

**MINUTES**  
**JOINT INTERIM COMMITTEE ON ENERGY**  
**University of Arkansas Community College at Hope**  
**2500 South Main, Purtle Meeting Room-Student Center**  
**Hope, Arkansas**

**Wednesday, September 21, 2011**

The Joint Interim Committee on Energy met on Wednesday, September 21, 2011, in the Purtle Meeting Room, University of Arkansas Community College at Hope (UACCH), 2500 South Main, Hope, Arkansas.

**Committee members present:** Senators Kim Hendren, Co-Chair; Jimmy Jeffress, Vice-Chair; Representatives David Branscum, Vice-Chair; Jonathan Barnett, Linda Collins-Smith, Larry Cowling, David Fielding, Andrea Lea, Betty Overbey, and Charollette Wagner; Senators Randy Laverty and Eddie Joe Williams.

**Also attending:** Senator Steve Harrelson; Representatives Lori Benedict and Sheilla Lampkin.

Senator Hendren called the meeting to order and stated he feels the Energy Committee is very important because it holds the key to economic growth and recovery. Senator Hendren recognized Representative Branscum for remarks, who congratulated the staff of UACCH on their beautiful campus and said the future of education and energy go hand-in-hand. Senator Hendren also recognized Senator Jeffress for comments and he thanked UACCH for inviting the committee to Hope.

**CONSIDERATION TO APPROVE MINUTES FROM AUGUST 3 & 4 (EXHIBITS D.1 & D.2)**

**Senator Williams made a motion to approve the August 3 & 4, 2011, minutes. Representative Wagner seconded the motion and the motion carried.**

**UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT HOPE (UACCH) OVERVIEW AND POWER PLANT TECHNOLOGY DEGREE PROGRAM**

**Chris Thomason, Chancellor, UACCH,** welcomed the committee to Hope and provided a brief overview of UACCH. Mr. Thomason said the power of public and private partnerships is beneficial at the local, state, and regional levels and that UACCH reaches out to many organizations to form these relationships. Examples of productive public and private partnerships include Hempstead Hall, Southwest Arkansas Education Co-Op, an on campus multi-jurisdictional law enforcement sub-station, and the only regional Crime Lab in Arkansas. The most beneficial partnership has been the American Electric Power Southwestern Electric Power Company (AEP SWEPCO) that resulted in the development and implementation of the UACCH Associate of Applied Science in Power Plant Technology Degree Program (PPTDP). AEP SWEPCO also partnered with the UACCH Foundation to develop a million-dollar scholarship program to educate students in Southwest Arkansas in the Power Plant Technology Field. They also offered valuable career opportunities at the John W. Turk, Jr. Power Plant (Turk Plant) in Fulton. Since 2006, enrollment has increased by 33.8% and the graduation rate has increased more than 41.3%. Mr. Thomason said this is proof that UACCH is meeting the mission for Southwest Arkansas.

**Jennifer Methvin, Vice Chancellor of Academics,** provided an overview of the PPTDP. On January 2, 2008, AEP SWEPCO created a \$1million, non-endowed scholarship fund through the UACCH Foundation to provide financial support for students training in the technical and industrial fields consistent with the needs of the Turk Plant. AEP SWEPCO requires an Associate of Applied Science degree or six years of experience in power plant operations for employment at their plants. Since they have need of a trained workforce, UACCH was invited to be a key player in providing training. UACCH had four goals in developing the PPTDP: complement and enhance current offerings; provide training consistent with a multiple of industrial settings in Southwest Arkansas; prepare area workforce to fill 110 positions needed to operate the Turk Plant; and take the first step in being a regional training center in power generation technology in Arkansas, Louisiana, Texas, and other states. The PPTDP has four tracks: power plant operations; electrical and instrument technology; welding; and machinist.

PPTDP course options took advantage of 85 credit hours of existing UACCH course work and developed 47 new credit hours of instruction in power plant technology, power plant operations, power plant maintenance, electrical, and instrumentation. Startup costs for the program were paid by interest earned on the million-dollar fund and a dedicated Academic Advisor/Scholarship Manager. The gift also afforded purchases of curriculum, instructional materials and equipment. AEP SWEPSCO made trained professionals available as adjunct faculty through Spring 2011, and paid 100% of tuition fees and books for qualifying students through Spring 2011. Because UACCH has been a good steward of the money, the gift has been extended through Fall 2012.

Ms. Methvin said 58 students have graduated from the PPTDP; 13 graduates are projected by May 2012, 70 students are enrolled this Fall, and 27 graduates have been hired at the Turk Plant. There are very few programs of this kind in the United States and employers other than AEP SWEPSCO have shown interest in the program. The nearest similar program is at Oklahoma State University in Okmulgee, Oklahoma. In September 2010, the Army Corps of Engineers (Corps) signed an agreement to establish PPTDP as a designated degree program in the Corps Student Career Experience Program. The program supports employees in pursuing higher education beneficial to the Corps, while allowing the individual to remain a paid employee.

In response to a question from Representative Fielding, Ms. Methvin said interest in the program has been great and targeted recruitment has not been required. When recruiting for the program begins, UACCH will recruit from local and surrounding areas.

Representative Lea asked the percentage of non-traditional students at UACCH. Ms. Methvin said the student body non-traditional rate is 60% to 80%, and the average student age is 26. The average age of students pursuing a Power Plant Technology Degree is higher than 26.

