MATANUSKA-SUSITNA BOROUGH INFORMATION MEMORANDUM IM No. 25-089

SUBJECT: INFORMING THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY OF THE BOROUGHS PARTICIPATION IN A GRANT APPLICATION SUBMITTAL TO ICLEI-USA-LOCAL GOVERNMENTS FOR SUSTAINABILITY BY THE ALASKA SUSTAINABLE ENERGY CORPORATION.

AGENDA OF: April 1, 2025

ASSEMBLY ACTION: Presented to the Assembly 04/01/25 - BJH

AGENDA ACTION REQUESTED: For information only.

Route To	Signatures
Originator	3/17/2025 X Pamela Graham Signed by: Pamela Graham
Department/Finance Director	Recoverable Signature X Cheyenne Heindel Signed by: Cheyenne Heindel
Borough Attorney	3/17/2025 X Nicholas Spiropoulos Signed by: Nicholas Spiropoulos
Borough Manager	Recoverable Signature X Michael Brown Signed by: Michael Brown
Borough Clerk	3/21/2025 X Lonnie McKechnie Signed by: Lonnie McKechnie

ATTACHMENT(S): Submitted Proposal (3 pages)

SUMMARY STATEMENT: ICLEI – Local Governments for Sustainability issued a request for proposals to green banks, local governments, and Tribes for the Municipal Investment Fund to accelerate clean energy investment across the country.

The program has two phases: In Phase I, up to 104 communities will receive technical assistance and up to $250,000 in Market-Building grants to develop public-private partnership plans for clean energy deployment.

In Phase II, up to 10 of these communities will be selected to implement their plans, receiving up to $2 million in Pre-

development Activity grants and additional Market-Building grants. Funded by the Environmental Protections Agencies Greenhouse Gas Reduction Fund under the Inflation Reduction Act, the Municipal Investment Fund aims to mobilize private capital for clean energy projects, particularly in low income/disadvantaged communities, fostering scalable and replicable investment models.

The Alaska Sustainable Energy Corporation, a nonprofit subsidiary of the Alaska Housing Finance Corporation, approached Borough Administration on the possibility of partnering on the submittal of a proposal to advance energy-cost saving measures for the borough.

The Alaska Sustainable Energy Corporation, in partnership with borough drafted and submitted the attached proposal for a Phase I grant includes market building activities like energy-efficient building frameworks, energy-sector workforce development analysis, and localized sustainable energy case studies.

If the proposal submitted by the Alaska Sustainable Energy Corporation is successful the borough's role during Phase I, estimated to last six months, will be to ensure that the plans are relevant and useful to the borough. If selected for Phase I, the Borough could then apply for the Phase II grants, providing an opportunity to use the funding to focus on borough-owned buildings to find opportunities for energy retrofits, reducing their operational costs.

MIF Proposal: Strengthening Mat-Su's Infrastructure

Application prompt:
https://icleiusa.org/iclei-cgc/

Describe the following:
How will the Market-Building grant of up to $250,000 support your ability to achieve CGC's Municipal Investment Fund objectives to build a roadmap for public-private partnerships necessary to achieve community-wide clean energy goals, bring together a coalition of partners, create policies to attract capital and reduce costs, and originate a pipeline of financeable NCIF Qualified Projects with at least 50% of projects located in LIDACS?

Sample Template:
COMMUNITY X will use the Market-Building grant to build a public-private partnership plan that uses a 'whole community approach' to accelerate the deployment of capital for U.S. clean power projects that will create jobs, lower energy costs, and improve the quality of life for my community.

Through the development of the plan, we aim to bring together a coalition of partners that include [list of specific partners: community organizations, labor, businesses, utilities, renewable energy developers, and state and local lenders] to identify ways to accelerate the deployment of capital to NCIF qualified projects, reduce costs, and achieve GHG reductions, energy savings, jobs, and improved health.

Our goal is to build demand for clean energy projects and aggregate a robust pipeline of financeable projects in [Include NCIF Qualified Project Category] with a minimum of 50% of projects in LIDAC communities. This plan will benefit LIDAC communities by [describe key outcomes] which will result in [describe key benefits].

Evaluation criteria:

Phase I: Applications to become a Qualified Community (a target of 104) and be a part of the network are due to ICLEI USA on February 5th, 2025, and will be evaluated against the criteria below.

