

IABA Meeting of 5.20.08
5:30pm – Noel Wien Public Library

Via audio:

AHFC – John Anderson, Paul Kapanksy (mortgage rep), Bob Brean

Present in Fairbanks:

Energy Raters – Lynn Kuhl

Cold Climate Housing Research Center (CCHRC) – Jack Hebert, John Davies, Ryan Colgan

Builders - Dave Dillard, Jack Hebert, Steve Bee, Mr. Stoneking and others (names not available) The IABA website includes a listing of contractors (www.InteriorABA.com)

Remodelers – David Costello

UAF Cooperative Extension Service – Pete Pinney

Interior Alaska Builders Association – David Costello

Lenders - Aaron Hines with Denali State Bank, Nicole and Missy Spirit of Alaska Credit Union, Jerry Walker and Jenny Mahlen of First National Bank of Alaska

Fairbanks North Star Borough Assembly – Luke Hopkins

Interior Weatherization – Jim Lee

Homeowners – 95% of attendees

As of May 16th, the rebate for energy rating through AHFC is reimbursable, with a certain percentage for the pre and also for the post. AHFC issues \$325 for the pre and \$175 for the post. The homeowner should ask any contractor for proof of association with AHFC (on the website). Is this only single-family residences? The rebate program operative word is “owner-occupied.” The parameters on co-existing residents will come out soon. There is no income limit on rebate program.

Lending questions:

At this time the lending program is through AHFC. If the improvement costs exceed the rebate amount, there are options on how to finance the overage (Paul, Bob of AHFC)

If an energy rater comes to the home and the owner needs to borrow, the info and app is on the website, plus the contact number for an individual to respond to questions. Read the website first. The AHFC interest rate is 5.5% max term is 15-year, \$100 minimum payment. The loan goes to second position. The rate fluctuates daily but is locked in as a fixed rate for 15 years with a quote. Homeowners can use a local lender as well.

If owners borrow directly from AHFC, those payments are directly paid to AHFC. Is there an appraisal required? No. AHFC will try to avoid but use as a last resort.

Applicants cannot be part of the rebate and weatherization programs.

Jack Hebert described CCHRC as a resource to make sure the work is done, that the money is well spent. Everyone in this community should be involved in this program. CCHRC will coordinate courses to train raters and provide support for the work begin.

The town has made it through the temporary challenge, but, as the borough mayor noted, winter is only four months and one week away. The community must be ready for the coming winter. The do-it-yourself piece will be supported by UAF Cooperative Extension Service. The other piece, besides the energy raters being trained, is that there are 10,000 houses in need of work.

On the other side, weatherization is not just learned from a book. Skill levels to do it right should be examined. Randy Cheap with Alaska Works Partnership is an important partner with contractors and builders. Jack also mentioned that performing work on a house has unintended consequences. For example, tightening the house can lead to mold. Changing out boilers changes the energy numbers. It is good to know how quick the payback will be, what the calculation is and know how to determine the loan amount.

He emphasized that we will have to work together to make this work, to impact the resiliency and sustainability of the entire community. When the assembly and the mayor declared an energy emergency, the situation is real. This public education beginning here tonight is just the first of many more presentations.

Todd Hoener, GVEA, energy efficiency specialist, directs the Energy Sense program. GVEA will rebate for eligible measures in new, retrofit and rehab (www.gvea.com). The focus is on energy-efficient lighting, and LEDs. The disconnect announcements are enormous at this time. GVEA will provide as much information as possible to assist homeowners and businesses. Currently, with cost of power adjustment, plus tariff rate increase of June 1 (approval of commission) 18 cents per/KW. That includes all associated costs. The fuel adjustments occur every quarter. This does not include the Customer Service charge.

The SNAP program includes members who contribute to an escrow account to distribute to those who generate alternative power that feeds back to the grid. Producers can receive up to just over \$1/hour. There are currently 20 producers. This entire process is one to change the architecture in the way we think. The \$300M from AHFC will also help to change how we think about and use energy. This is “doing business” rather than an emergency. Goldman Sachs predicts \$200/bbl oil by next year.

Todd's Top five suggestions for homeowners: dry using a clothes line vs. dryer, change out light bulbs, put a blanket on water heaters, timers and switches to cut off phantom draw, make the purchases of Energy Star appliances. These do not show up in an energy rating and not part of the rebate program. GVEA is going to put in LEDs into the program. Energy Star is not yet part of the program. Incandescent light bulbs are not going away, but the lumens limit is going to force their phase-out.

