



Alaska Heat Smart FY24 Funding Request Summary

Alaska Heat Smart (AHS) is requesting a CBJ grant of \$235,094 for FY24. This increase of \$93,000 over last year is needed to accommodate rising public demand for our services, to meet the realities of growing costs, and to position Juneau to take advantage of future federal grant programs.

The Need for Additional Funding

Over the past year, requests for AHS services offered to all Juneau residents have increased significantly. In addition to our advisory and home assessment services, our success in obtaining federal grants provides both financial incentives and related “healthy-home” upgrades linked to the installation of heat pumps in lower income households, broadening the reach of our offerings.

As our program offerings expand, we need appropriate growth in salaries and benefits. This is critical to both retain key staff, and recruit additional support. Administratively, it is also critical that AHS delivers rock-solid accounting and management practices to correctly administer federal grants.

To meet these current and near-term demands, staff hours must increase by almost 50% in FY24 (7488 hours vs 5000 in FY23). This includes increased time for energy advisors and heat pump assessments. It also reflects our increased public outreach and associated data management needs, expanding our administrative support position from part-time to full-time with commensurate benefits.

AHS Program Impacts

AHS provides cost effective services that directly and significantly help the CBJ meet its affordable housing, climate, and renewable energy goals by supporting rapid adoption of heat pumps and related building efficiency measures. On average, of the 8500 Juneau households that heat primarily with oil, each one installing a heat pump reduces their annual household heating costs by \$1800, and carbon pollution by 6.9 tons (equivalent to taking 1.5 cars off the road for a year).

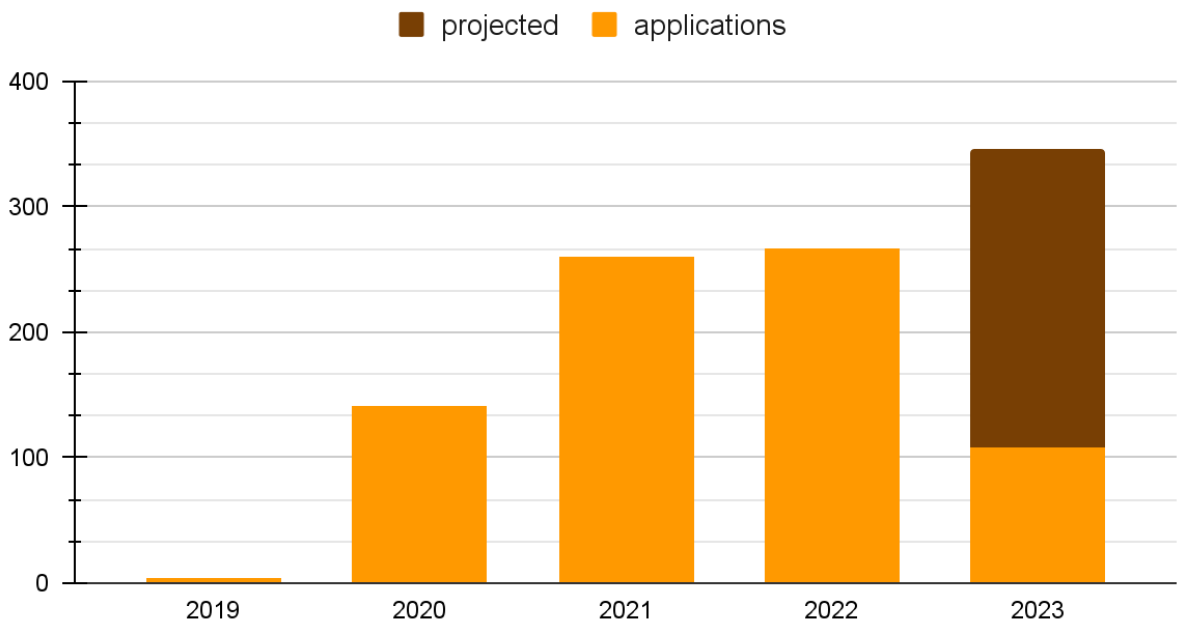
CBJ funding allows AHS to address major barriers to heat pump adoption, providing a path for individuals across the community to obtain the significant advantages of heat pump conversion. Our primary offerings include:

- **Assessments:** Information and in-home heat pump assessments by our energy advisors give homeowners cost-effective options that fit their house and budget. AHS has provided energy efficiency education and heat pump advice to at least 1000 households, including 600 home heat pump assessments. At least 70% of assessed homes proceeded with heating system conversions.
- **Grant Incentives:** New grant program incentives enable outreach to difficult to reach, lower-income households. So far the CBJ's investment in AHS has leveraged over \$3 million in federal and private funding, with \$2.5 million going to assist lower-income households. This expanded service provides equity in climate/energy improvements and cost savings to Juneau's most energy-burdened households. Over the coming year we expect new federal incentive programs that we hope to help Juneau residents benefit from.
- **Information and Facilitation:** Alaska Heat Smart offers a range of information and packaging, providing a one-stop opportunity for homeowners interested in heat pumps. Services include referral of homeowners to advantageous heat pump loans through True North, providing private sector loans to Juneau households. AHS also shares information on technological advances with local installers, ensuring newer technologies are accelerated into Juneau housing. Finally, AHS shares information on federal incentives, tax credits, and potential rebates for homes and commercial buildings.

The Alaska Heat Smart program is providing major benefits to Juneau residents, with strong potential for even greater impact. The attached charts illustrate details of our staff and program expansion, and the rate of growth for assessments and new heat pump installations. We appreciate the CBJ's continuing financial support and consideration of a funding increase that provides a prudent way to leverage local resources to best advantage.