Evaluation Criteria for Phase I: Becoming a Qualified Community

A. *Community Profile Questionnaire & Narrative (40%)*	Responses to the questionnaire and narrative demonstrate that the community has established clean energy goals, policies and initiatives that support clean energy and public-private partnerships, and methodologies for tracking progress. ICLEI USA will recommend communities to CGC with diverse population sizes and capacity levels.
B. *Narrative (40%)*	Narrative makes a case for how the Market-Building grant will support the goals of the Municipal Investment Fund including building the roadmap for public-private partnerships necessary to implement community-wide clean energy goals, bringing together a coalition of partners, creating the enabling policy environment to attract capital and reduce costs, and originating a pipeline of financeable NCIF qualified projects with at least 50% located in LIDACs.
C. *Budget Submission (20%)*	Market-Building Activities Budget clearly categorizes expenses, is directly related to the project narrative, and includes activities that can be accomplished within the 6-month grant term.

(screenshot from MIF RFP PDF)

Proposal Narrative:

Alaska faces some of the highest energy costs in the nation, driven by its reliance on imported fuels, limited energy infrastructure, and extreme climate conditions. In the Matanuska-Susitna Borough (MSB), these costs are already straining municipal budgets, businesses, and residents, and the situation is expected to worsen. Southcentral Alaska, including MSB, is heavily dependent on Cook Inlet natural gas for heating and electricity, but declining production and a lack of new development threaten the region's supply. Without alternative energy solutions, a natural gas shortage could trigger severe price spikes, making heating even more expensive. Rising energy costs not only impact day-to-day operations but also place a growing financial burden on residents. Proactively investing in energy efficiency and renewable energy will help MSB mitigate these risks, reduce dependency on fluctuating energy markets, and create a more stable and cost-effective energy future for the borough. However, key barriers include a lack of standardized design guidance, limited workforce training, uncertainty about market potential, hesitation to adopt new technologies, and the need for better financing options. Addressing these challenges would require coordinated efforts between public and private stakeholders to create a more supportive policy and financial environment for clean energy adoption in MSB.

A core component of this initiative is developing practical energy efficiency and renewable energy guidance for municipal buildings, ensuring that borough staff and local decision-makers have access to clear recommendations when planning future projects. Rising energy costs directly impact municipal budgets, and without guidance on best practices, energy efficiency measures may be overlooked.

Currently, the borough lacks the capacity to research and integrate proven design strategies into procurement and planning processes. This initiative will compile and summarize relevant best practices into user-friendly materials that municipal staff can reference when designing or retrofitting buildings. Private sector architects, engineers, and energy consultants will be engaged to provide input, ensuring the recommendations are practical, effective, and applicable to MSB's needs. These materials will also be publicly available, encouraging private developers to adopt similar approaches.

In addition to creating a technical framework for energy-efficient buildings, this initiative will focus on workforce engagement to better understand existing gaps in clean energy training and identify practical opportunities for improvement. Partnering with local education institutions, union training centers, and contractors, we would assess current training programs and identify gaps and opportunities in energy efficiency and renewable energy instruction, based on local needs. By incorporating best energy practices into trade education such as HVAC and electrical, we could help create a pipeline of skilled workers. Successful models, like the Philadelphia Area Labor Management Committee's integration of sustainable energy practices into trade apprenticeships, would serve as inspiration. This would likely be in partnership with Knik Tribe which is based in the MSB geography and is working on creating clean energy-related workforce opportunities for their community. By gathering input from trade schools and local businesses, we can provide recommendations on workforce development opportunities that can be realistically implemented in the near term.

Another challenge is the hesitation to adopt new technologies due to a lack of local, relevant examples, as well as financing options. To address this, we will compile a set of real-world examples of successful sustainable energy installations in Southcentral Alaska. These case studies will include performance data, cost savings, and lessons learned, providing practical insights that can help municipalities, businesses, and property owners make informed choices. By providing clear case studies and information fact sheets that are geographically relevant, we could reduce perceived risks and encourage broader adoption of energy efficiency and renewable energy solutions in MSB. These would be paired with building code and other local requirements, for additional ease of use.

Together, these initiatives would form a cohesive market-building strategy for MSB. Strong public-private partnerships are essential to success. By involving design firms, contractors, financial institutions, and educators from the outset, we can develop a roadmap for public-private collaboration that is actionable and does not require significant new infrastructure to maintain. Instead of formalized commitments, the goal will be to identify realistic next steps that different stakeholders can take to help scale clean energy solutions in the borough.

This initiative would result in measurable energy savings, local job creation, and a more resilient building sector in MSB. By developing practical guidance for municipal projects, engaging stakeholders, and reducing risk perceptions through local case studies, we will create the conditions necessary for sustained clean energy investment, making clean energy adoption easier, more accessible, and more financially viable for the borough and its communities.