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Report: Fairbanks should invest in energy efficiency instead of new sources

by Molly Rettig / News-Miner
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FAIRBANKS — We try to get the most mileage out of our cars, clothing, food and other commodities before buying more. But we don't make the most of the electricity we have, a new report states of Fairbanks.

The report states it can be cheaper to invest in energy efficiency than in new sources of energy. It shows Fairbanks can cut its energy demand almost in half by investing \$100 million in efficiency. That doesn't mean turning down the heat but rather insulating and installing more efficient appliances and patching up other electricity-sucking devices.

A panel of state and local officials and energy experts convened Wednesday morning at the Morris Thompson Cultural and Visitors Center to discuss the report and the potential of energy conservation in Fairbanks. They said energy efficiency would save money, improve the local business climate and create jobs.

"Energy efficiency and conservation will always be our best economic value and most secure investment. It comes with a high, tax-free rate of return," said Todd Hoener of Golden Valley Electric Association.



The report, titled Fairbanks First Fuel, was commissioned by the non profit Alaska Conservation Analysis. It explores how Fairbanks residents, businesses and industries use electricity and how they could reap savings by investing in efficiency. It

recommends measures for different sectors and gives costs and paybacks of various technologies.

For example, an average refrigerator in the GVEA service area costs \$210 to operate each year, while a new, energy-efficient refrigerator costs about \$66 per year. If 38,000 homes in Fairbanks replaced old refrigerators with new ones, it would save 32 million kilowatt-hours per year. The report also suggested insulating building envelopes, installing high-efficiency lights and water heaters and many other strategies.

“Where are the low-hanging fruit? What can we invest the least money in to get the best savings now?” said Paul Sheldon, an efficiency consultant and author of the report.

Financing is key to getting residents and businesses on board, the report stated.

The utility could reward efficiency by tying rates to usage, for example.

“There is no incentive to conserve electricity with the current rate structure,” said Tom DeLong, who is on the board of GVEA and attended the event. “We could come up with new rates, adjust things between customers.”

Panelists also pointed to government programs that have encouraged efficiency.

In 2008, the state provided \$160 million in rebates for residents to improve their homes’ efficiency. Nearly 25,000 houses statewide, and more than 1,900 in the Fairbanks area, have taken advantage of the program, according to the Alaska Housing Finance Corp., which administers the rebates. The funds are spoken for.

In the same year,

\$200 million was appropriated for weatherization,

65 percent of which has already been set aside.

To keep this type of financing alive, programs must be proven effective, said Sen. Joe Thomas.

“My main concern is that we document what we’re doing so at a later date we can build confidence in the general public,” Thomas said. “It’s so important in allowing us as legislators to make those appropriations.”

To that end, the Cold Climate Housing Research Center is analyzing electric bills from homes before and after they are retrofitted.

“We’re seeing 25-30 percent (savings) on average cases, some cases 50-60 percent,” said John Davies of the research center.

The research center is working with a \$146,000 grant from the Alaska Energy Authority to develop an energy efficiency report that covers residential, as well as commercial and transportation, sectors.

The city has been able to show a fairly quick return on an efficiency investment.

“In the last year or so that LED lights were installed in Fairbanks, we’ve seen 70 percent reduction in power savings and an annual savings of \$400,000,” said Sen. Joe Paskvan.

One hole in existing programs is that they don’t include the commercial sector, said David van den Berg, president of the Fairbanks Downtown Association.

“How do you make a similar opportunity available to small business and nonprofits?” he said.

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