If in the rebate program with a pre- and post, and it moves up a step that qualifies for \$4000, only spend \$3500, can the owner spend an additional \$500. That will be dictated by the AKWarm program.

Lynn Kuhl, energy rater, explained how the energy rating process works. This program is for owner-occupied, not apartments, one owner, one time. Rater evaluates on a print out for points on the activities. If the homeowner pays, keep the receipt for rebate. Owners have up to 12 months to complete between pre and post rating. There are a lot of new materials on the market now. Raters can ask AHFC if those can be added to the program. He personally is booked until July 8 as of today, looking to return 30 calls just tonight.

When the rater comes to the house, the rater looks at volume, exposure, boiler, windows, and other components that create a rating, provide a list of activities to gain points.

How is the program geared for new technologies? There is a spot in the program where the raters make notes to AHFC on substitutes to calculate into the rating points. If the raters aren't sure, they can call AHFC. CCHRC will set up product testing lab to assure claims on new products. If they don't measure up to the local environment, they won't count.

When raters come to the house, they look at certain replacements/improvements, and as you improve on those points, you qualify for different level of rebates. If you go from boiler to wood burner, you will likely improve your rating. Most homes in the community are 4 star or higher. But that doesn't mean that owner couldn't realize points. AHFC cannot do everything, even though designed to go up a level. There may be things that you will want to do on your own to achieve additional savings on energy usage. The program can still inform you on what you can do, even if you don't qualify for rebate. The program (AKWarm) is on the AHFC website. If you go up two steps you can receive \$5,500; five or more steps can go up to \$10,000.

Training for raters in Fairbanks will be June 9 – 11. Alaska Building Science Network (ABSN) is organizing the training for those who have 2 years in construction. Those interested can go directly to ABSN website and download the pdf file, fill out and return. Insurance: AHFC will make payments to homeowner. They will have to have blower door to sell to raters to do the work. The raters and contractors will not be allowed to work in the same entity for reimbursement.

Does the pre and post have to be the same rater, or can be? Yes.

Luke Hopkins (Borough Assembly): What is the timeline for new raters to be ready and out in homes? Probably the later part of June or first part of July. AHFC thinks the bottleneck will be the crews available to work on those who have their ratings. 10,000 units is not probably going to happen if construction crew availability is not there. There is an allocation of \$10,000 per home for up to (finalized by Memorial Day) based on

population degree/days, so more like 2,000 homes predicted. Even if 800 ratings done, will there be the crews/contractors available to perform the work?

Tammy, homeowner, described her home, built in 1982 in a good neighborhood. They have never replaced windows, needs weatherstripping for the garage door, other items could be worked for energy efficiency. Her husband works in the trades and is gone quite a bit. If this house is typical and possibly going to have a low rating, is the number of homes for the allocation good? Most raters were booked for July. She found one for June 24th. If she has a 3 at the end of June, collects the estimates, is twelve months enough time to complete the work? Lynn responded that the work could be done on your own, if able. The reality could well be that there will not be enough contractors to do the work. Make sure the contractor is licensed and insured. Tammy, with her basic understanding of what needs to be done, asked about support for those who don't know what to do, where to start, how to know to make the right decision. Of the six or seven builders in the room, how many know of another builder available? Steve, specialty contractor, is a builder in the room who is either available or knows someone who is. Talk to the builders and ask for a reference. Work with those who know what they are doing. With this being such a community concern, Tammy is concerned for those who may not be as adept in asking questions, know about the program or knows how to ask.

Two questions from the audience: if I put in a wood stove in, will that improve the rating? It may. To the borough: If I put a wood stove in, what about particulate limits in the borough? Right now EPA has a new air quality level. Fairbanks will probably be a non-attainment area. EPA will require a plan. Right now, the borough receives money to study the components of particulates to be able to respond appropriately to the non-attainment. There are burn bans after alerts, which may impact the use of wood stove heating usage. This has been a part of the non-attainment plan since the carbon monoxide level situation.

