opportunities for students, career fairs, mentorship opportunities, interviewing/resume/skills workshops, and industry interaction with student clubs.

The National Association of State Energy Officials (NASEO) estimates that 418 jobs will be required in Alaska based on calculations<sup>63</sup> from funding for the Home Energy Rebates program. NASEO also provides state-specific wage information<sup>64</sup> related to occupations and wages, including for: electricians, insulation workers, plumbers, pipefitters, and steamfitters, construction and building inspectors, and heating, air conditioning, and refrigeration mechanics.

58 <https://aws.state.ak.us/OnlinePublicNotices/Notices/View.aspx?id=210714>

59 <https://awib.alaska.gov/training-programs/tvep.htm>

60 <https://awib.alaska.gov/wioa.htm>

61 <https://awib.alaska.gov/training-programs/aca.htm>

62 [https://awib.alaska.gov/Alaska\\_Apprenticeship\\_Plan-10-2018.pdf](https://awib.alaska.gov/Alaska_Apprenticeship_Plan-10-2018.pdf)

63 [https://www.naseo.org/Data/Sites/1/documents/tk-news/naseo\\_trec-workforce-needs-assessment\\_1a-final.pdf](https://www.naseo.org/Data/Sites/1/documents/tk-news/naseo_trec-workforce-needs-assessment_1a-final.pdf)

64 [https://www.naseo.org/Data/Sites/1/documents/tk-news/naseo\\_trec-workforce-needs-assessment\\_1d-final.pdf](https://www.naseo.org/Data/Sites/1/documents/tk-news/naseo_trec-workforce-needs-assessment_1d-final.pdf)

The project partners have outreach, pre-apprenticeship, and direct entry agreements with Alaska's Joint Apprenticeship Training Committees (JATC)<sup>65</sup>, too. The JATCs have 16 fully equipped trade schools in Alaska and offer training for 21 construction trade occupations. Each JATC supports Career and Technical Education (CTE) pathways from Alaska's secondary schools to trade apprenticeship and employment and career advancement.

### *Solar for All*

Alaska's utilities are experienced operators of power systems that experience challenging conditions. The local and regional workforce is skilled, and regularly provides training opportunities. In partnership with the Alaska Vocational and Technical school (AVTEC), AEA offers the Power Plant Operator training program that includes engine maintenance, troubleshooting and theory, electrical systems and generators, introduction to electrical distribution systems, diesel electric set operation, control panels, paralleling generator sets, load management, fuel management, waste heat recovery, plant management, and power plant safety. As part of this program, AEA will update course curriculum to be responsive to new and innovative solar system designs, and work with partners to deliver the course for participants.

At the same time, AEA's Circuit Rider Program provides eligible utilities with technical assistance to improve the efficiency, safety, and reliability of their energy infrastructure. Circuit Riders provide skilled labor to address, diagnose, and repair rural powerhouses, including to provide training for local communities to create skilled power plant labor. This program helps to reduce the risk and severity of emergency conditions. The Circuit Rider program develops strong ties with the remote Alaskan communities. The power system operator ecosystem in Alaska is interdependent, with strong collaboration between the state and utilities in ensuring system operability and community health and safety. As part of its Solar for All program, AEA will ensure that the Circuit Riders have the tools and training to increase support for community and residential solar and continues to support and train local communities in the use of improved power systems.

This project envisions a workforce ladder, utilizing intermediary training providers like AWP, apprenticeships facilitated by Alaska's labor organizations, and the university to deliver medium and high wage occupation opportunities to disadvantaged communities. Unemployed and underemployed residents will work through an intake and navigation process to ensure appropriate engagement in tracks and guidance, including support services. There is widespread support for expanding apprenticeship in Alaska, particularly due to federal support through previous USDOL apprenticeship expansion grants and progress made since the 2015 American Apprenticeship Initiative and continues today with two active State Apprentice Expansion grants. All partners will be involved in the ladder through a collaborative process.

**Trades Track** – As a coalition partner, Alaska Works Partnership (AWP) will offer pre-employment and pre-apprenticeship training through the existing Alaska Construction Academies, Women in the Trades, and Helmets to Hardhats programs. Alaska Safety Alliance (ASA) will offer pre-employment and occupational certificate training required for work on solar energy projects. Residential training centers, school districts, and apprentice sponsors will be activated to join in project activities and engage in cross-industry employment and training activities. In the past 5 years, AWP has served more than 3,500 individuals, and 75% of those served were placed in industry jobs. Of these, more than 700 entered registered apprenticeship. AWP specializes in helping underserved and underrepresented populations enter and retain employment in industry jobs that pay above prevailing wages. AWP has established relationships with industry associations, employers, unions, apprentice sponsors, Alaska Native Organizations, educational institutions, and workforce agencies, and manages \$3 million in federal, state, and local workforce grants.

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65 <https://aatca.org/>

University Track - AEA will work during the first year's planning process to work with the University of Alaska system, which has the potential to help meet workforce needs for solar energy by expanding key certificate programs and increasing industry access to trained workers. UA is not considered a named subrecipient within the program coalition. UA could expand the number of relevant certificates offered as well as promote the engineering degree programs that serve the solar sector. AEA will engage with UA during the program planning year to assess and identify current occupational needs, organize career fairs, and assess the impacts of existing workforce training. AEA can communicate to UA industry needs and opportunities in the engineering and technology sectors and help connect industry partners with students, faculty, and staff. UA may consider supporting job placement, internships, job shadow opportunities for students, career fairs, mentorship opportunities, interviewing/resume/skills workshops, and industry interaction with student clubs. AEA will encourage UA to assess current UA efforts and partnerships to evaluate the extent that current training programs are effectively meeting the needs of industry and make recommendations to strategically invest program funding to increase capacity, graduates, and the number of graduates becoming employed in these targeted sectors. UA will contribute to the project's information campaigns - data presented in the University of Alaska Workforce Reports shows that new graduates earn good salaries in most fields and their earnings increase substantially over five years following graduation. The university will consider continued expansion of online programs, informed by discussions with partners during the planning period, with a focus on adding more of the most needed workforce programs. If hands-on instruction is needed, it will be provided with intensive face-to-face components or, in some cases, internships or other on-the-job training, including through AWP. Dual enrollment opportunities are especially important for first-generation and economically disadvantaged students to increase their college graduation rates substantially.



## V. Benefits Analysis

### LIDAC Benefits Analysis

Alaska's GHG reduction measures would have a hard time impacting a community other than one considered LIDAC. The following map – produced using EPA's IRA Disadvantaged Communities tools – indicates that almost the entirety of Alaska qualifies under federal criteria, which combines CEJST and EPA EJScreen datasets – where gold indicates disadvantaged status.

The State of Alaska's PSEAP recognizes the incredible impact GHG reduction measures will have on LIDACs in the state. Measures included in this plan are responsive to CPRG's requirement that at least 40% of project benefits accrue to disadvantaged communities.

DEC has included this preliminary analysis of benefits for LIDACs anticipated to result from the GHG reduction measure(s) in their PSEAP and recognizes that EPA anticipates requiring an accounting of such benefits as part of any future CPRG implementation grant application. DEC has used the Climate and Economic Justice Screening Tool (CEJST) along with EPA's Environmental Justice Screening and Mapping Tool (EJScreen) as a supplement to CEJST.

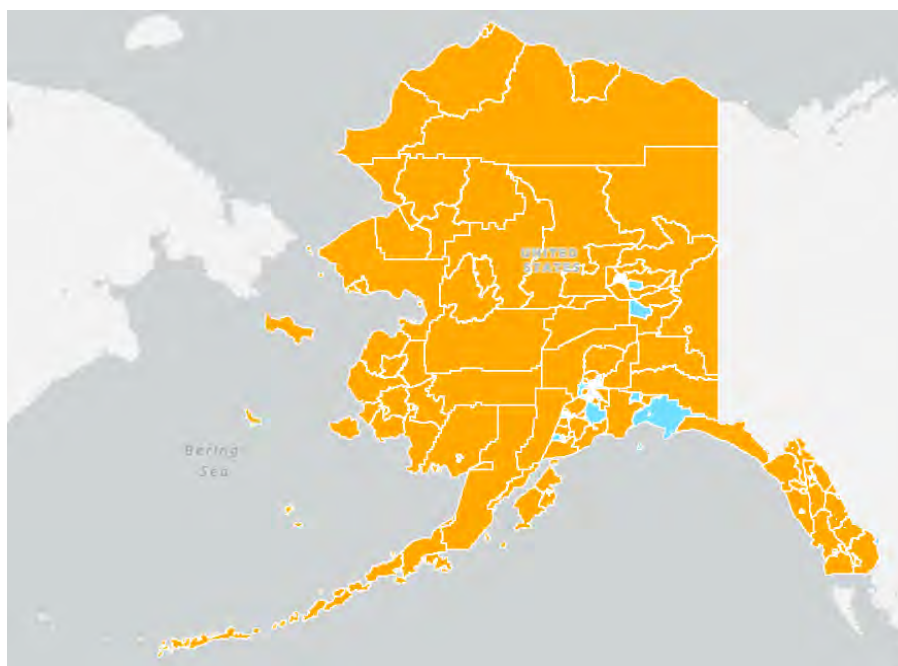


FIGURE 1: EPA IRA Disadvantaged Communities

Alaska's analysis of CEJST (August 2023) produced the following concerns or questions, which are worth considering in relation to the state's LIDAC analysis – and that of EPA.

