

1 State of Arkansas  
2 91st General Assembly  
3 Regular Session, 2017  
4

*As Engrossed: H3/17/17*

# A Bill

HOUSE BILL 2027

5 By: Representative Sabin  
6

## For An Act To Be Entitled

8 AN ACT TO CREATE THE ARKANSAS DISTRIBUTED GENERATION  
9 ACT OF 2017; TO INCREASE THE USE OF RENEWABLE ENERGY  
10 RESOURCES IN THE STATE; TO REGULATE THE USE OF  
11 DISTRIBUTED GENERATION CONTRACTS; AND FOR OTHER  
12 PURPOSES.  
13  
14

## Subtitle

15 TO CREATE THE ARKANSAS DISTRIBUTED  
16 GENERATION ACT OF 2017.  
17  
18  
19

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

22 SECTION 1. Arkansas Code Title 23, Chapter 18, is amended to add an  
23 additional subchapter to read as follows:

24 Subchapter 11 – Arkansas Distributed Generation Act of 2017

25  
26 23-18-1101. Title.

27 This subchapter shall be known and may be cited as the "Arkansas  
28 Distributed Generation Act of 2017".  
29

30 23-18-1102. Findings – Purpose.

31 (a) The General Assembly finds that it is in the public interest to:

32 (1) Promote and encourage the development and use of this  
33 state's renewable energy resources;

34 (2) Foster investment in emerging renewable energy technologies  
35 using the renewable energy resources found within this state; and

36 (3) Require electric utilities to include renewable energy



1 resources as an integral part of their energy portfolios.

2 (b) The purpose of this subchapter is to:

3 (1) Ensure that each electric utility includes renewable energy  
4 resources as an integral part of its energy resource plan; and

5 (2) Enable the increased use of renewable energy resources.

6  
7 23-18-1103. Definitions.

8 As used in this subchapter:

9 (1) "Electric utility" means a public utility as defined in §  
10 23-1-101 that is engaged in the business of supplying electricity to an end  
11 user in this state;

12 (2) "Renewable electric generation facility" means a facility  
13 for the generation of electric energy that:

14 (A) Is owned or leased and is operated by one (1) or more  
15 persons or corporations;

16 (B) Is located in this state;

17 (C) Is connected to an electric utility grid;

18 (D) Is fueled by a renewable energy resource; and

19 (E) Has an effective alternating current capacity of not  
20 more than twenty megawatts (20 MW) nameplate value;

21 (3) "Renewable energy generation credit" means the monetary,  
22 statutory, or regulatory value per kilowatt-hour of the added value and  
23 environmental benefits; and

24 (4) "Renewable energy resource" means a solar, wind, water, or  
25 geothermal resource, including without limitation biomass, agricultural  
26 waste, and landfill waste that is converted into electrical energy and is  
27 located in the state.

28  
29 23-18-1104. Distributed generation contracts – Requirements.

30 (a) Each electric utility shall:

31 (1) Consider electric energy and capacity purchases from  
32 renewable electric generation facilities as part of any resource plan  
33 developed under § 23-18-106; and

34 (2) Include electric energy and capacity purchases from  
35 renewable electric generation facilities in its resource plans consistent  
36 with the requirements of this subchapter.

1           (b) The Arkansas Public Service Commission may approve electric energy  
2 and capacity purchases from renewable electric generation facilities if the  
3 commission determines that the electric energy and capacity purchases from  
4 renewable electric generation facilities:

5                   (1) Satisfy the requirements of this subchapter;

6                   (2) The cost is reasonable and prudent;

7                   (3) Are required by the public convenience and necessity;

8                   (4) Enable the electric utility to supplement or replace its  
9 existing generation resources; and

10                   (5) Approval is in the public interest.

11  
12           23-18-1105. Renewable energy generation credits.

13           A renewable energy generation credit associated with purchases of  
14 electric energy and capacity from renewable electric generation facilities  
15 shall:

16                   (1) Be conveyed to the electric utility; and

17                   (2) Qualify in helping an electric utility to meet applicable  
18 standards established by the state or federal government.

19  
20           23-18-1107. Interconnection.

21           (a) The Arkansas Public Service Commission shall ensure that all  
22 purchases of electric energy and capacity from renewable electric generation  
23 facilities:

24                   (1) Enable the interconnection and use of renewable energy  
25 resources;

26                   (2) Protect the integrity and reliability of each electric  
27 utility's system; and

28                   (3) Protect the health, safety, and welfare of the public.

29           (b) All costs of interconnection, including an addition or  
30 modification to an electric utility's system that is made beyond the point at  
31 which a renewable electric generation facility interconnects with an electric  
32 utility's system for the sole purpose of receiving electricity from a  
33 renewable electric generation facility, are the exclusive responsibility of  
34 the renewable electric generation facility.

35           (c) The cost of interconnection shall include without limitation any  
36 quantifiable additional cost associated with the renewable electric

1 generation facility's use of the electric utility's distribution system and  
2 transmission system, and any effect on reliability.

3 (d) A necessary metering upgrade for a renewable electric generation  
4 facility that has executed a distributed generation contract under this  
5 subchapter is the exclusive responsibility of the renewable electric  
6 generation facility.

7  
8 23-18-1108. Cost recovery.

9 The Arkansas Public Service Commission shall allow an electric utility  
10 to recover the reasonable and prudent costs associated with a distributed  
11 generation contract approved by the commission under § 23-18-1104.

12  
13  
14  
15  
16 */s/Sabin*  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36