

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 87th General Assembly  
3 Regular Session, 2009

# A Bill

HOUSE BILL 1677

4  
5 By: Representative Cash  
6  
7

## For An Act To Be Entitled

8  
9 AN ACT TO REQUIRE THE ARKANSAS PUBLIC SERVICE  
10 COMMISSION TO ESTABLISH ENERGY EFFICIENCY  
11 STANDARDS FOR PUBLIC UTILITIES; TO PROVIDE FOR  
12 THE APPROVAL AND IMPLEMENTATION OF ENERGY  
13 EFFICIENCY AND DEMAND RESPONSE PROGRAMS; AND FOR  
14 OTHER PURPOSES.

## Subtitle

15  
16  
17 THE ENERGY EFFICIENCY ACT OF 2009.  
18  
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
21

22 SECTION 1. Arkansas Code Title 23, Chapter 3, is amended to add an  
23 additional subchapter to read as follows:

24 23-3-801. Title.

25 The act shall be known as and may be cited as the "Energy Efficiency  
26 Act of 2009".

27  
28 23-3-802. Findings:

29 The General Assembly finds that:

30 (1) It is the policy of this state to promote cost-effective  
31 energy efficiency programs that reduce energy demand and the need for energy  
32 capacity and production as the preferred method to meet energy demand and  
33 capacity needs;

34 (2) It is also the policy of this state to promote the reduction  
35 of energy capacity requirements and long-term generation needs through  
36 procurement of cost-effective demand management programs;



1           (3) Cost-effective energy efficiency programs and cost-effective  
2 demand management programs provide the least-cost method for meeting energy  
3 demand and capacity needs because those programs save short term and long  
4 term costs to utility customers by comparison to building generation,  
5 transmission, and distribution facilities to meet energy demand and capacity  
6 needs; and

7           (4) It is appropriate for this state to aggressively pursue  
8 energy efficiency and energy demand management to mitigate this state's risk  
9 to the potential costs of future federal laws and regulations designed to  
10 reduce air emissions and other adverse environmental impacts associated with  
11 increasing energy supplies through generation.

12  
13           23-3-802. Energy efficiency resource standard.

14           (a)(1) No later than one (1) year after the effective date of this  
15 subchapter, the Arkansas Public Service Commission shall establish energy  
16 efficiency resource standards for public utilities regulated by the  
17 commission to procure cost-effective energy efficiencies to meet the energy  
18 demand and capacity needs of each public utility's service area.

19           (2) In establishing the energy efficiency resource standards,  
20 the commission shall consider the following factors:

21                   (A) The potential for energy efficiency and demand  
22 response programs to meet the energy demand and energy capacity requirements  
23 of the public utilities serving this state;

24                   (B) The energy efficiency goals of other states that have  
25 implemented energy efficiency and demand response policies; and

26                   (C) The full range of quantifiable benefits of energy  
27 efficiency and demand management to the overall utility system.

28           (b) The energy efficiency resource standards shall require:

29                   (1)(A) An electric public utility to procure each year energy  
30 efficiency resources totaling not less than one per-cent of that utility's  
31 total electricity sales in this state.

32                   (A) A natural gas local distribution company to procure  
33 each year energy efficiency resources totaling not less than one-half percent  
34 (.5%) of that utility's annual sales in this state., with such annual total  
35 sales calculated as a three-year running average of sales.

36                   (B) For the purpose of subdivision (b)(1) of this section, total

1 sales are the most recent three-year average of that public utility's sales  
2 in this state.

3  
4 23-3-803. Implementation of energy efficiency resource programs.

5 (a) For approved energy efficiency and demand response programs, the  
6 Commission shall:

7 (1) Require independent verification of any actual and retained  
8 energy savings that may result from an energy efficiency and demand response  
9 program;

10 (2) Orient programs toward providing the greatest cumulative  
11 energy demand and capacity savings;

12 (3) Place a high priority on improving energy affordability for  
13 low-income persons, taking into account potential resulting utility system  
14 cost savings and administrative efficiencies associated with reduced customer  
15 retention difficulties, collections, and uncollectible accounts and similar  
16 expenses;

17 (4) Establish a schedule for each public utility achieves full  
18 compliance with the energy efficiency resource standards no later than five  
19 (5) years after the establishment of the energy efficiency resource standards  
20 under § 23-3-802(a)(1).

21 (b) The commission shall adopt and implement the most effective  
22 strategy for administering energy efficiency and demand response programs to  
23 meet the energy efficiency resource standards.

24  
25 23-3-805. Construction.

26 Nothing in this subchapter limits the commission's authority under the  
27 Energy Conservation Endorsement Act of 1977, §§ 23-3-401-405, or §§ 23-3-701-  
28 23-3-703.