FY24	FTE Equivalent	% Time CBJ	Annual CBJ Hrs	% Time Grants
Executive Director	1	50%	1040	50%
Admin. Assistant	1	40%	832	60%
HH Program Manager	0.6	10%	125	90%
Chief Energy Assessor	0.4	80%	666	20%
Energy Assessor	0.25	75%	390	25%
New Energy Assessor	0.25	75%	390	25%
Bookkeeper	0.1	90%	187	10%

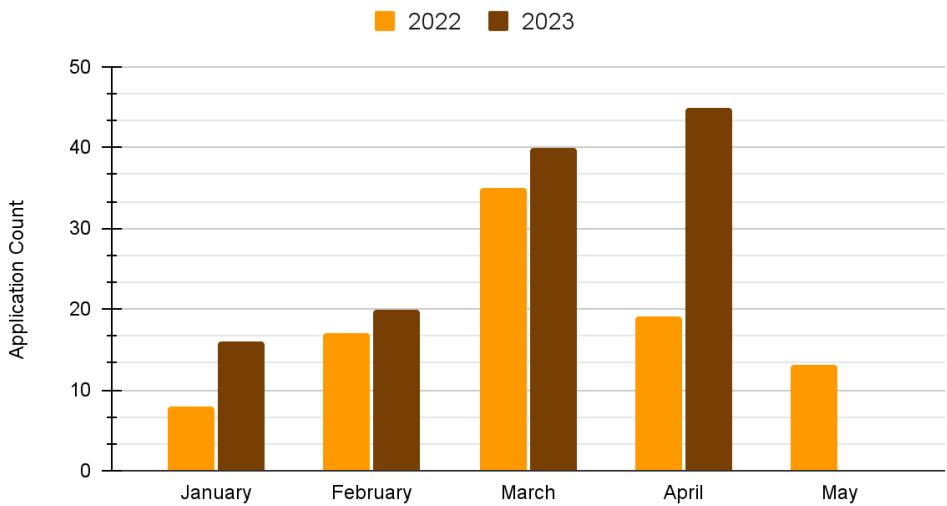
Fig. 1: 2019-2023 AHS Assessment Applications



Notes: AHS Assessment Applications Chart

2019 - AHS began its assessment program at the end of 2019
 2021 - 'Thermalize Juneau' significantly increased applications
 2023 - AHS projects 346 applications by close of 2023 / 112 applications as of April 27, a 27% increase over 2022 as of this date

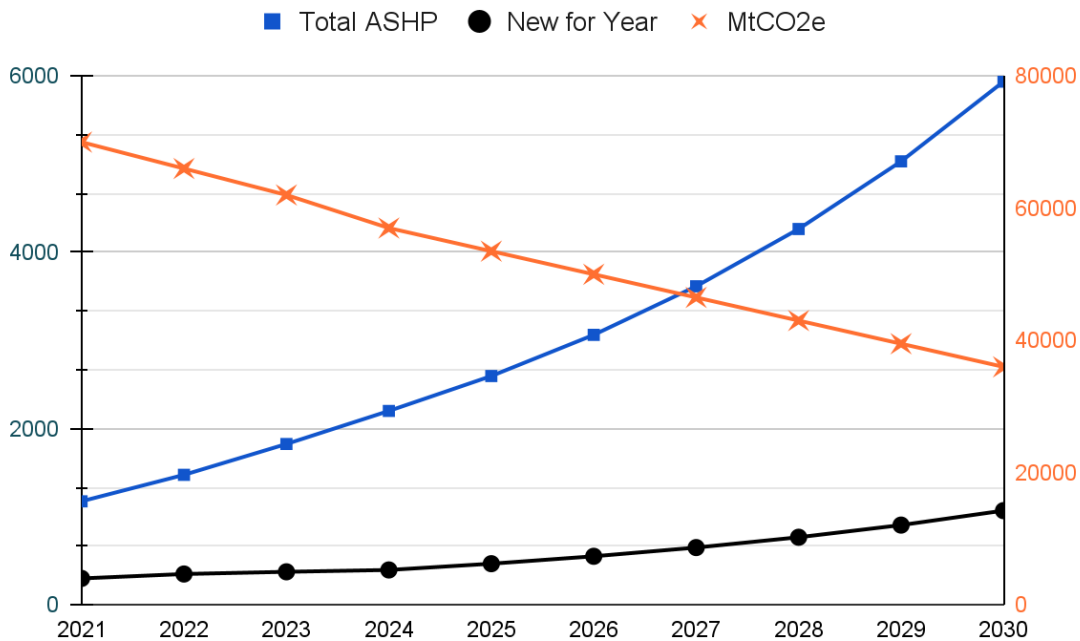
Fig. 2: 2022 - 2023 Application Comparison



Note:

April - July trends from 2020 - 2022 shows a monthly decrease. April 2023 applications have more than doubled over April 2022.

Fig. 3 Scenario for Juneau Heat Pump Growth and GHG Reduction



Notes: This projection is based on conservative estimates from 2021 and 2022 data. Pre-2023 installation estimates are derived from CBJ permit data, contractor records, AHS assessment data, and direct observation. Heat pump installations post 2022 are projected to increase at an annual rate of 18%. Continued year-over-year local and national support for heat pump adoption, fuel prices, and workforce changes may alter these projections. With 6000 heat pumps operating in 2030, Juneau would realize an annual avoidance of 33,911 metric tonnes of carbon dioxide, a reduction from 2021 total buildings emissions of almost half.