

EXECUTIVE SUMMARY

Arkansas can be a leader in the new Clean Energy America. With recent policy developments & enormous resources in alternative energy, our Land Of Opportunity depends upon our New 2015 Leadership for future jobs, economic growth & renewable success. Moved up 6 positions to become one of the year's most improved states, Arkansas ties for 31st in the 2014 State Energy Efficiency Scorecard conducted by the American Council for an Energy Efficient Economy (ACEEE). Arkansas is at an economic turning point. Our highest economic development priority should be in emerging sectors that focus on "cost effective & return of investment" in Energy Efficiency (EE) incentives, Renewable Energy (RE) policies and the encouragement of new In-State energy production that can effectively plug the leaks in our statewide resilient economy. The depth of this commitment will have an American regional impact on the direct reciprocal effect on stimulating Arkansas economic development, private investment, rural development and job creation far into the future.

Arkansas can mitigate the persistent barriers for Renewable Energy Standards (RES) by developing a new Arkansas State Energy Plan. We have substantial room for growth in policy to make our way up to the ACEEE Scorecard. Having only 11 legislative sessions & 30 positions to move up in regional leadership by 2036 the Bicentennial of Arkansas, set EE goals are needed. We have significant untapped resources when it comes to solving our future transportation policy, building EE codes, combined heat & power, consumer incentives for EE purchases, retrofitting of existing hydropower & utilities, appliance EE standards, and above all is the education of Arkansans in consumer investment based incentives & energy cost options.

Directives from Arkansas' Governor Mike Beebe, Arkansas Public Service Commission, Arkansas Economic Development Commission, Arkansas Energy

Office, creation of the Centers of Excellence for retool our workforce, as well as the development of the Governor's State Energy Plan, combine to signal our region and to private investment-where Arkansas can see its most prosperous future. These developments demonstrate our commitment to transition Arkansas from last century's traditional industry, to this century's Clean Energy America.

Focused future legislation on the emerging sectors to grow market certainty will send a clear signal to regional private investors, ultimately resulting in a robust energy mix and a resilient diversified Arkansan economy. The energy market is capital intensive, often times with rates of return 20 years out into the future. The stronger the signal; the more comprehensive, and strategic the long range plan; the more direct and reciprocal the private investment to follow. All segments of our state must work together to educate and make the transition to a Clean Energy Economy.

The AAEC is encouraged by the progress that Arkansas has made and appreciates being included as a stakeholder in the development of the state's first Energy Plan. The Commission continues to learn of the enormous resources & opportunities in alternative clean energy within Arkansas, and offers the following recommendations:

- 1) Develop the Arkansas State Energy Plan with Renewable Energy Standards (RES)
- 2) Enhanced Net Metering
- 3) Develop the Statewide Arkansas Feed-in Tariff
- 4) Arkansas Energy Office develops enhanced Energy Conservation Building Codes.
- 5) Cohesion of State Agencies, Commissions, Departments & Utilities to work together to encourage the growth of EE programs.

- 6) Develop Arkansas Alternative Financing Mechanisms to encourage EE and RE retrofit projects, such as: a) Property Assessed Clean Energy (PACE) b) Creation of Loan Loss Reserve to serve a Statewide Revolving Loan Fund.
- 7) Create Incentives and Programs within the Bioenergy / Biofuels sectors.
- 8) Development of comprehensive natural gas (CNG) utilization plan
- 9) HydroPower as a secure Renewable Energy Standard
- 10) Combined Heat and Power
- 11) Support Efficiency Codes & Incentives
- 12) Initiatives like the Interfaith Power & Light