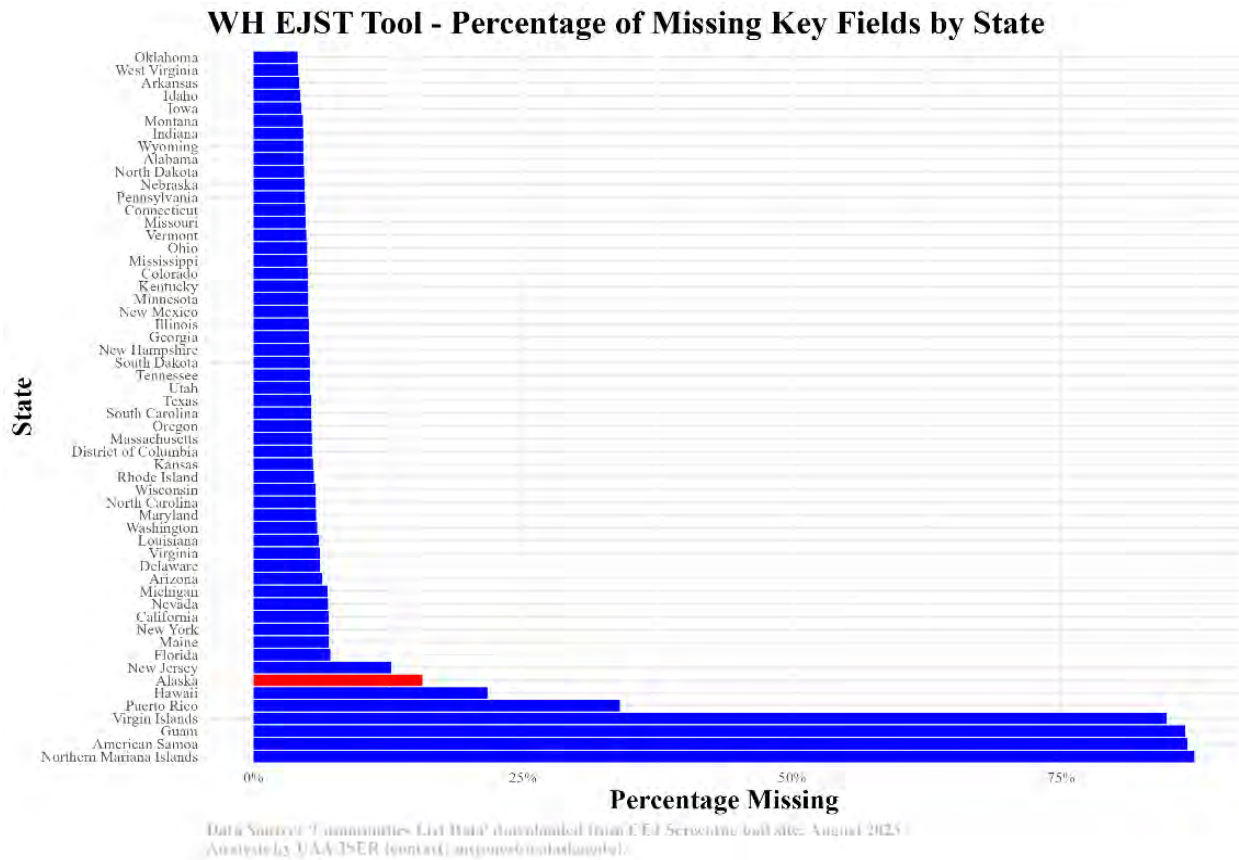


FIGURE 2: Percentage of Missing Key Fields in CEJST by State

The guiding feature of the screening tool is what makes a tract ‘disadvantaged’ (following the CEJST technical notes<sup>66</sup>): *“Under the current methodology, communities will be considered disadvantaged:*

- *If they are in census tracts that meet the thresholds for at least one of the tool’s categories of burden, or*
- *If they are on land within the boundaries of Federally Recognized Tribes.*
- *Census tracts that are surrounded by tracts that are identified as disadvantaged and meet an adjusted low income threshold are also considered disadvantaged.”*

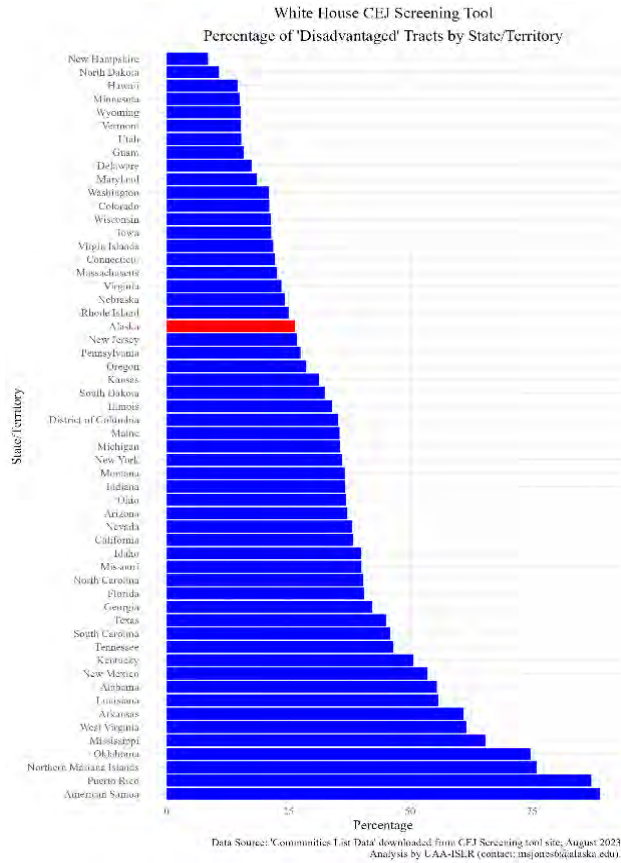
Alaska has the second highest rate of missing core fields of the 50 states, behind Hawaii.

While US territories have the most missing fields, their census tracts are much more likely to be classified disadvantaged. The percentage of AK census tracts classified as disadvantaged is slightly lower than NJ or PA.

The percentage disadvantaged by borough/census area varies considerably, and CEJST has mislabeled Kusilvak as its old name “Wade Hampton Census Area”. There is essentially no data for this tract, probably because nothing matches onto the name. This is egregious because it is one of the poorer parts of the state, and it’s just a data entry error by using an old list of ‘county’ names. The website calls this tract “partially disadvantaged” simply due to surrounding tracts being disadvantaged, but the missing income field excludes it from meeting full criteria.

66 <https://static-data-screeningtool.geoplatform.gov/data-versions/1.0/data/score/downloadable/1.0-communities-list.pdf>

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Given the “Adj. % of Indiv. <200% Fed. Pov. Line” threshold is crucial to pair with every one of the categories, [Kusilvak] is negatively impacted from gaining “disadvantaged” status by most missing fields in their core categories [aside from tribal areas concerns, listed below]. Each of their categories have been included along with the missing variable fields in Appendix A, LIDAC Benefits Analysis.

The CEJST technical notes claim that more variables are used in the disadvantaged calculation than the map tool shows (those extra variables are also present in the dataset download, but it’s unclear how/ if they are used). For example, ‘historical underinvestment’ is claimed to be in the housing category, but the map dropdown menu shows no such variable directly included. To the consideration of DEC, EJScreen also tends to underestimate LIDAC status for Alaska communities.

FIGURE 3: Percentage of Disadvantaged Tracts by State

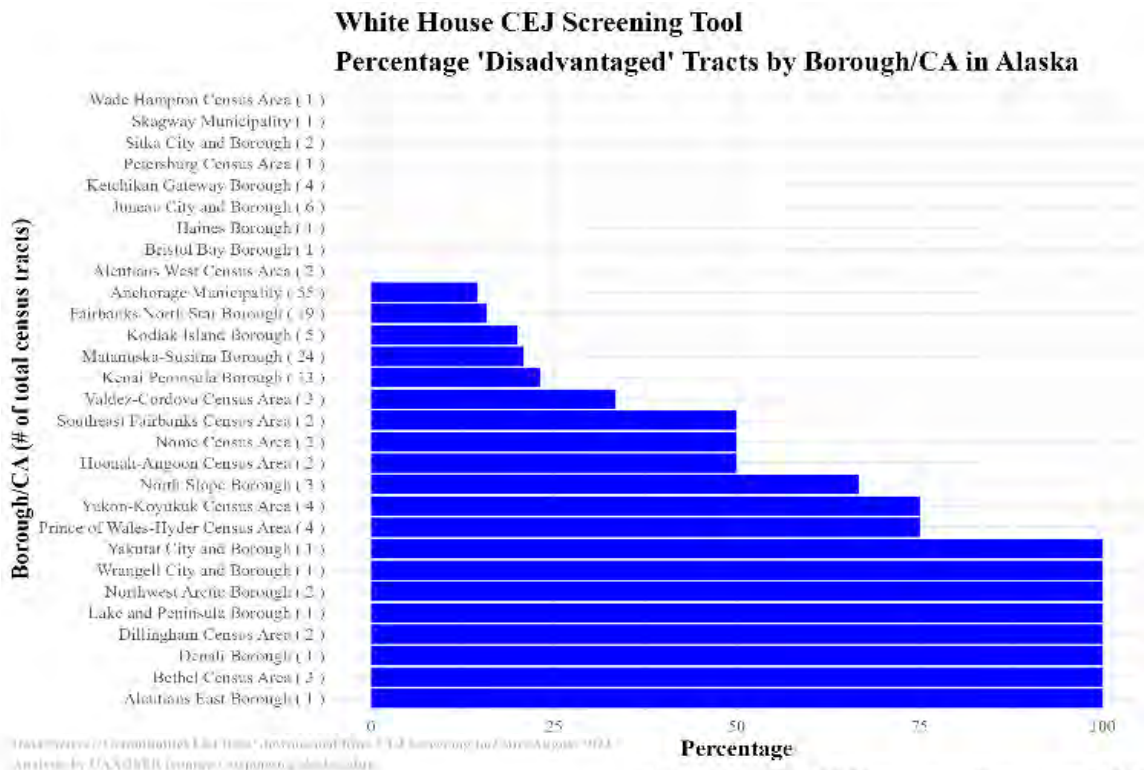


FIGURE 4: Percentage of Disadvantaged Tracts by Borough or Census Area in Alaska from CEJST

## Tribal Lands:

It is not clear how or if CEJST is considering ‘Number of Tribal areas within Census tract for Alaska’ in their calculation. There are many missing observations. The data source is listed as: “Bureau of Indian Affairs’ Land Area Representation (LAR) dataset from 2018”, but that doesn’t explain the amount of missing observations. The tribal area map is [here](#).

