

MINUTES
LEGISLATIVE TASK FORCE ON SUSTAINABLE BUILDING DESIGN AND PRACTICES
OF THE
ARKANSAS GENERAL ASSEMBLY

Monday, July 9, 2012
1:30 P.M.
Room 151, State Capitol
Little Rock, Arkansas

The Legislative Task Force on Sustainable Building Design and Practices met at 1:30 P.M., Monday, July 9, 2012, in Room 151 of the State Capitol in Little Rock, Arkansas. The following members attended:

Legislative Members: Senator David Johnson, Co-Chairman; Senator Jake Files and Representative Greg Leding, Co-Chairman.

Non-Legislative Members: Chris Benson, Richard Davies, Mark Robertson, and Kenneth Smith.

Also Attending: Representatives Tracy Steele and Marshall Wright; and Jonathan Flannery [attending for Mark Kennedy].

Senator Johnson called the meeting to order.

CONSIDERATION TO APPROVE JUNE 11, 2012, MINUTES [EXHIBIT C]

Without objection, the June 11, 2012, minutes were approved.

"RECOMMENDATIONS FOR AN ARKANSAS ENERGY PLAN" – ARKANSAS ADVANCED ENERGY ASSOCIATION (AAEA) [EXHIBITS D.1, D.2, D.3, D.4a, D.4b]

Mr. Steve Patterson, Executive Director, AAEA, said AAEA is a member-dues trade association representing over thirty companies collectively employing 1,000+ Arkansans. It is one of seven chapters in the national affiliate, Advanced Energy Economy (AEE). Mr. Patterson recognized task force members Mr. Ken Smith, AAEA Policy Director and board member, Mr. Mark Robertson.

Arkansas has an abundance of biomass and is capable of producing energy from wind and solar. He said the resources offer extensive research opportunities and cited Mid South Community College (MSCC) in West Memphis as an advanced energy research leader. The school developed a micro-biorefinery that delivers biodiesel to community fleets and private residences. The Jonesboro wind turbine plant, Nordex, is an example of how the advanced energy "supply-chain theory" benefits a state. On August 1, 2012, Beckmann Volmer will open a plant in Osceola to produce steel components for Nordex's wind turbines.

In conjunction with the Arkansas Energy Office (AEO) and the University of Arkansas (U of A), AAEA will be offering energy-efficiency workshops to legislative candidates and members of the Arkansas General Assembly. The class involves panel discussions with representatives from the energy efficiency, renewable energy, alternative fuel, and wind sectors. Participants receive a handbook with advanced energy fact-based information. He noted there are currently 50 registered as of today. Registration is \$25.

Upcoming AAEA energy-efficiency workshops:

- July 8 - Northwest Arkansas Community College, Bentonville
- July 13 - Pulaski Technical College, North Little Rock
- July 17 - Mid-South Community College, West Memphis
- July 24 - Arkadelphia

Mr. Patterson highlighted key results from a survey generated by JZ Analytics on behalf of the AAEA that revealed Arkansans' attitudes toward advanced energy.

- 84% believe advanced energy is very important or somewhat important to America's future.
- 85% believe it is important for Arkansas's political leaders to do more to further the advanced energy sector.
- Four in five Arkansans view the U.S. dependence on foreign oil as a crisis.
- More than 50% believe gasoline will cost at least \$5/gallon in the next five years.
- 61% believe the U.S. Congress should extend existing wind-energy tax credits.

AAEA working groups focused on energy efficiency, bioenergy, clean-market development, and renewable energy and drafted the following recommendations for Arkansas's comprehensive energy plan:

- Offer incentives for installing commercial electric vehicle recharging and alternative refueling stations.
- Define alternative fuels as compressed natural gas, liquid natural gas, gas ethanol or butanol blends, diesel, biodiesel, or renewable diesel blends.
- Offer incentives for installing home or farm electric recharging stations or purchasing alternative fuel components for a home or farm.
- Offer incentives to state agencies, municipal governments and educational institutions for installing electric recharging stations or purchasing alternative fuel components.
- Encourage state funded institutions to participate in energy-efficiency programs.
- Amend the Guarantee Energy Cost Savings Act (GECSA) to allow state agencies to use maintenance and operations appropriations to pay for energy-efficiency improvements and equipment.
- Designate the AEO as administrator of the amended GECSA.
- If a clean energy standard is considered, include a renewable component.
- Establish an increasing target in four-year increments over 16 years that addresses implementing wind, solar, and biomass.
- Offer incentives for producing solar voltaic components; manufacturing renewable generated electricity transmission cable; and building components that store electricity produced by wind and solar.
- Offer incentives for installing renewable energy components on commercial, residential, and industrial properties.

Mr. Patterson said AAEA emphasizes that Arkansas is a net-energy importer, but has enough resources and energy-efficiency capacity to produce its own energy. The state exports about \$1.5 billion of natural gas and imports more than \$2.5 billion of coal and oil annually.

Mr. Benson said prior to 2008, Arkansas imported about 70% of the energy it consumed. In-state natural gas production increased tremendously since then, so now Arkansas is a net-energy exporter but is still an exporter of dollars. Federal hydropower generated in Arkansas is not included in the figure for energy generated in Arkansas.

Mr. Patterson said AAEA's energy-efficiency workshop in West Memphis includes a tour of the facility. AAEA, MSCC, and Arkansas State University (ASU) intend to develop a biofuel test site in DeWitt. The study includes deploying a micro biorefinery in the town to create a database that proves biofuel is a valuable tool for small communities. He noted every micro biorefinery creates about five jobs.

In response to a question from Mr. Davies, Mr. Patterson noted cellulosic biofuel research is slow but ongoing. Dr. Beth Hood and Dr. Steven Green at ASU and Terry Turner at the Phillips Community College of the U of A conduct extensive cellulosic ethanol research and study using camelina as a biodiesel feedstock. Camelina fits in well with Arkansas's crop rotation and seems to have large production volume.

Mr. Smith was recognized, and said the Winrock Institute and Jim Wimberly recently studied using biomass as a feedstock to operate a large-scale biorefinery or standalone power plant. The study takes a comprehensive look at the feasibility of building a biorefinery facility and the kind of agriculture and forest resources needed to fuel the plant. He suggested inviting Mr. Wimberly to present the study's results at an upcoming task force meeting.

With no further business, the meeting adjourned at 2:20 p.m.