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CBJ Commission on Sustainability, Energy/GHG Committee Meeting  
December 8, 2008 5:15 AEL&P Conference Room

In Attendance: Sally Schlichting, Gayle Wood, Sarah Lewis. Absent: Bob Coghill Rick Wolk and Eva Varadi Bornstein.

Meeting Minutes

Meeting convened at 5:15 pm

Brian Holst and Margaret O'Neal, JEDC were in attendance.

Status of policies, measures and incentives for increasing energy efficiency were discussed.

Draft Legislation on Property Tax Exemption: Sally Schlichting distributed copies of city code and state authorization in statute and the committee discussed it briefly and agreed that more information or research may be needed. It was suggested that possibly the city attorney could review the issue. However a first step may be to contact Deborah Purves in the CBJ building department. Additionally, the draft legislation will need to be taken up by another member of the Juneau delegation; once this has occurred, committee comments on the draft should be conveyed.

Sales Tax Exemption on Fuel Update. Based on discussions with Bob Doll at the prior Commission meeting, it was determined that this was likely now a moot issue and no statement by the Commission is needed.

Revolving Loan/Energy Rebate Program for businesses and property owners/managers. Schlichting reported that following the last committee meeting, she prepared a letter proposal outlining the concept and sent it to the City Manager. On December 1, the Manager responded in writing favoring a revolving loan program over a grant program, and asking for additional information, such as whether JEDC would be willing to administer the program; what would be the qualifying requirements for the program, what would be the interest rate, and how much money would be required to establish the program.

Discussion then proceeded with JEDC as to the viability of the program. Margaret O'Neal expressed concern that there may be no demonstrated need for such a program. Based on the minimal response JEDC received during the May 2008 energy emergency to a loan program established to help local businesses with their energy bills, O'Neal indicated that local businesses may not find a revolving loan program for making energy-efficient upgrades attractive or necessary.

Holst summarized the recent JEDC draft survey results of local businesses following the energy emergency. Based on 100 responses, businesses had and were continuing to change their behaviors to reduce energy consumption. Only a very small percentage did nothing during the emergency.

Holst suggested that if a need is demonstrated, a revolving loan fund of the kind proposed by the Energy/GHG committee could fit well with a new energy audit program for businesses that JEDC is currently in the process of implementing through USDA. This energy rating program

would provide a baseline scenario for businesses that could then be used to proceed with energy and efficiency improvements through the concept loan program.

Sarah Lewis proposed that a menu of improvements—for example: a new boiler, insulation, lighting, air exchange upgrades – could be built into the loan requirements to control what the loans are used for. In addition, it would help to make the loan easy to apply for and to see how it makes good business sense to make such improvements.

Other concerns aired by JEDC included the liability associated with managing a loan program. Whether these would be secured vs. unsecured loans would dictate the interest rate. O’Neal also suggested that if property values continue to fall, this could make lending on improvement projects more risky. Also, what would be the payback period? Would there be an owner contribution? Should the number of borrowers from the fund be limited? Also, a higher interest rate may be unappealing to local businesses. However, an operating grant could enable the loan to have a lower interest rate.

O’Neal strongly urged that a needs assessment be done first to determine whether the business community would find such a program useful. A needs assessment would entail a structured survey of a cross section of local businesses accomplished through telephone interviews.

The discussion concluded with the open question of whether the Energy/GHG Committee would be willing to take on the task of conducting a needs assessment for the loan program. This will be discussed at the next meeting.

The Meeting adjourned at 6:30 pm.