As far the energy rating program developing, another homeowner tried to stay on top of the information change flow. She made an appointment before the rater could address the insurance issue. The rule has now changed to address the issue so that homeowners can receive the rebate. If you make one step happen, receive the \$4K, what about the \$500 for the rating? AHFC is currently considering that \$500 reimbursement. How much time will it take to see that \$500? That should be returned in thirty days. Depending on demand and action, they are also looking to reimburse in thirty to ninety days. They will encumber \$10,000 for an active house in the program, for the potential. They will pay and then release the money back to the program.

Some asked whether they should apply for weatherization or rebate program.

James Lee described Interior Weatherization as fielding hundreds of call a day, with four people answering the phones. People are expecting weatherization in two months. Even though some will be income qualified, the capacity is such that 800 completed this year is not realistic. He hopes to double in each coming year as a gear-up. Interior Weatherization works with the contractor. This program is 100% of median income.

Family of four is \$76,000/year. Family of one is \$31,000 Priorities are listed on the AHFC website. You can choose to go with the rebate program if you want work with contractors on your own and use the reimbursement plan. Weatherization will continue to work into winter, all year, even in -40. Each year more will be helped, but not all in a month. AHFC is still working out the bugs.

Steve W. is having great success with siding panel. The AKWarm doesn't rate the product. He expressed the concern about window costs versus siding. Talk to the rater and have them work with AHFC. The viability is \$5K for siding versus 15K for windows. AHFC would like to spend the money wisely to gain the best return on investment per that rating.

Weatherization selected three contractors to work with through their own training. By the end of June those contractors will be up and running. Jim expects each contractor can work on 150 homes per month. The contractors can provide a foot into the rebate program. He does want calls because a waitlist justifies a request for more money. Weatherization can only work on pay-back items. The average is \$8,500 because of this element of the programming.

John Davies discussed the strategy for a one-stop shopping location through the borough. We are working with UAF Cooperative Extension Service, Alaska Works Partnership (AWP), CCHRC, and other partners to connect information for those who need it to those who know.

Randy Cheap discussed how AWP will work with contractors. AWP has been working on curriculum with ABSN as a training provider, working with 500 people a year now. There aren't enough contractors to do the work. Those interested have to be at least 18, but one is up to 52; however, the goal is to replace those ready to retire.

AHFC mentioned that the quick fix approach to conservation is more than new windows. Those often fall below the line of the most efficient return on investment. Blocking air draft can provide much better return. The \$300M is a big number, but it isn't enough in the statewide perspective when you consider the logistics, increase of price of fuel, etc, the legislature will need to plug in more money to achieve even more.

Hoffer Glass, Spenard Builders Supply, ABC has windows, Rival Siding, available for estimates and information.

Jack Hebert (CCHRC) stated that certainly there isn't enough money from AHFC or other government programs to complete the entire range of things to use. Do-it-yourself will also be a critical part, which is why Cooperative Extension Service is involved. Even with all the incoming money, there will still be thousands of houses to be worked on. The community will need to have patience and think of the bigger picture. We appreciate the help from AHFC to help Fairbanks help ourselves.

EnergyFit will be happening in July. IABA started with select homeowners, certain partners, just as a start. We encourage you to check out the websites to research the information available to achieve your energy conservation goals.

Aaron of Denali State Bank will be assisting at the July event. After listening to what was said tonight, he is looking to see what people's interest is to design something for this rebate program. Question: can I get a home equity loan and at what interest rate. The amount and range would come from a credit score. Missy from Spirit of Alaska recommends the FHA Title 1 loan program at a fixed rate. She would like to work with homeowners that receive a reward. Ginny from FNBA can also provide this type of program. If it behooves your to refinance, you can put the work into a first loan.

The participants broke into groups to ask specific questions of lenders, builders and raters in the room at 7:25pm.

Additional information can be found on the UAF Cooperative Extension Service website energy page (www.uaf.edu/ces/energy), including this transcript, links to agencies and portals, and additional information provided as a public service, connecting people to information they can use.

Announcements:

Nenana will hold an Oil Conservation and Energy Fair May 31st from 11-6 at the Nenana Civic Center.

Friday, July 11th, Interior Alaska Building Association (IABA) will sponsor a free forum in Pioneer Park Civic Center from 5:30 - 8:30pm, highlighting clean woodburning/heating systems, electrical/renewable energy retrofit/ weatherization. The public will be able to ask questions, get answers on how to conserve energy and find ways to save on energy bills.