



## **Frequently Asked Questions**

### ***Home Energy Rebate and Weatherization Impacts Reports***

*Cold Climate Housing Research Center, 2019*

#### **What was the impact of the energy efficiency programs studied in this report?**

The energy efficiency programs had a \$2 billion economic impact on the economy of Alaska in 10 years. There are continuing economic impacts that will benefit Alaska's economy for the next 10 years or so, albeit at a slowly diminishing rate. It is likely that the continuing economic impacts will exceed \$1 billion. There are additional impacts that are hard to quantify in dollars. For example, a more educated consumer, a more educated workforce, an increase in healthy living environments in rural AK. We've partially accounted for the last one, but erred on the low side for estimating those impacts.

#### **How many homeowners went through these programs, and what kind of changes did they make to their homes? What were the results for an average household?**

More than 47,000 homeowners completed one of the two programs. Another 3,600 received incentives for building high-performance new homes. There are over 250,000 occupied housing units in Alaska. The average house completing either program decreased energy usage by about  $\frac{1}{3}$ .

Top five changes: increased air-tightness, installed programmable thermostats, installed new heating systems, new DHW systems, insulated ceilings

#### **With 20% of homes in Alaska participating in one of these programs, how have they affected our housing as a whole?**

For those homes directly impacted, the energy use has decreased by about  $\frac{1}{3}$ . They are generally more comfortable for the occupants. In terms of the AK Home Energy Rating Score, they have improved by 1  $\frac{1}{2}$  to 2 stars. There has also been an increase in homeowner education and knowledge around energy efficiency. Contractors report that clients are more likely to ask about energy efficient features and qualities.

#### **Were there differences for different regions of the state? Did some areas see greater returns than others?**

Yes, rural Alaska saw higher than average returns, especially Western Alaska. Fuel prices tend to be higher than the state average, and at least among the older homes, the housing quality tends to be lower than the



statewide average, so a similar amount of funding can see much larger returns in terms of energy savings and improved healthy environment.

### **It looks like investing in energy efficiency offers a great return for the state. How does it compare to other similar or competing programs?**

In the Lower 48, many utilities have adopted energy efficient retrofit programs as a viable business, finding it cheaper than building more capacity in their power plants.

From an Alaskan perspective, investing in energy efficiency provides permanent reductions in household expenses. The programs have come to an end, but those homeowners still retain the benefits.

A subsidy program is not the same. The state has to continue each year to pay that subsidy for the homeowner to see the benefits. Once the state can no longer pay, the homeowner is faced with a sudden increase in costs.

### **Why did the programs end?**

That is largely a political decision and touches on the differing priorities between the governor and members of the legislature in balancing the state budget. As such, CCHRC can't really comment on the various factors in that decision.

### **What can policy makers do with this information?**

We hope policy makers will take a look at the pluses and minuses of the accomplishments and lessons learned so that in the future, where and when needs exist and funding is available, they will be better informed as to the impacts of these programs.

These impact reports were an attempt to take an unbiased, factual look at what the two programs did over 10 years. CCHRC was deeply involved in the process alongside various professionals and rarely had a chance to step back and look at the impacts. Once we reached the end we wanted to know: "What did we really accomplish? What calls were made in the moment by this or that group that in hindsight could have gone better? Did this effort help Alaskans, and did it do what the legislature wanted it to do?" At CCHRC, we're researchers and scientists, so along the way we've done spot analyses on different aspects of the overall effort, but stepping back and trying to encompass the whole, we were still surprised by some of the findings. For example, we did not think that the overall economic impact was going to exceed \$2 billion off of a state investment of \$629 million.