1. No Alaskan census tract is “Identified as disadvantaged due to tribal overlap”. CEJST has a variable called “Percent of Census tract that is within Tribal area”, but only Annette Island has a value in that field (at 94%).
2. CEJST does have 230 ‘tribal areas’ noted within the ‘# of tribal areas’ field. But 22 census tracts are not considered ‘disadvantaged’ despite tribal presence. Some of these census tracts that are also a tribal area of the Native Village of Eklutna which includes higher income Anchorage neighborhoods. However, Kusilvak Census area (shown as ‘Wade Hampton CA’ in CEJST) with 19 tribal areas still doesn’t make the cut. We can only surmise the field is omitted, which unfairly prejudices against Alaskan communities.
3. While CEJST does have 230 tribal areas, it is not clear if CEJST has incorporated the Alaska Native Village Statistical Areas in recognizing and representing Alaska Native communities. These areas encompass both permanent and seasonal residences of Alaska Natives who either hold membership in, or receive vital governmental services from, the defining Alaska Native village (ANV). Importantly, ANVSAs extend their geographical boundaries to encompass the region and vicinity of the ANV’s historic and traditional location, ensuring that the unique cultural and historical significance of these areas is duly acknowledged and preserved.

## **LIDAC Benefits Analysis**

Public entities in Alaska are accustomed to engaging with communities and Tribes through permitting and regulatory processes for clean energy and energy efficiency projects. These efforts urge early dialogue with local governments and Tribes, as well as community-based organizations, labor, and other stakeholders. These conversations should begin sufficiently early in order to inform project development in response to local communities’ needs and concerns. Community stakeholders are uniquely situated to help identify the most effective actions the projects can take toward partnerships that advance workforce issues; diversity, equity, inclusion, and accessibility; and the flow of project benefits to disadvantaged communities.

An NREL study on distributed renewables for Arctic energy<sup>67</sup>, found that community buy-in and ownership is essential, as this extract demonstrates and the project anticipates and responds to. DEC knows that projects must be community-driven and supported, with community members understanding and participating in the value proposition of moving to a stronger reliance on renewable energy. It is critical to include and receive buy-in from key stakeholders like utility managers, operators, project champions, and local government officials. Beyond project development, community engagement must be ongoing, and continue after the project is deployed to maintain community support and ownership. Long-term engagement is an essential element of sustainability. For example, a strong community focus enabled a successful project in Kongiganak: the community trained and retained a local workforce, built community trust through presentations in village meetings, and received community leader and tribal council support. In Galena, hiring and training an all-local workforce provided enhanced job satisfaction, increased local capacity, and strengthened the community overall.

Alaska anticipates that carbon reduction measures should be commensurate with the training, education, and availability of the local workforce, through the on-going relationship with State training

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67 (Anderson, Jordan, & Baring-Gould, 2023)

providers like the Alaska Vocational Technical Center (AVTEC)<sup>68</sup> and the appropriate labor unions. The state knows that the use of community-appropriate technology reduces system failures and the community's dependence on long-term, expensive, external assistance. Local capacity will determine how simple or complex the system should be, and what assets it can include. Robust operations and maintenance plans must be considered from the start, and technical assistance provided to complete and maintain these. Communities have found that small, easy-to-maintain pilot systems with solar photovoltaics (PV), batteries, and/or wind can be a good stepping-stone to larger, more complex systems with higher contributions of renewable energy. Community-based technical capacity may be increased over time through community education and expanded experience from operating power systems. Many communities have been successful in engaging local youth, with energy providers gaining traction by speaking through credible, community-based educators. In Kotzebue, installing small wind turbines provided the technical capacity for subsequent installations of much larger wind turbines, batteries, and solar PV systems. In Galena, a focus on community education and training allowed the community to perform increasing portions of system maintenance locally and has enabled it to set its sights on future solar projects.

The State of Alaska knows that having a regional or statewide pool of support resources increases the likelihood of success, which its cohort and technical assistance approach will support. Having a network of knowledgeable people actively engaged in operating projects, such as an energy cooperative, that can provide targeted education or technical knowledge, increases the likelihood of project success, and can allow communities to install systems that they may not be able to support on their own. Allowing a process for communities to access this network will streamline the renewable energy development process including planning, financing, installation, and operations. Such a network is especially helpful for small communities with limited human capital. A face-to-face knowledge sharing network would increase the number and success rate of community projects.

DEC anticipates needing to identify and support competent, practical project managers that are required to ensure the project's success. The technical, financial, managerial, and community engagement components of a renewable energy project must be overseen by experienced personnel to help ensure effective delivery of projects. Managers must be able to validate project proposals from engineers and external entities, compare those proposals to community needs, and decline when necessary. Some communities also face rapid turnover of bookkeeping and managerial staff, reducing their financial and managerial capacity for projects. Such seemingly minor problems can have long-term impacts. In Kodiak, early renewable projects failed due to insufficient engineering and project management. Since then, a renewed focus on these components has enabled successful projects.

#### Engaging with labor unions, local governments, and Tribal entities.

Public entities have established, long-term, and mutually valued relationships with the organized labor community in Alaska. Larger development often occurs within collective bargaining agreements of the International Brotherhood of Electrical Workers (IBEW) Local 1547<sup>69</sup> and the various trade unions, depending on location. While this is very much about scale, the Alaska approach will be to engage its labor partners early to initiate discussions toward labor agreements and overall benefits of the project. Project sponsors will coordinate with organized labor the need for local and targeted hiring goals, card-check neutrality, and possible provisions advancing programs to attract, train and retain new workers.

The project anticipates that community engagement will be initiated early and conducted often to inform project development and implementation. Local and Tribal governments are uniquely situated to help identify the most effective actions the projects can take toward partnerships that advance

68 <https://avtec.edu/>

69 <https://www.ibew1547.org/>

workforce issues; diversity, equity, inclusion, and accessibility; and the flow of project benefits to disadvantaged communities.

#### Workforce and Community Agreements

DEC anticipates that there will be opportunities for workforce or community strategies to be established as a direct result of the project. This will include planning for environmental justice, carbon reduction, workforce development, shared procurement, local hire, and asset management, including maintenance and operations planning and technical assistance. Ideally, implementing agencies will reference DOE's Community Benefit Agreement Toolkit<sup>70</sup>, recognizing that it doesn't apply the same to federal projects as private, its intended purpose. The outcome of the CBA will be CBAs 40% percent of benefits should be allocated to communities of color, Indigenous peoples, low-income communities, and other marginalized groups. Each project will evaluate the opportunity for workforce agreements, as well, which will help ensure equity for women, people of color, and other historically disadvantaged or underrepresented groups in the project's implementation. Project sponsors will work through a facilitated community stakeholder process to identify ways in which workforce goals will be met. Goals include local hire, family-supporting jobs (wage parity), health insurance, diverse workforce, diverse workforce participation, and resources for continuing education and certification that result in a highly skilled workforce. Contractor solicitation should reference these goals as part of criteria for an award.

#### Approach to apprenticeships and local hiring goals

Ideally, implementing agencies may maintain a local workforce availability and hire tracking system throughout the life of the project, enabling local hire goals to be met and cross-promoting hire between projects that might occur within a region. This system will also track municipal and tribal workforce in-kind contributions, staff time that is applied to the project planning and implementation.

The project team will work with the University of Alaska (UA), AVTEC, and Alaska Works Partnership to identify ways in which training, apprenticeships and local hiring can benefit from microgrid implementation, and other proposed projects. In addition, the project will reference the Alaska Workforce Investment Board's strategies for workforce development, found in its Combined Plan for Workforce Innovation and Opportunity<sup>71</sup>.

The UA is an important mechanism for workforce development, including for apprenticeships. 20 years ago, the University of Alaska Anchorage (UAA) created the Associate of Applied Science in Apprenticeship Technologies. The University of Alaska System, the UAA Community and Technical College, and several joint apprenticeship training programs have joined the United States Department of Labor (USDOL) Registered Apprenticeship-College Consortium, which simplifies the process for an apprentice to earn college credit.

#### **Investing in the American Workforce**



FIGURE 5: [USDA's Economic Risk Assessment Dashboard](#) showing Alaska's distressed communities by borough – red indicates distressed borough/census area where red indicates top 10% highest risk nationally. Note: incomplete data in census areas like Kusilvak prevent these from being marked.

70 <https://www.energy.gov/diversity/community-benefit-agreement-cba-toolkit>

71 [https://awib.alaska.gov/pdf/WIOA\\_plan\\_2022-2023.pdf](https://awib.alaska.gov/pdf/WIOA_plan_2022-2023.pdf)

GHG reduction measures in Alaska have the ability to result in increased investment in the workforce in Alaska's LIDAC communities. Measures could result in job creation and business development, and sponsors may work individually and together to identify ways in which this can be maximized, not just in project development and delivery, but in the long-term. USDA's Economic Risk Assessment Dashboard tracks COVID, Community Distress, Unemployment, and Social Equity and is a good example of where economic benefits might accrue. It produces a dashboard for Alaska that identifies fully half the state by geography as distressed, more than any other state in the nation.

## Advancing Diversity, Equity, Inclusion, and Accessibility

DEC recognizes the value of a meaningful and targeted approach to advancing diversity, equity, inclusion, and accessibility. The following is a description of the methodology the team will implement in project design and implementation.

*Equity:* Implementing agencies should have shared commitments to 1) build a diverse workforce, supported by equitable operations and policies, and establish an informed culture that delivers authentic inclusivity; 2) promote economic opportunity for Alaskans through transportation investments, including working with BIPOC and woman-owned businesses as well as businesses owned by others who have been historically and/or are currently marginalized; 3) utilize the viewpoints of those who reside in the communities and who are likely to be affected by the outcomes of the project; and 4) invest in the protection of marginalized communities from environmental hazards.

*Diversity:* Implementing agencies should have shared commitments to 1) a workforce that is talented, diverse, and committed to fostering a safe, fair, and inclusive workplace; 2) ensure all voices, regardless of social identity or social demographics, are heard and their views influence project decisions; 3) work with stakeholder groups to aid in communication with the community and project personnel.

*Inclusion:* Implementing agencies should have shared commitments to 1) include the diverse perspectives within this project's scope and deployment; 2) leveraging investments and increasing pathways to opportunity for minority-owned and disadvantaged business enterprises, and for individuals who face systemic barriers; 3) meaningful engagement with communities that are diverse and underrepresented in the creation and implementation of the programs and projects that impact the daily lives of their communities by creating more transparent, inclusive, and on-going consultation and collaboration process; 4) ensure the project includes practices based on community engagement to avoid harm to frontline and vulnerable; and 5) provide training to staff to promote inclusion internally and externally.