## **TURK PLANT OVERVIEW AND INFORMATION**

**Bradley Hardin, Manager, Governmental Affairs, Southwestern Electric Power Company** welcomed the group and said the Department of Energy recently announced global demand for energy will increase 50% by 2035, and to meet this demand, all energy resources will play an important role. The Turk Plant incorporates the latest and best technologies to continue using coal and represents the largest investment in Hempstead County and Southwest Arkansas.

**Venita McClellan-Allen, President and Chief Operating Officer, SWEPSCO** said AEP SWEPSCO appreciates the support for the Turk Plant by Hempstead County, the Arkansas Legislature, and the Joint Energy Committee. SWEPSCO is a 100-year-old company that began in Texarkana and currently serves 120,000 customers in the small towns of western Arkansas, and through wholesale means, serves the cities of Hope, Bentonville and Prescott. The Turk Plant is a \$1.7 billion investment and will serve Arkansas and AEP SWEPSCO customers for decades. There are 1,800 workers on the project and AEP SWEPSCO is proud to be leading the effort of this long-term infrastructure for economic development.

**Brian Bond, Vice President-External Affairs, SWEPSCO**, said the Turk Plant is the most modern power plant in the world. AEP SWEPSCO has a long history of environmental stewardship and over the last 20 years has reduced nitrogen oxide and sulfur dioxide emissions by over 80 %, at a cost of \$8 billion. There are five rule-makings for EPA to finalize between now and 2012, which will impact the electric utility industry in significant ways. The Cross-State Air Pollution Rule was finalized a month ago and will require a 40% reduction in nitrogen oxide emissions in several states--an 18% reduction in Arkansas. The cost to AEP for compliance of these five rule makings over a five-year period will be \$8 billion. The compliance time for the Cross-State Air Pollution Rule is May 2012, and there is no way to install controls to meet the deadline. AEP SWEPSCO is engaging legislators in Washington D.C. to obtain a delay on implementation of these rules. The Turk Plant is a state of the art facility with environmental controls that already comply with these regulations.

Senator Williams was recognized and commended UACCH and AEP SWEPSCO for being a good example of private public partnerships. He commended both organizations for filling the need and making it work for Arkansas.

Representative Collins-Smith was recognized and applauded Mr. Bond and offered support of his efforts in taking on the EPA.

In response to a question from Representative Fielding, Dr. Thompson said, an important element of the on-campus Law Enforcement Training Center is the result of a partnership with the Camden training center and the Southwest Arkansas Community College Consortium.

Representative Barnett said over 50% of power consumed in Arkansas is produced by coal and he is concerned that litigation for environmental issues related to coal power is a cost that will be passed on to energy customers. In response, Ms. McClellan-Allen said like all businesses, the capital costs of AEP SWEPCO are passed on to customers, and that includes the cost of litigation. New EPA issues will require AEP to invest \$8 billion and SWEPCO to invest \$1.2 billion over the next five years causing electric rates for every energy customer to increase by 5% to 10%.

In response to a question from Representative Benedict, Mr. Bond said to the extent there is latitude, the State of Arkansas has indicated a willingness to work with AEP SWEPCO in obtaining extensions to meet EPA regulations. Mr. Bond said he looks forward to working with the committee to improve the lengthy process of obtaining environmental permits in Arkansas. He said the process must be improved if the state wants to attract industry and preserve jobs.

Senator Hendren thanked the committee for attending, and with no further business, the meeting adjourned at 11:00 a.m.

#### **LEGISLATIVE TOUR OF TURK PLANT**

The group arrived at the Turk Plant Site, 3711 Hwy. 355 South, Fulton, AR, at 12:15 p.m.

**Tim Gross, Turk Plant Manager**, welcomed the group and said the Turk Plant is the newest and most up to date plant in the United States. Mr. Gross said the Turk Plant operates using Ultra Super Critical (USC) Boiler Technology, which utilizes less coal to produce higher energy efficiency with less emissions. 655 megawatts of hydropower is generated on-site to run the plant. The Turk Plant uses Powder River Basin Coal from Gillette, Wyoming which is low in sulfur and ash content. On January 2012, Union Pacific Rail, with 150 car trains, will begin coal delivery every other day. Each car will carry 118-120 tons of coal; and 40-45 days of coal will remain in inventory at the site. The first coal fire will take place in May or June 2012. To date, the Turk Plant is 76.6% complete and scheduled to open May 18, 2012. Power generation will begin September 2012. Construction costs total \$1.7 billion, with 12% invested by Arkansas Electric Cooperatives, 73% by American Electric Power, and 15% by partners and shareholders. The cost of building the plant will be passed on to customers.

**Mr. Craig Henry, Maintenance Superintendent**, provided an overview model of the plant and said every minute the plant is in operation 286,000 gallons of water will circulate through the plant; 5,000 gallons of this water will evaporate; 6,000 gallons will be taken from the Red River; and 1,000 gallons of water will be returned to the Red River. Because AEP SWEPCO has been diligent in meeting EPA standards, water returned to the Red River will be of higher quality than the water taken from the river. Electricity cannot be stored or saved, and must be produced on demand.

**Mr. Andy Brannan, Energy Production Superintendent**, complimented the PPTDP and said it provides an excellent foundation for employees when they come to work at the Turk Plant. SWEPCO continues to train employees on specific machinery, systems, and components of pumps, turbines, etc. so they are familiar with technology unique to the Turk Plant. Every element of the plant except for water treatment and unloading rail cars is operated by two people from an all-digital computer control system; nine people are required to operate all systems of the Power Plant. 1,800 jobs have been created with the development of the Turk Plant, and the average starting pay is \$50,000.

At 1:45 p.m., the group left the Turk Plant site and was escorted back to UACCH.