



Recommendations for an Arkansas Energy Plan

ARKANSAS ADVANCED ENERGY ASSOCIATION

The Arkansas Advanced Energy Association (AAEA) is among many energy stakeholders in the state engaged by Governor Beebe and his staff this year to provide comment on policies to be included in a comprehensive state energy plan.

The AAEA is a unique blend of manufacturers, energy providers, entrepreneurs, small business owners, educators, researchers, consultants and public officials whose common interest and expertise focuses on advanced energy development and its economic expansion in Arkansas.

The AAEA Board of Directors is grateful for Governor Beebe's leadership and recommends these guiding principles for a state energy plan. We believe that expanding our energy workforce and manufacturing base through the increased development, manufacture, and utilization of advanced energy technologies offers significant opportunities to grow Arkansas' economy and prepare for the future.

ALTERNATIVE FUELS

Consider state incentives for:

- Installation of commercial electric recharging and alternative refueling stations. Alternative fuels would include electricity, compressed natural gas, liquefied natural gas, gas/ethanol or butanol blends, diesel/biodiesel or renewable diesel blends;
- Installation of electric recharging and alternative fuel components for homeowners and businesses on their properties;
- Installation of electric recharging and alternative fuel components for state agencies, county and municipal governments and educational institutions;
- Purchase of new engines and equipment to modify existing engines that use alternative fuels;
- Purchase of electric vehicles;
- Biofuels produced or sold in Arkansas.

ENERGY EFFICIENCY

Consider legislative and regulatory initiatives to:

- Continue electric and natural gas utility energy efficiency programs and raise the Energy Efficiency Resource Standard as utilities improve delivery of energy efficiency programs;
- Upgrade Arkansas's Energy Code for residential structures to meet 2009 IECC Standards and require provisions for evaluating the energy efficiency performance and labeling of homes;
- Amend the Guaranteed Energy Cost Savings Act to allow state agencies to use maintenance and operation appropriations for payment of equipment and energy efficiency improvements required through a guaranteed energy cost savings contract. Designate the Arkansas Energy Office as the administrator of the amended act;
- Encourage state funded institutions to participate in energy efficiency programs;
- Create residential and commercial financing options for energy efficiency improvements with repayment of upfront costs. Best practices from emerging financing models should be implemented to maximize energy savings, to stimulate demand for energy efficiency, and to protect consumers and utilities.

CLEAN AND RENEWABLE ENERGY

A state Clean Energy Standard (CES) would encourage deployment of clean energy technology that diversifies the state's energy supply, improves energy security and creates jobs. AAEA recommends that within a CES, an increasing percentage of the state's generation portfolio come from renewable energy sources, ensuring that Arkansas maximizes the benefits. Such a program should include target allocations for in-state electrical generation by solar, wind and biomass and expanded capacity goals for hydropower facilities.

In addition, incentives should be considered for:

- Manufacture of solar photovoltaic components similar to those for wind component manufacturing in Arkansas;
- Manufacture of transmission cable for carrying renewable generated electricity similar to those for wind component manufacturing in Arkansas;
- Manufacture of components utilized to store electricity produced by wind and solar;
- Installation of renewable energy components on commercial, industrial and residential properties;
- Storage facilities for electricity produced by wind and solar;
- All renewable electricity that is purchased from generating facilities that are built of equipment substantially manufactured, fabricated or assembled in Arkansas

RESEARCH AND DEVELOPMENT

- Recognizing the importance of research and development in contributing to the state's on-going leadership in the field of advanced energy, Arkansas should encourage its research consortia, alliances and public/private partnerships to focus efforts and attention on the opportunities offered by advanced energy and technology.