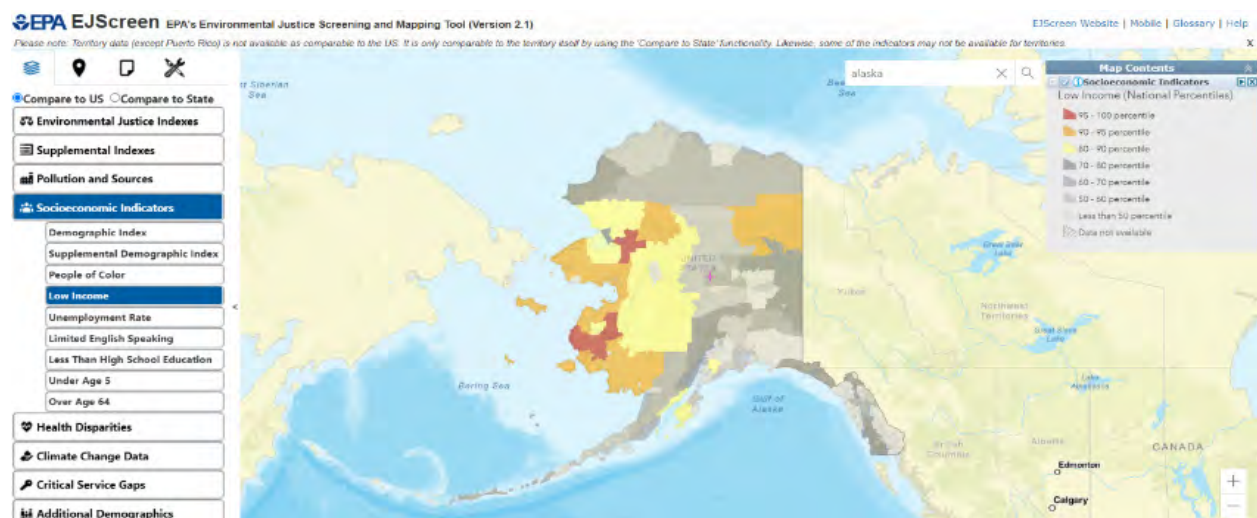


FIGURE 6: Low-Income Alaska communities on EPA's EJScreen

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*Accessibility:* Implementing agencies should have share commitments to 1) strengthen accountability policies and procedures, create a more accessible and disability-inclusive workplace, and foster a greater respect for religious diversity; 2) ensure that reasonable accommodations are handled with tact and care to provide community members as well as employees the opportunity to fully participate in project activities; 3) develop and implement a process to increase awareness of accessibility tools and disability inclusion; 4) review and evaluate disability inclusion policies and practices in crisis and emergency management including, but not limited to, planning and response for pandemics, disasters, and evacuations in the domestic context; 5) examine options to enhance technological accessibility; and 6) increase awareness of religious accommodations.

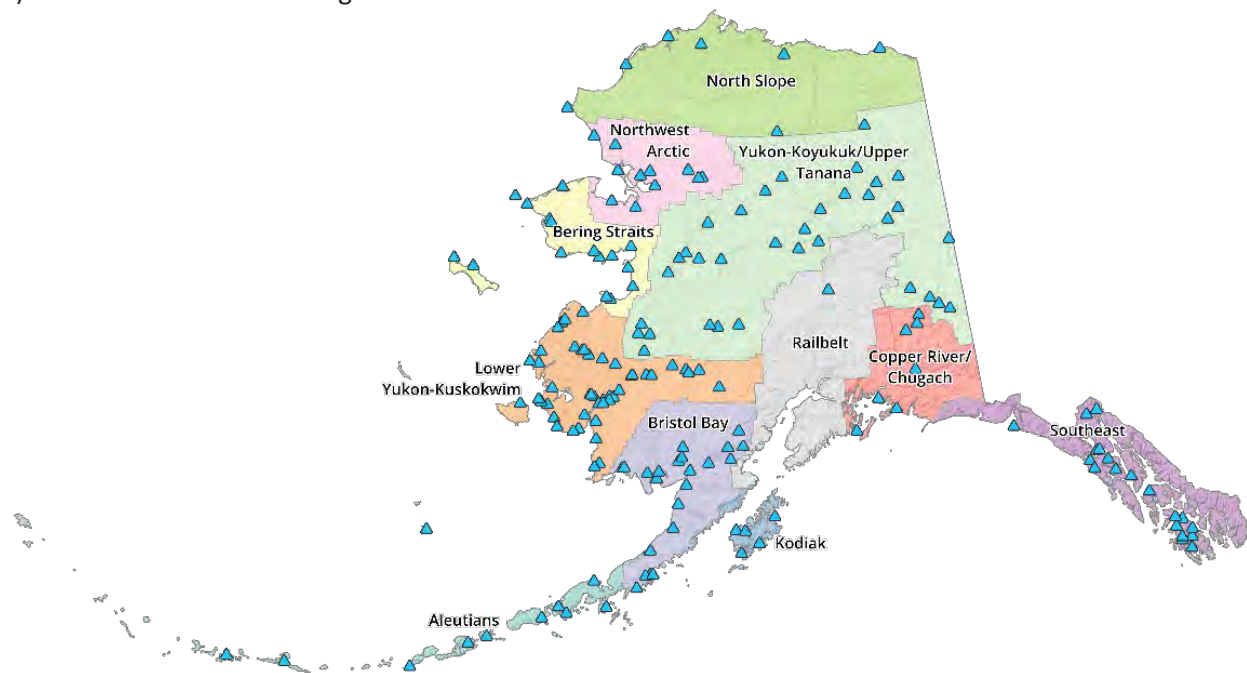


FIGURE 7: AEA's Power Cost Equalization communities

EPA's EJScreen identifies areas of the state experiencing low income, for instance. While DEC has concerns about the underrepresentation of communities in EJScreen, these areas are generally consistent with where Power Cost Equalization (PCE) communities fall in AEA's 10 rural energy regions, where high cost is relative to an average of three urban communities. GHG reducing projects will result in at least 40% of benefits accruing to rural communities that are considered disadvantaged or Tribal.

The table below demonstrates for relevant census areas and boroughs (county equivalent), their FIPS identification for reference<sup>72</sup>, population<sup>73</sup>, Rural status according to the Office of Management and Budget (OMB)<sup>74</sup>, their social vulnerability index according to the Centers for Disease Control and Prevention (CDC)<sup>75</sup>, whether they are Areas of Persistent Poverty according to United State Department of Transportation (USDOT)<sup>76</sup>, whether they are difficult to develop according to Department of Housing and Urban Development (HUD)<sup>77</sup>, and whether the Denali Commission considers communities within Distressed.<sup>78</sup>

72 <https://www.census.gov/library/reference/code-lists/ansi.html>

73 <https://live.laborstats.alaska.gov/data-pages/alaska-population-estimates>

74 [https://www.census.gov/content/dam/Census/library/publications/2020/acs/acs\\_rural\\_handbook\\_2020\\_ch01.pdf](https://www.census.gov/content/dam/Census/library/publications/2020/acs/acs_rural_handbook_2020_ch01.pdf)

75 <https://www.atsdr.cdc.gov/placeandhealth/svi/index.html>

76 <https://www.transit.dot.gov/grant-programs/areas-persistent-poverty-program>

77 [https://www.huduser.gov/portal/sadda/sadda\\_qct.html](https://www.huduser.gov/portal/sadda/sadda_qct.html)

78 <https://www.denali.gov/wp-content/uploads/2020/08/2020DistressedCommunitiesReport.pdf>

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City/Borough	FIPS*	Pop.	Rural (OMB)	National SVI* Ranking (CDC)	APP* (DOT)	DDA* (HUD)	Distressed Communities
Aleutians East Borough	2013	3,515	Yes	Moderate to High	No	Yes	No
Aleutians West Census Area	2016	5,723	Yes	Low to Moderate	No	Yes	No
Bethel Census Area	2050	18,216	Yes	High	Yes	Yes	Yes
Bristol Bay Borough	2060	877	Yes	Low to Moderate	No	No	Yes
Valdez- Cordova Census Area	2063	9,202	No	Low to Moderate	No	No	Yes
Denali Borough	2068	2,059	Yes	Low	No	Yes	Yes
Dillingham Census Area	2070	5,000	Yes	High	No	Yes	Yes
Haines Borough	2100	2,474	Yes	Low	No	No	Yes
Hoonah- Angoon Census Area	2105	2,151	Yes	Low to Moderate	No	No	Yes
Ketchikan Gateway Borough	2130	13,918	Yes	Moderate to High	No	Yes	Yes
Kodiak Island Borough	2150	13,345	Yes	Moderate to High	No	Yes	Yes
Kusilvak Census Area	2158	8,049	Yes	High	Yes	No	Yes
Lake and Peninsula Borough	2164	1,587	Yes	High	No	No	Yes
Nome Census Area	2180	10,008	Yes	High	No	Yes	Yes
North Slope Borough	2185	9,872	Yes	Moderate to High	No	Yes	Yes
Northwest Arctic Borough	2188	7,671	Yes	High	No	Yes	Yes
Wrangell- Petersburg Census Area	2195	5,910	Yes	Moderate to High	No	Yes	Yes
Prince of Wales – Hyder Census Area	2198	6,422	Yes	High	No	No	Yes
Sitka	2220	8,458	Yes	Low to Moderate	No	No	No
Skagway	2230	1,240	Yes	Low	No	Yes	No
Southeast Fairbanks Census Area	2240	6,918	Yes	Moderate to High	No	Yes	Yes
Wrangell	2275	2,127	Yes	Moderate to High	No	No	Yes
Yakutat	2282	662	Yes	Moderate to High	No	Yes	No
Yukon- Koyukuk Census Area	2290	5,327	Yes	High	Yes	No	Yes

TABLE 27: Indices of vulnerability of Alaskan boroughs and census areas

An equity assessment will be encouraged as part of project development and implementation. This will include review of available datasets to ensure distribution of project benefits to 40% disadvantaged communities, and to structure ways in which project sponsors and contractors can implement strategies that maximize equitable benefits.

