

JOINT INTERIM COMMITTEE ON ENERGY
University of Arkansas Community College at Hope
Hempstead Hall, Hope Room
2500 South Main
Hope, Arkansas
Tuesday, June 3, 2014

The Joint Interim Committee on Energy met at 11:30 a.m. Tuesday, June 3, 2014, at the University of Arkansas Community College at Hope (UACCH), Hempstead Hall - Hope Room, Hope, Arkansas.

Committee members present: Senators Linda Chesterfield, Chair; Eddie Joe Williams and John Cooper. Representatives David Branscum, Chair; Nate Bell, Bruce Cozart, John Baine, Micah Neal, and Dan Douglas.

Alternate members present: Representatives John Hutchison and Mark McElroy.

Also attending: Senators Johnny Key, Larry Teague and Jon Woods. Representatives Scott Baltz, Ann Clemmer, Fonda Hawthorne, Mary Hickerson, Stephanie Malone, Stephen Meeks, Mary Slinkard, and Brent Talley.

Senator Chesterfield called the meeting to order.

Representative Brent Talley welcomed the committee to the UACCH.

CONSIDERATION TO APPROVE THE APRIL 3, 2014, MEETING MINUTES [Exhibit C]

Representative Branscum made a motion to approve the April 3, 2014, meeting minutes. The motion was seconded by Representative Cozart, and without objection, the motion carried.

OVERVIEW OF UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT HOPE'S POWER PLANT TECHNOLOGY DEGREE PROGRAM

Ms. Laura Clark, Vice Chancellor for Academics

[PwrPt Presentation #1]

Ms. Clark showed a PowerPoint presentation titled, "U of A Community College at Hope - Your Bridge to the Future." She introduced **Mr. Randy Sanders, Dean of Technical and Industrial Professions**, who presented a short video of a program graduate. Mr. Sanders also provided a summary of the program:

- The Associate of Applied Science Degree (AAS) in Power Plant Technology is designed for entry-level employment in the operating facilities where steam and/or electricity is generated such as modern fossil fuel power plants, food processing plants, paper mills, tire and rubber product manufacturers, water treatment facilities, or others.
- There are 83 graduates to date.
- A primary goal when creating the program was to prepare the workforce capable of filling the 110 positions available at the Turk Power Plant. There are currently 50 graduates working at Turk with an average salary over \$21 per hour.
- SWEPCO donated \$1 million to the program, assisted in the development of the curriculum, and provided one full-time and five part-time instructors.
- UACCH continues to utilize the SWEPCO donation to provide assistance to students. The remaining 160,000 is an endowed scholarship which allows UACCH to offer ten \$1,000 scholarships to students in their second year of the program.

- Currently UACCH is investigating ways to allow regional access to students through distance education methods while updating the look and feel of their curriculum.

ELECTRIC RELIABILITY AND COST IMPACTS OF EPA'S PROPOSED CO₂ REGULATIONS

Ms. Sandra Byrd, Vice President of Member and Public Relations, [PwrPt Presentation #2]
Electric Cooperatives of Arkansas, presented a PowerPoint titled, "EPA Carbon Regulation Impacts: Reliability and Cost Concerns." She gave the legal background for the EPA rules:

- In 2007, the U.S. Supreme Court affirmed EPA's ability to regulate carbon dioxide under the Clean Air Act (CAA), provided the EPA finds that CO₂ emissions "endanger the environment"
- In 2009, EPA issued its "Endangerment Finding"
- In June 2013, President Obama issued an Executive Order to the EPA: Reduce CO₂ emissions from new and existing generation sources so the U.S. can "contribute to global CO₂ reduction"
- Only congressional action can reverse EPA's efforts by way of a statutory change; not feasible with current Congress.

Ms. Byrd stated the impact of yesterday's [6-2-14] EPA rule to reduce CO₂ emissions by 30% by 2030 and 25% by 2020 will have the following results:

- The Turk Power Plant will be the last coal-fired power plant built in the United States.
- Many of the nation's coal plants will be shut down; the figures range from 20% (already announced) to 50%. Almost half of the nation's electricity comes from coal.
- 70% of the energy that serves electric cooperative members comes from coal plants. Existing and new natural gas plants will have to replace that electricity; yet gas is (currently) 2-3 times more expensive than coal.
- Gas prices are very volatile and have huge price spikes in periods of great demand (\$1,000 per MWH on peak days).
- Grid reliability will be reduced: 92% of the electricity needed to meet the surge in winter demand came from coal-fired plants; many of these are units that are scheduled to be retired due to the EPA rules.
- "Economic Dispatch" will be replaced by "Environmental Dispatch", completely reversing over 100 years of utility regulatory law.

The Arkansas Department of Environmental Quality will be working with utilities and stakeholders to create the state's plan to comply with the EPA rules.

There being no further business, the meeting adjourned at 12:27 p.m.

Legislators and guests toured the John W. Turk, Jr., Power Plant after the meeting.

As mentioned on its website, "The John W. Turk, Jr. Power Plant is one of the cleanest, most efficient coal-fueled plants in the United States. The 600-megawatt facility began operation in December 2012 as the first "ultra-supercritical" unit in operation in the United States. Its advanced coal combustion technology uses less coal and produces fewer emissions, including carbon dioxide, than traditional pulverized coal plants."