

"AN ACT TO REQUIRE ALL ELECTRIC UTILITIES IN ARKANSAS SELLING ELECTRICITY TO CONSUMERS IN ARKANSAS AND OPERATING COAL-FIRED ELECTRIC GENERATING PLANTS IN ARKANSAS TO BURN A MIXTURE OF COAL CONTAINING A MINIMUM AMOUNT OF ARKANSAS-MINED COAL; TO PROHIBIT AN INCREASE IN COST TO CONSUMERS; TO REQUIRE THE REPORTING OF THE AMOUNTS AND COSTS OF ALL COAL BURNED FOR GENERATING ELECTRICITY IN ARKANSAS; AND FOR OTHER PURPOSES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. On and after January 1, 1988, to the extent that it is technically, economically and environmentally feasible, all electric utilities in Arkansas providing electric power for sale to consumers in Arkansas and generating electric power from coal-fired plants located in Arkansas shall burn a mixture of coal that contains a minimum of:

- (A) three percent (3%) Arkansas-mined coal as calculated on a BTU (British Thermal Unit) basis from January 1, 1988 until December 31, 1988;
- (B) six percent (6%) Arkansas-mined coal as calculated on a BTU (British Thermal Unit) basis from January 1, 1989 until December 31, 1989; and
- (C) ten percent (10%) Arkansas-mined coal as calculated on a BTU (British Thermal Unit) basis each calendar year after January 1, 1990.

SECTION 2. (A) No electric utility shall be required to comply with this Act if to do so would result in increasing the cost of electricity to its consumers over the cost incurred to serve them under existing or alternative coal purchase arrangements. Types of increased costs to be considered in addition to the cost of the coal include, but are not limited to, plant modifications, additional coal handling facilities, additional environmental cost necessary to burn Arkansas coal, or any other costs or penalties which may be incurred as a result of burning Arkansas coal.

(B) No public utility shall be required to comply with this Act if to do so would result in the utility exceeding any of its State or federal air quality emission standards or any other conditions of its environmental permits.

(C) No public utility shall be required to comply with the provisions of this Act if to do so would result in the utility being unable to fulfill any existing contractual commitments for the purchase of coal or result in the purchase of a quantity of Arkansas coal above the amount the utility can utilize.

SECTION 3. It shall be the responsibility of the Arkansas Public Service Commission to enforce compliance with the requirements of this Act.

SECTION 4. All laws and parts of laws in conflict with this Act are hereby repealed.

APPROVED: 4/2/87

---