## Identification of applicable benefits that are quantifiable, measurable, and trackable.

DEC will track project benefits that are quantifiable and measurable. Baseline measures will be secured prior to project implementation, and measured at the conclusion of each project for a pre- and post-project assessment.

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Benefits	Quantifiable	Measure	Tracking
Decrease in Energy Burden	T btu (trillion British thermal unit)/ Million \$	Site Energy Savings Energy Costs Savings	2009 Baseline – annual and cumulative
Decrease in environmental exposure	MT CO2e Reduction	CO2 Reduction	2009 Baseline – annual and cumulative
Increase in access to low-cost capital	Million \$	Capital availability	AAHA report on access to capital
Increase in job creation and training	Job #s	Jobs and training opportunities	ASHBA report/DOL&WD
Increase in clean energy jobs and enterprise creation	Business #s	Business development	ASHBA report/AKSBDC
Increase in community ownership	Municipal code	Adoption or revision	Community reporting/AML
Increased parity in clean energy technology access and adoption	Municipal code	Energy technology reference	Community reporting/AML

TABLE 28: How to quantify and track project benefits

### Anticipated Negative and Cumulative Environmental Impacts on disadvantaged communities.

While EPA’s EJSscreen does not include sufficient data to assess the potential impact of projects to disadvantaged communities, the project team recognizes the research that exists to describe the value and impact of renewable energy development generally.

According to the Fifth National Climate Assessment, Alaska is warming two to three times the global average<sup>79</sup>. The consequence of this difference is a greater impact of socioeconomic and ecological changes driven by climate change, especially for Alaska’s most remote communities. The report found that Alaska is facing compounding stressors from climate change, growing built environment costs, and economic consequences of ecological disruption (for example, within fisheries). Alaska’s people, and especially its disadvantaged communities, are likely to face a greater impact of climate in the near term than other states and thus a proportionately larger amount of federal funds should be allocated to address the needs for adaptation in Alaska.

The recent 200-page report by ANTHC and DCRA, “Unmet Needs of Alaska’s Environmentally Threatened Alaska Native Villages” makes a number of recommendations with relevance to state and federal policymakers. There are many particular findings, including agency programmatic and legislative barriers such as required match, that are currently preventing needed investment for climate adaptation.<sup>80</sup>

Fuel transportation to remote Alaska communities is becoming more susceptible to weather-related disruptions. In these communities, fuel is typically delivered by barge, which for inland communities is only available during the summer when the rivers are free of ice. Changes in river paths, low water levels, increasing sediments, or unexpected storms can put shipments at risk, leaving a community without the energy stores needed to meet high heating loads during the long winter. Alternative methods of delivery, such as ice roads and winter-based overland routes, are becoming less secure. The emergency alternative—flying diesel in on small planes or even by helicopter—increases costs exponentially, with some communities paying over \$16/gallon<sup>81</sup>. Burning diesel also releases greenhouse

79 (Huntington, et al., 2023)

80 (Alaska Native Tribal Health Consortium, Division of Community and Regional Affairs, 2024)

81 <https://www.adn.com/alaska-news/rural-alaska/2022/05/18/fuel-in-the-alaska-village-of-noatak-was-16-a-gallon-the-costs-are-more-than-just-money/>

## STATE OF ALASKA PRIORITY SUSTAINABLE ENERGY ACTION PLAN

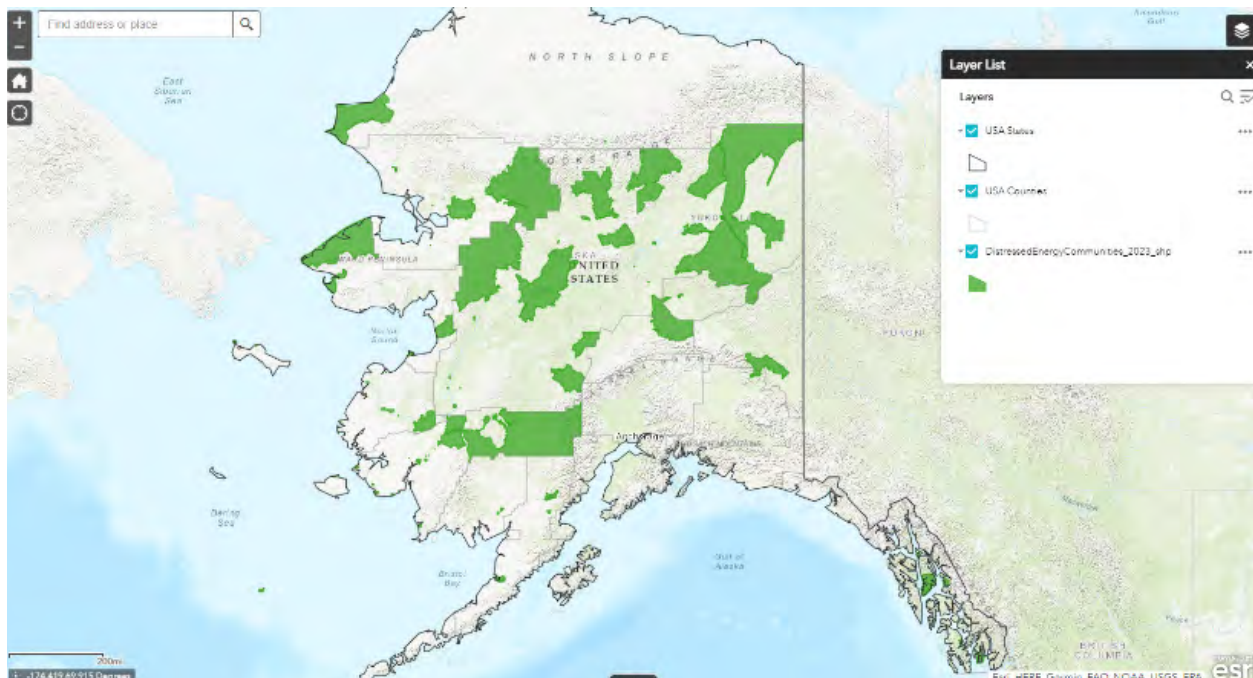


FIGURE 8: USDA Rural Development Distressed Energy Communities in Alaska

gases and other pollutants, reducing local air quality. The effects of severe weather are being experienced acutely in Arctic regions like Alaska, as melting permafrost further reduces transportation options and puts building foundations at risk.

Remote Alaska communities have and will continue to lead in community-based renewable energy development, serving as an example for similar communities throughout the world. Many communities have excellent wind, solar, hydropower or biomass resources waiting to be utilized. Sixty-nine Alaskan communities have so far integrated some form of renewable energy, and between 2014 and 2018, 5,210 households<sup>82</sup> in rural Alaska received building energy efficiency improvements to reduce overall energy demand. A variety of funding sources and programs are available to support communities in the complex transition to renewable energy. Remote locations may be rich in renewable energy sources, but the intermittent nature makes their integration into the power grid a challenge.

Energy planning can offer enhanced protection against the threats of natural disasters and terrorism to make our communities more resilient, sustainable and livable for generations to come, which lowers the price of mitigation for building owners. The many challenges to public health and safety and environmental sustainability in our increasingly complex global society call for a holistic approach to public policy development and business models, including how we construct buildings. Thoughtful consideration of “performance goals” prior to taking action is important for budget planning and for establishing priorities, such as: public health and safety; protection of ecosystems and the important functions they serve; accessibility and mobility for all citizens; affordable housing; and economic sustainability. Implementation of new policies and practices should start by identifying the intersections and synergies that will achieve the performance goals (which may change) in the most responsible and cost-effective way possible.

82 <https://www.nrel.gov/docs/fy23osti/84391.pdf>

USDA Rural Development has data identifying Distressed Energy Communities<sup>83</sup>, which covers a large swath of Alaska. These are regions that will benefit most from locally sourced renewable energy projects. This will be part of the project review process for evaluation of eligibility and competitiveness.

### Benefits to Disadvantaged Communities.

Disadvantaged communities will directly and indirectly benefit from the outcomes of the PSEAP activities. By inclusive engagement in project development, scoping, and implementation, disadvantaged communities will be exposed to learning opportunities that will enable them to improve current practices and policies. Upon completion, the projects will provide public health and safety benefits to communities disadvantaged by equity and environmental justice factors.

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83 <https://ruraldevelopment.maps.arcgis.com/apps/webappviewer/index.html?id=86027863e066487ca1b33dc9217a70d1>



## VI. Review of Authority to Implement

### A. Alaska Housing Finance Corporation

AHFC is a quasi-state entity that makes mortgages accessible to Alaskans and provides affordable housing and energy efficiency programs. AHFC's mission is to provide Alaskans access to safe, quality, affordable housing. AHFC delivers a variety of programs to meet this mission, including building code development. AHFC has administered several code process and programs since 1992 making the organization uniquely qualified to perform this project's tasks. AHFC established the Building Energy Efficiency Standards (BEES)<sup>84</sup> to promote the construction of energy efficient buildings. AHFC facilitates training and education for Energy Raters and Home Inspectors to become certified to sign off on BEES compliance. As an enforcement tool, AHFC has created a process for state inspectors to perform inspections during construction of a new home with AHFC financing. Internal auditing and quality control policies and procedures have been developed and followed to ensure compliance.

AHFC's authority to implement the Weatherization Assistance Program, along other energy efficiency programs, comes for Alaska Statute 18.56.850, which is part of Alaska Housing Finance Corporation's larger enabling legislation – AS Chapter 18.56.

AHFC is Alaska's agency implementing the Department of Energy's two Home Energy Rebate programs, including the Electrification and Appliance rebate program that includes point of sale rebates for electrification improvements to help households prepare for a successful solar installation. The program includes up to \$4,000 for a load center/service panel upgrade and up to \$2,500 for household wiring upgrades. AHFC works with an established network of professional energy raters and building inspectors to administer its Home Energy Rating System and its Building Energy Efficiency Standards on any home financed by AHFC (such as those through its tax-exempt first-time homebuyer and veterans' loans for income-qualified households). AHFC anticipates being able to leverage its weatherization program such that solar installation could occur alongside broader residential improvements.

