

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.

INTERIM STUDY PROPOSAL 2009-165

State of Arkansas

As Engrossed: H3/27/09

87th General Assembly

**A Bill**

Regular Session, 2009

HOUSE BILL 2051

By: Representatives Maxwell, Reep

Filed with: House Interim Committee on Insurance and Commerce  
pursuant to A.C.A. §10-3-217.

**For An Act To Be Entitled**

AN ACT TO DIRECT THE ARKANSAS PUBLIC SERVICE  
COMMISSION TO ESTABLISH A HOME WEATHERIZATION  
REVOLVING LOAN FUND TO ENCOURAGE AND FACILITATE  
THE INSTALLATION OF HOME WEATHERIZATION AND  
ENERGY EFFICIENCY MEASURES FOR THE PURPOSE OF  
INCREASING THE HOME'S ENERGY EFFICIENCY; AND FOR  
OTHER PURPOSES.

**Subtitle**

THE HOME WEATHERIZATION REVOLVING LOAN  
FUND ACT OF 2009.

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

*SECTION 1. Arkansas Code Title 23, Chapter 4, is amended to add an additional subchapter to read as follows:*

23-4-1101. Title.

This subchapter shall be known and may be cited as the "Home Weatherization Revolving Loan Fund Act of 2009".

23-4-1102. Legislative intent.

(a) The purpose of this subchapter is to direct the Arkansas Public Service Commission to establish and oversee a home weatherization revolving



1 loan fund from which Arkansas homeowners may borrow funds solely for the  
2 purpose of weatherizing their residential homes through the installation of  
3 home weatherization and efficiency measures that will substantially increase  
4 the energy efficiency of those homes.

5 (b) The General Assembly finds and declares that it is in the public  
6 interest to substantially improve the energy efficiency of residential homes  
7 in Arkansas to:

8 (1) Conserve energy resources;

9 (2) Delay the need for the construction of new electric  
10 generation facilities; and

11 (3) Delay the development of new natural gas supplies.

12  
13 23-4-1103. Definitions.

14 As used in this subchapter:

15 (1) "Home weatherization and efficiency measure" means the use  
16 of a weatherization or an energy efficiency measure that improves the overall  
17 energy efficiency of a residential home, including without limitation the:

18 (A) Sealing with caulk, foam sealant, weather stripping,  
19 window film, a door sweep, an electrical receptacle gasket, or other device  
20 to reduce infiltration through a crack, gap, hole, and other energy bypass  
21 around a door, window, and pipe that penetrates the attic ceiling and any  
22 other area with a high potential for heat loss;

23 (B) Installation of:

24 (i) Energy efficient roofing, building wrap, siding,  
25 or flashing;

26 (ii) Insulation:

27 (a) In the wall, the floor, and the ceiling;

28 (b) Around a duct, a pipe, and a water heater;

29 and

30 (c) Near the foundation and a sill;

31 (iii) An energy-efficient storm door and window; and

32 (iv) Modern, energy-efficient home heating and  
33 cooling equipment;

34 (C) Repair of old, inefficient equipment, including  
35 without limitation a furnace, a boiler, a water heater, a programmable  
36 thermostat, and an air conditioner; and

(D) Replacement of an old, inefficient:

(i) Door with a tightly sealing, foam-core door; and

(ii) Window with an energy efficient, double-glazed window; and

(2) "Residential home" means a home:

(A) Located in this state;

(B) Owned by the homeowner; and

(C) Serving as the primary residence of the homeowner.

23-4-1104. Home Weatherization Revolving Loan Fund.

The Home Weatherization Revolving Loan Fund may be capitalized by the following:

(1) Federal funds earmarked for weatherization or energy efficiency purposes that are received by this state as a result of a congressional appropriation;

(2) State funds appropriated for weatherization or energy efficiency purposes under this subchapter;

(3)(A) A fee authorized by the Arkansas Public Service Commission to be charged on the monthly electric and natural gas bill of all retail residential customers of all electric public utilities and natural gas public utilities that are subject to the jurisdiction of the commission.