At the same time, AHFC has a variety of program experience that has established its methodology for customer acquisition. AHFC developed and administered the U.S. Treasury's COVID-19 Emergency Rental Assistance and Homeowner Assistance Fund Programs whereby AHFC provided the critical infrastructure for all Alaskans to check their eligibility apply through a single portal. The process pooled resources from Anchorage, Alaska's largest city, and tribal entities resulting in an efficient application process for Alaskans and allowed AHFC and its partners to quickly evaluate applications and issue payments. This

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84 <https://www.ahfc.us/pros/builders/building-energy-efficiency-standard>

effort led to a national award in 2022 for management innovation by National Council of State Housing Agencies, and first place communications awards in the categories of community relations and special electronic and printed promotional materials by Alaska's Public Relations Society of America.

### **B. Alaska Energy Authority**

The Alaska Energy Authority (AEA) is an independent and public corporation of the State of Alaska, est. 1976 and is governed by a board of directors with the mission to “reduce the cost of energy in Alaska.” AEA is the State Energy Office and lead agency for statewide energy policy and program development. AEA's core programs work to diversify Alaska's energy portfolio, lead energy planning and policy, invest in Alaska's energy infrastructure, and provide rural Alaska with technical and community assistance. AEA's enabling legislation, which includes authority to implement the programs described in this plan, come from Alaska Statutes, chapter 44.83.

The impact of AEA's programs extend to the construction of rural power generation and bulk fuel facilities, distribution systems and transmission lines, renewable energy asset construction and integration, and ad-hoc maintenance and improvement of aging infrastructure. Rural Electric Utility Workers, under AEA's circuit rider program, continuously travel to rural communities to administer itinerant training to rural utility operators, and diligently maintain an inventory and assessment record for nearly every rural powerhouse in the state by conducting comprehensive on-site assessments. This record informs the powerhouse construction schedule and ensures alignment with community needs.

AEA is committed to advancing and sustaining rural power systems across rural Alaska, including the construction of powerhouses for rural and tribal communities, efforts which has been ongoing since its inception in 1976. Over its existence, AEA has come to have touched the power generation systems, and worked with stakeholders from nearly every community in the state to provide supply and demand energy services. Over the past two years, AEA has overseen ten rural powerhouse upgrade projects at different stages of development in the communities of Akhiok, Napaskiak, Nikolai, Venetie, Rampart, Nelson Lagoon, Manokotak, Circle, Akiachak (DERA) and Arctic Village (DERA). AEA maintains a strong commitment to follow through on delivering energy improvements for communities and often seeks additional project funding beyond what is provided by the Denali Commission and the State. Recently, AEA sought funding on behalf of the communities of Napaskiak and Manokotak through the USDA High Cost of Energy program and the Aleutian Pribilof Island Community Development Association's Infrastructure fund to support rural powerhouse construction projects. AEA was awarded over \$3 million through these efforts. Relationships and partnerships are in place with all Alaska energy stakeholders, including small rural non-profits and utilities, large regional and village Alaska Native Corporations and tribal governments, conservation organizations, municipal governments, and technology- or solution-oriented working groups. Many organizations contribute to the development and support of infrastructure in rural Alaska, such as DOT&PF, responsible for airport infrastructure, ANTHC, focused on water and sanitation, local school districts, who support K-12 public school facilities, among others. However, when it comes to rural energy infrastructure, AEA serves as the leading organization.

As current industry trends move increasingly towards a clean energy future, AEA's efforts have adapted accordingly. Rural utilities and powerhouses that were once exclusively powered by diesel are now seeking to transition to solar energy solutions. This shift demands careful consideration. Diesel generators in rural communities are sensitive to load fluctuations, as they can impact the efficiency of the gensets (i.e. the practice of wet-stacking), and excessive fluctuations can result in damage to the diesel generators, which serve as the backbone of the rural microgrid. Integrating renewables into diesel microgrids is a complex undertaking that requires the expertise of qualified and responsible entities with a track record like AEA's of reliable energy infrastructure deployment across the state.

Between 2008 and 2023 the state legislature appropriated \$317 million for Renewable Energy Fund (REF) grants, which AEA has managed. Those state monies leveraged over \$300 million in private and federal funds to complete project funding. The REF is managed by AEA in coordination with a nine-member REF Advisory Committee, as established under Alaska Statute 42.45.045 and AS 44.83.080(15). The program provides grant funding for the development of qualifying and competitively selected renewable energy projects. Since its inception 289 REF grants have been awarded and funded via legislative appropriations totaling \$317 million. These funds have been matched by local and private contributions that have leveraged AEA's investment. Over 100 operating projects have been built with REF contributions, collectively saving more than 85 million gallons of diesel and 2.2 million cubic feet of natural gas since the REF's inception. These investments have resulted in the reduction of 1,110,424 gross metric tons of carbon dioxide since 2008. AEA has identified nearly a dozen projects that have the engineering and planning already in place to move quickly into construction, if funded. AEA is an active participant in many of the projects, including as project manager. The completed studies have shown that many of the projects are viable and ready for implementation. Disadvantaged communities will directly and indirectly benefit from the outcomes of such project activities. Via inclusive engagement in project development, scoping, and implementation, disadvantaged communities will be exposed to learning opportunities that will enable them to improve current practices and policies. Upon completion, the projects will provide public health and safety benefits to communities. AEA is engaged in all levels of consumer energy from project and resource identification, appropriate design, to financing and operations and maintenance. With decades of experience in developing energy projects in Alaska, AEA has continuously improved its processes, and applications of technology, and delivery of services. AEA integrates modern energy technology and advanced grid services into all program areas both on the supply- and demand-side.

#### ***Diesel Engine Replacement/Rural Power System Upgrades/Distribution Upgrades***

Agency efforts supporting these goals include the administering a variety of statewide programs which include the Rural Power System Upgrade program (RPSU)<sup>85</sup>, the Bulk Fuel Upgrade program (BFU)<sup>86</sup> and the Renewable Energy Fund (REF)<sup>87</sup> which integrates renewable energy in generation facilities. AEA also administers end use efficiency grants, educational programs and technical assistance programs which train local operators to monitor their local diesel-based power plants and maintain efficient operations. Per AEA's bylaws, included in Supplemental Materials, and Alaska Statute 44.83.080 subsection 10, AEA has the legal authority to receive funds and grant them to sub-recipient utilities.

Under 3 AAC 108.100 – 130 the Alaska Energy Authority's Rural Power Systems Upgrade (RPSU) program may provide financial assistance and technical assistance including construction management and training to eligible recipients.

AEA consults with the Alaska Department of Environmental Conservation (ADEC) Division of Air Quality to ensure compliance with applicable emissions regulations. ADEC requested AEA take over as the lead granting authority to administer Alaska's State Clean Diesel Program per the letter from State Commissioner Larry Hartig to Gina McCarthy dated April 15, 2016. EPA approved this request by letter dated May 11, 2016.

#### ***Village Energy Efficiency Program (VEEP)***

Regulations for this program can be found under Title 3 of the Alaska Administrative Code, 3 AAC 108.400 – 3 AAC 108.499.

85 <https://www.akenergyauthority.org/What-We-Do/Rural-Energy/Rural-Power-System-Upgrade-Program>

86 <https://www.akenergyauthority.org/What-We-Do/Rural-Energy/Bulk-Fuel-Upgrade-Program>

87 <https://www.akenergyauthority.org/What-We-Do/Grants-Loans/Renewable-Energy-Fund>

### *Electric Vehicles*

In 2018, Alaska became a beneficiary of the Volkswagen (VW) Environmental Mitigation Trust (Trust), and the Authority was designated by the Governor's Office as the State's lead agency for EV planning and implementation. At that time, AEA adopted a secondary mission to reduce barriers to EV adoption. AEA has taken the leading role in developing and implementing the NEVI program.

Since the designation of AEA as the State's lead agency for EVs by the Governor's Office, AEA has conducted public outreach and education and has worked towards reducing range anxiety by strategically installing EV chargers. In 2020, AEA facilitated the development of the Alaska Electric Vehicle Working Group (AKEVWG), comprised of representatives of utilities, state and local government, researchers, EV owners, and stakeholder industries. AEA's experience administering the VW Settlement grants for DCFC in Alaska provides the agency with the background and experience needed to implement the NEVI program.

AEA developed the State of Alaska Electric Vehicle Infrastructure Implementation Plan along with Alaska DOT&PF.

### **C. Department of Early Education & Development**

The Department of Early Education & Development maintains a number of programs relating to the financing of school construction and maintenance, both for the REAA school districts established by AS 14.08.031(a) which receive most of their revenue from the department, and for municipal schools districts. The major maintenance program referenced in this plan was established by AS Chapter 14.11.

### **D. Other State Agencies**

This plan names priority measures relating to energy efficiency improvement of facilities under the purview of for the University of Alaska and the Department of Transportation & Public Facilities. These agencies receive their authority from various areas of Alaska Statute. These agencies would implement their measures as a part of their regular facilities and operations obligations and authority.

### **E. Southeast Conference**

The mission of Southeast Conference (SEC) is to undertake and support activities that promote strong economies, healthy communities, and a quality environment in Southeast Alaska.

As the state and federally designated regional economic development organization for Southeast Alaska, SEC is responsible for developing the five-year regional Comprehensive Economic Development Strategy (CEDS). The sections of the CEDS are developed by subject area committees, which also advise and suggest advocacy through SEC's other working, giving SEC a grass roots structure. The most recent Strategy names beneficial electrification, including the use of residential heat pumps, as a priority measure. SEC works alongside its members to implement these measures, acting as the primary regional organization advancing economic development.

As a membership organization representing more than 185 organizations from communities across the region, SEC is governed by a Board of Directors that provide direction SEC staff on implementing the organization's work plan, which is tied closely to the CEDS. This board is composed of five tribal or municipal government representative members, five private sector members, and three members-at-large; this board is elected by membership at SEC's Annual Meeting.

### **F. Alaska Municipalities and Tribes**

Most microgrids in Alaska are operated by local utilities, with over 100 certificated utilities active in the state, each serving a relatively small population. This stands in contrast to the continental U.S., where

most microgrids are deployed by third parties serving critical facilities (such as military bases) and commercial and industrial customers. While nearly two dozen electric utilities in Alaska are municipal owned, cooperative utilities are the predominant model in Alaska, again a feature which aligns with much of the world's utility structures that lean toward non-profit and government entities.

Many rural communities have Strategic Energy Plans which set renewable generation goals. The Office of Indian Energy promulgated standard guidance<sup>88</sup> and provides technical assistance in the creation of these plans; however, access to them is conditional and on a case-by-case basis as they are confidential, proprietary information belonging to the entity (primarily tribal governments and native corporations) completing them.

Developing a climate action plan in a small community is an unwieldy undertaking that is limited greatly by available expertise in a community. The three adopted climate action plans all have long lists of contributing technical & planning organizations which enabled them to complete their work successfully. Emissions inventories are one of the more time-consuming, technical requirements which has slowed the process in communities like Sitka.

Ultimately, specific authority varies for each municipality – though for the measures relating to local governments described in this plan, authority stems clearly from existing powers and obligations.

### **G. Federally-recognized Tribes and Other Tribal Entities**

Many of the tribal governments in Alaska received CPRG planning grants, with most of the work being completed via consortia. As an example of the approaches being taken in these plans, ANTHC's CPRG work plan names three priority sectors – 1) Electric generation 2) Residential energy efficiency 3) Non-residential energy efficiency. These priorities informed by ANTHC's close work in communities have been reflected in this plan's approach and development.

While PCAPs are being completed by ANTHC and other grantees for approximately 157 tribal governments, there are some small gaps in this coverage, especially in more urban communities. As it does with municipalities not explicitly named, this plan includes measures that may be implemented by interested tribal governments who are not covered under another PCAP. Tribal government authority varies, though the measures described fall under their general obligations and powers.

#### ***Current Statutory and Regulatory Conditions***

Alaska's State Energy Policy has a goal of 80% utilization of renewables for power production by 2040 and the state has been limited in its ability to meet this goal due to limited available funding at the State level. Leveraging federal funding will significantly overcome this hurdle, and lead to transformation that moves Alaska communities closer to this goal than otherwise possible.

#### **Power Cost Equalization**

Given the geographically dispersed locations of Alaska's rural communities, electric rates are frequently three to five times greater than those incurred by customers residing in urban areas of the state. AEA, along with the Regulatory Commission of Alaska (RCA), administers the Power Cost Equalization (PCE) program to provide economic assistance and reduce the effective electric rates for rural consumers to be comparable to in urban areas of the state. The PCE program serves 82,000 Alaskans in 193 communities that are largely reliant on diesel fuel for power generation, providing payments to households in high-cost energy communities to effectively lower residential energy costs, up to 750 kWh per month.

Adoption of clean energy projects in Alaska on a substantial scale faces multiple market barriers both

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88 <https://www.energy.gov/indianenergy/articles/alaska-strategic-energy-plan-and-planning-handbook>

common to the rest of the nation, and specific to the state. Barriers such as net metering, third party ownership (TPO), obscure interconnection processes, and renewable portfolio standards (RPSs) all exist here as they do across the country. Additionally, the substantial variance in seasonal generation and the astronomical cost of installation for remote communities pose geography specific problems.

### Net Metering

The prevailing net metering legislation established by the Regulatory Commission of Alaska (RCA) dictates that all utilities under their economic jurisdiction must provide net metering options to their customers, provided that the total nameplate capacity of all net metering participants does not exceed 1.5% of the previous year's average retail demand. Utilities with annual retail power sales below 5,000 MWh or those generating electricity entirely from approved renewable sources are exempt from this requirement.

Several leading utilities in the Railbelt region, notably Chugach Electric Association (CEA) and Golden Valley Electric Association (GVEA), offer net metering limits exceeding the RCA's cap, extending up to 5% of average retail demand. Homer Electric Association (HEA) goes even further, allowing up to 7%. Meanwhile, Matanuska Electric Association (MEA) has not set a specific limit on net metered capacity but currently operates at approximately 3% of retail demand, with no recent refusal of new net metered capacity applications according to the latest RCA filing. Payment for net metering occurs monthly through bill credits, determined by each utility's non-firm avoided cost rate registered quarterly with the RCA. These credits have no expiration date and can be applied to subsequent monthly bills. Individual net metered systems must have a nominal capacity between 400 W and 25 kW. Utilities are prohibited from imposing additional fees, such as standby, interconnection, or capacity charges, unless approved by the RCA.

Utilities can limit net metering amount if it causes stability or operational issue. In case of a decrease in retail sales, resulting in the net metering amount exceeding the limit of 1.5%, utilities are not allowed to disconnect the metering of a member. The utilities can require net metering customers to have insurance with the condition that it is attainable and priced reasonably.

The RCA has not instituted statewide mandates regarding the implementation of virtual net metering or other aggregative/alternative net metering policies. In 2019, the RCA rejected a utility-sponsored proposal for a community solar project, citing specific plan details regarding subscription policies. However, they expressed support for innovative renewable energy programs and emphasized that this decision did not set a precedent for community solar. CEA and GVEA have shown interest in revisiting community solar projects, addressing the issues raised in 2019. Various public interest groups are actively engaging with the legislature and drafting legislation to encourage and facilitate community solar initiatives. In Senate Bill 152, the state legislature codified the ability of the RCA to make rulings on community energy producers, strengthening the language that existed regarding small power producers.

### Third Party Ownership

No explicit rulings regarding third party ownership (TPO) have been made by the RCA. Insofar as small power production facilities are concerned (as would be the case for a community solar installation) the Alaska Administrative Code (AAC) utilizes the definitions for a qualifying facility laid out in 18 C.F.R. 292.101(b) and has protections and guarantees that they must be offered interconnection by the RCA regulated utilities. Specifically, for any electric utility subject to RCA regulation interconnection must be offered to a qualifying facility so long as it doesn't cause the utility to become subject to federal regulation under the Federal Power Act (interstate operation) and so long as the qualifying facility complies with safety and reliability standards prescribed in 3 AAC 52.485. This regulation also provides for financing options with regard to interconnection fees laid out in 3 AAC 50.760 d/e. The utility can charge interconnection fees, including: the reasonable cost of connection, switching, metering,

transmission, distribution, safety provisions, administration, and other costs related to the installation and maintenance of the physical facilities necessary to permit interconnected operations, to the extent that these costs are in excess of the costs that the utility would have incurred if it had not engaged in interconnection. Additionally, the utility must offer the option to pay these fees over a reasonable period of time, with an interest rate described in their tariff or in a special contract between the qualifying facility and the utility with RCA approval.

In sum, there are protections for third party ownership, at least of community scale renewable generators. TPO, as it pertains to rooftop residential solar, would likely be considered individual net metered capacity, with the ownership of the panels and power a separate issue to be defined by those respective parties and thus outside RCA's purview. While the regulatory framework doesn't provide explicit support for installations of either type, it at the least protects their right to connect and sell power to the grid. As demonstrated by the recent opening of the 8.5 MW solar farm in the Mat Su Borough by a third party, there is interest from the Railbelt utilities and general support from the RCA and legislative framework to add renewable generators. Multiple successful implementations of rural solar IPP systems indicate their viability from regulatory and utility perspectives.

Interconnection processes are not regulated on a statewide basis. Streamlining this is a significant opportunity to reduce the barriers for residential rooftop applications. All four Railbelt Co-ops offer applications and supplementary information via their websites with varying degrees of complexity. CEA has a clause in their application allowing for combination of some required system drawings and streamlining of approval procedures for "type-tested" or previously approved and installed system designs, and implementation of similar language by the other Railbelt utilities will be sought by project partners. For the residential portion of the program, AHFC would provide a standardized system design for households and leverage said language to expedite the approval process and substantially enhance approval and installation rates. As it relates to the rural portion of the program, interconnection will be protected by the RCA rulings related to small power producing facilities. Grid stability is of significant concern in those scenarios, and early communication and involvement with the local utilities will facilitate successful solar integration.

### Renewable Portfolio Standard

While there is currently no binding statewide renewable portfolio standard (RPS) in Alaska, there is pending legislation looking at Renewable Portfolios Standards or Clean Energy Standards for Alaska. These bills propose renewable generation targets of 25% by 2027, 55% by 2035, and 80% by 2040 for Railbelt utilities, which currently operate at approximately 15% renewable generation. The state's overall renewable portfolio is bolstered to around 25% by various small-scale hydro-power projects in southeast Alaska. Notably, any net metered capacity is presently included in the utilities' generation statistics, potentially incentivizing utility collaboration and investment in distributed solar projects.

### Statewide Building Code

Currently, Alaska is one of eight states that do not have a statewide building code. Local jurisdictions are responsible for selecting, setting, and enforcing building and energy codes, if any, within their boundaries. Not all jurisdictions have adopted energy codes and those that have, none are more current than the 2018 International Energy Conservation Code. This diversity presents a set of unique challenges.

### Electric Vehicles

In 2017, AEA was appointed by Alaska's governor to administer the state's share of the Volkswagen (VW) Settlement Environmental Mitigation Trust. Through a public process, AEA created a beneficiary mitigation plan, which provided money for the electrification of certain vehicles and \$1,250,000 for the installation of EV charging stations, comprising the primary source of matching funds for this project.

AEA included EVs as a market title for federal State Energy Program (SEP) funds in 2018. Associated work includes EV outreach and education, installation of level 2 charging stations in coordination with the Department of Transportation and Public Facilities (DOTPF), and ongoing assessment of the barriers to adoption. AEA has hired a contractor to facilitate a formal Alaska Electric Vehicle Working Group (AKEVWG) that pulls together industry stakeholders including utilities, municipalities, tribal entities, advocacy groups, businesses, researchers, car dealerships, and consumers to coordinate action that supports EV adoption throughout the state. The contractor also facilitates technical subcommittee meetings to discuss and address technical market and regulatory barriers. The AKEVWG serves as the collaborative forum for the pursuit of funding opportunities.

AEA is designated as the lead agency for developing and implementing the NEVI program. The NEVI program focuses on the Alternative Fuel Corridor, marine highway system, and connected road system, while the proposed project is specifically targeting rural communities not covered through the NEVI program. The project will expand on the NEVI program to increase investment in underserved Alaskan communities.