(B) If the fund is capitalized through a fee under subdivision (3)(A) of this section, the fee shall not:

(i) Exceed fifty cents (50¢) on a customer's monthly bill for electric service or natural gas service; or

(ii) Be collected for more than two (2) years after its imposition unless, after notice and hearing, the commission continues the imposition of a fee in an amount that is less than fifty cents (50¢) per month for the purpose of:

(a) Ensuring the adequate capitalization of the fund; and

(b) Covering the cost of administration of the fund;  
or

(4)(A) Funds provided by an electric public utility or a natural gas public utility.

(B) If the fund is capitalized under subdivision (4)(A) of this

1 section, the commission shall authorize the electric public utility or the  
2 natural gas public utility to:

3 (i) Earn a return on its funds that capitalize the fund;

4 and

5 (ii) Recover the return authorized under subdivision  
6 (4)(B)(i) of this section through the electric public utility's or the  
7 natural gas public utility's rates.

8  
9 23-4-1105. Availability of loan assistance.

10 Loan assistance from the Home Weatherization Revolving Loan Fund shall  
11 be:

12 (1) Allocated among all electric public utility and natural gas public  
13 utility residential customers based on the ratio of each electric public  
14 utility's and natural gas public utility's number of residential customers to  
15 the total number of residential customers that are served by all the electric  
16 and natural gas public utilities in the state;

17 (2) Capped at a five thousand dollars (\$5,000) maximum limit per  
18 residential home;

19 (3) Restricted to the weatherization of a residential home constructed  
20 before 1990;

21 (4) Utilized exclusively by a residential homeowner for the  
22 installation of a home weatherization and efficiency measure; and

23 (5)(A) Repaid by the residential homeowner receiving the loan on terms  
24 and conditions authorized by the Arkansas Public Service Commission.

25 (B) If the home weatherization revolving loan fund is  
26 capitalized through funds provided by a public utility, the terms of the loan  
27 under subdivision (5)(A) of this section may include a provision for sharing  
28 the savings between the residential homeowner and the public utility.

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30 23-4-1106. Loan priority.

31 The Arkansas Public Service Commission shall establish guidelines that  
32 give a residential homeowner who is eligible for assistance from the federal  
33 Low Income Home Energy Assistance Program priority in the receipt of funds  
34 from the Home Weatherization Revolving Loan Fund.

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36 23-4-1107. Administration.

1           (a)(1) The Arkansas Public Service Commission shall delegate the  
2 administration of the Home Weatherization Revolving Loan Fund to a public or  
3 private entity under terms and conditions that the Arkansas Public Service  
4 Commission determines necessary:

5                   (A) To cover the fair and reasonable costs to the  
6 administrator of the fund; and

7                   (B) For the continuing oversight by the Arkansas Public  
8 Service Commission.

9           (2) In the process of selecting an administrator of the fund,  
10 the Arkansas Public Service Commission shall solicit without limitation input  
11 from the:

12                   (A) Department of Human Services;

13                   (B) Attorney General; and

14                   (C) Arkansas Energy Office of the Arkansas Economic  
15 Development Commission.

16           (3) The commission's selection of an administrator is subject to  
17 the approval of the Governor and the Legislative Council.

18           (b) The administrator is authorized to make loans from the fund under  
19 rules set by the Arkansas Public Service Commission.

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21           23-4-1108. Report.

22           The Arkansas Public Service Commission shall report to the General  
23 Assembly or the Cochairs of the Legislative Council by April 1 of each year  
24 about the status and utilization of the home weatherization revolving loan  
25 fund for the preceding calendar year.

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27           23-4-1109. Rules.

28           (a) Within ninety (90) days after the effective date of this act, the  
29 Arkansas Public Service Commission shall initiate a rulemaking proceeding for  
30 the purpose of establishing the:

31                   (1) Home weatherization revolving loan fund;

32                   (2) Guidelines and rules necessary for the operation of the fund  
33 under this subchapter; and

34                   (3) Procedures for measuring the effectiveness of a home  
35 weatherization and efficiency measure implemented under this subchapter.

36           (b) Within one hundred eighty (180) days of the initiation of the

1 rulemaking proceeding under subsection (a) of this section, the commission  
2 shall issue its final order.

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/s/ Maxwell

36 Filed Date: 04/09/2009 By: GLG\VJF