Alaska has one of the most undeveloped EV markets in the United States and has some of the highest transportation-related costs. Its expansive geography, isolated small population, and cold environment amplify the traditional challenges for EV adoption. Most Alaskans do not have reasonable access to EV charging infrastructure to help increase market adoption. Currently, there are only 47 Level 2 and 11 DCFC charging stations in the state. As of June 2022, there are over 1,400 registered full EVs in the state<sup>3</sup>. As of August 2022, Alaska's average rural electricity rate was 60 cents/kWh, six times higher than the national average, and second highest in the country, according to the U.S. Energy Information Administration. The transportation sector accounts for approximately 26.8 percent of the state's energy use, and the costs associated with transportation and energy vary significantly across urban and rural Alaska.

### Community-Based Clean Energy Projects

Alaska has the potential for some of the most significant transformations from diesel power generation to renewables in the nation, and already has communities that have taken these steps. While overall adoption is high and the EIA identifies 33% of Alaska's electricity generation comes from renewable sources, the isolated nature of its microgrids makes transformation a community-by-community effort. Funded projects under this award will use technology that has been deployed with success in Alaska, with proven innovation that is adapted to remote, isolated systems that face challenging weather and operational extremes. The following section describes renewables that are applicable to and proven for rural microgrids, battery systems that complement their use, and integration expertise that has been demonstrated by project partners.

*Hydroelectric* - Between 2010 and 2020, hydroelectric projects represented nearly half of renewable energy project investment in Alaska. Hydroelectric projects such as Blue Lake in Sitka, Allison Creek in Valdez, and expansion of AEA-owned Bradley Lake in Homer were among the largest projects in Alaska in terms of construction cost and generation capacity. The state also saw projects that used "lake tap" infrastructure requiring no dam and "run-of-river" hydro.

*Wind* - Over the past decade, wind projects represented 35% of investment in renewables. Large wind projects developed between 2010 and 2020 include Eva Creek in Healy, Fire Island in Anchorage, Phase II of Kodiak's Pillar Mountain development, and the Snake River project in Nome. Many wind projects developed over the past decade contributed to Alaska's role as a leader in implementing wind-diesel hybrid systems. Investments in wind-diesel hybrid systems in rural communities included efforts such as Chaninik Wind Group's project, which incorporated thermal stoves for residential heating using excess wind generation. Enhancements in energy storage provided opportunity for further investment.

*Solar* - Solar projects accounted for 2% of investment in Alaska in renewable energy between 2010 and 2020, including the state's first utility-scale solar farms constructed in Healy and Willow. Solar generation in the spring and fall is often impressive in northern latitudes where clear skies, cool temperatures, dry air and bright, reflective snow all support solar generation. Solar photovoltaic systems can actually exceed their rated output during these times of year. The Native Village of Hughes recently installed a 120 kW solar photovoltaic system. The project is being developed to help advance the community's renewable energy goal of 50 percent by 2025. When the project is completed, it will be the largest solar project in a small rural community in the state.

*Battery Storage* - Residents need a reliable supply of electricity because many residents live in remote areas and winter temperatures can fall as low as minus 50 °F. Backup power therefore has to be available in the event of an outage. Utilities such as Golden Valley Electric and Homer Electric have chosen a battery backup solution as a cost-effective and reduced carbon emission solution, and implemented design and controls engineering for the whole system. In Fairbanks, the prime function of the Battery Energy Storage System (BESS) is to provide spinning reserve. At the end of the spinning reserve sequence, the BESS will automatically re-establish the operation mode, which was active prior to the event. In Homer, the new battery energy storage system will be used to balance system demands with its greater ability to deliver or receive energy. This also allows base-loaded thermal units to be run more efficiently while allowing for increased integration of utility scale non-dispatchable renewable energy sources (i.e., wind & solar).

The rural application is demonstrated, as well. Private companies have successfully deployed a hybrid solar + storage microgrid<sup>2</sup> to support the residents of Shungnak, a remote community above the Arctic Circle in Alaska. Funded by the United States Department of Agriculture (USDA) and Northwest Arctic Borough (NWAB) the microgrid was designed to address the numerous challenges of operating in extreme conditions and break the community's dependence on its expensive and polluting diesel generator power plant. The microgrid's 225-kW solar array is able to offset much of Shungnak's energy needs, while battery systems each store excess energy for later use. Uniquely designed to enable a "diesels off" operation, the system automatically coordinates between solar and energy storage to ensure lowest cost power and communicates with the utility's power plant about the best times to turn diesel generation off. The microgrid is expected to save 25,000 gallons of fuel per year and an estimated \$200,000 per year on fuel costs, based on \$7 to \$8 per gallon calculations.

*System Integration* - The Alaska Village Electric Cooperative (AVEC) provides electricity to over 50 remote communities in Alaska, including several with wind or solar power. In 2018, AVEC installed a 900-kW wind turbine in St. Mary's. They connected the two villages with an intertie in 2019, enabling them to share power. Combined, their peak electric load is 1000kW, allowing the 900-kW wind turbine to produce power greater than their electric load. This would enable diesels-off operation if there was another source of regulation and spinning reserves. AVEC identified this need and came up with the concept of a Grid Bridging System (GBS) that would provide regulation and spinning reserves. AVEC worked with ACEP to identify technical specifications for the GBS as well as ideal energy storage technologies that would fit the need. The GBS requires a high-power capacity, the ability to supply a lot of power, but for a short period of time, a minimum of around 10 minutes. Therefore, a high-power and low-energy capacity system is needed. The team came up with three systems: 1) Ultracapacitor energy storage systems, 2) Lithium Titanium Oxide (LTO) batteries, and 3) Lithium Iron Phosphate (LFP) batteries.



## VII. Conclusion

### A. Benefits of Priority Sustainable Energy Action Plan

#### **Funding**

This plan creates a pathway for dozens of implementation projects to be eligible for federal funds through the CPRG implementation opportunity. With needs identified of more than \$700 million, and a national competition with available funds of only \$4 billion, Alaska recognizes that it will need to focus on applications that result in the greatest contributions to improving conditions in disadvantaged communities and reducing greenhouse gas emissions. The State's approach will be to align these priorities with increasing energy affordability, which would greatly assist with the high costs that Alaskans experience.

At the same time, this plan will result in the ability of every community in Alaska to be able to apply for federal competitive grants that require a climate action plan, as the State's investment includes a mechanism for communities to have access to GHG emissions data and the ability to prioritize different measures that contribute to reducing emissions. This enabling of community opportunity is critical to fully realize the benefits of the CPRG and State PSEAP.

#### **Collaboration / Knowledge Sharing**

This plan has resulted in robust inter-departmental knowledge sharing and cooperation, even as the State has facilitated the active engagement of political subdivisions.

Most importantly, the State has hosted a CPRG Working Group that includes all eligible planning funding recipients, including all Tribes and tribal consortia. This has been an effective way to collaborate, avoid duplication, and share information.

#### **Project Identification, Bundling**

To the greatest extent possible given the limited timeline, the State has not only identified projects that would be eligible and ready for implementation relative to the implementation grant deadlines, but worked with agencies and political subdivisions to bundle projects into relevant categories for submission.

At the same time, it is worth noting that the distinct measures identified in the PSEAP are available to other eligible entities to apply for, to the extent that they are consistent with the measures presented.

Again, the State's goal in project identification and bundling is focused on eligibility and competitiveness of applications to the CPRG implementation program, and maximizing the efficacy of delivery across Alaska's disadvantaged communities.

### B. Next Steps

The State of Alaska anticipates moving quickly from the PSEAP to the CSEAP, recognizing that the comprehensive planning process will provide an opportunity to move toward more granularity of GHG emissions and corresponding mitigation measures.

The State encourages federal action to make additional implementation funds available at the conclusion of the CCAP process.

### **CSEAP Strategic Planning Meetings**

At the Infrastructure Development Symposium in April 2024, a half or full-day discussion will review the PSEAP and discuss the comprehensive planning process to get stakeholder buy-in and help inform the process going forward. The audience will at a minimum include representative state, municipal, and tribal government leaders. Following this and as early as late 2024, there will be regular stakeholder check-in meetings to review progress on the CSEAP with these leaders.

### **CSEAP Emissions Sector Workshops**

From August 2024 to May 2025, AML, DEC, and relevant partners will organize charette style workshops that bring together interested stakeholders to produce workshop reports that will form the basis of the CSEAP. Informed by map tool resources produced as a continuation of GHG Inventory work with Constellation, and with technical expertise from partners, these workshops will look more deeply at potential for emissions reduction in each sector.

Current plans call for sector workshops addressing emissions reduction and co-benefits in the following emissions sectors: residential, non-residential, agriculture/land management, solid waste, wastewater, rural energy, Railbelt energy, industrial, land & air transportation, maritime, and carbon capture, use, and sequestration.

As an outcome of the workshops, the planning team will identify interested participants for sector-level working groups that include relevant stakeholders and will help inform further development of the CSEAP. Throughout sector workshops, there will be complimentary work with workforce contractors to support the workforce planning analysis. Outputs from this effort that will contribute to the draft CSEAP include establishing sector greenhouse gas emissions reduction targets and the identification of additional and refined greenhouse gas reduction measures.

### **CSEAP Required Components**

DEC will include in its comprehensive planning the components required by EPA. Alaska's CSEAP will touch on all significant GHG sources/sinks and sectors present in a state or metropolitan area, establish near-term and long-term GHG emission reduction goals, and provide strategies and identify measures to achieve those goals. The State's CSEAP will mirror a CCAP, and include:

- A GHG inventory – to include additional data at reduced scale.
- GHG emissions projections – to include additional measures.
- GHG reduction targets – initiated within PSEAP and finalized within CSEAP.
- Quantified GHG reduction measures – continued work within CSEAP.
- A benefits analysis for the full geographic scope and population covered by the plan – additional work to be completed for CSEAP.
- A low-income and disadvantaged communities benefits analysis – initiated within the PSEAP.
- A review of authority to implement – this will be expanded to include all relevant authorities identified in the comprehensive planning process.
- A plan to leverage other federal funding – after implementation grants are awarded the State will be in a better position to identify opportunities to leverage other federal funding within the CSEAP.
- A workforce planning analysis – initiated within the PSEAP.

DEC will consider recent changes in technologies and market forces, potential leveraging of other funding opportunities (e.g., under the Inflation Reduction Act, Bipartisan Infrastructure Law, or other sources), new program areas and opportunities for regional collaboration, and inclusion of analyses to estimate benefits including those flowing to low income and disadvantaged communities.



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