

**MINUTES**  
**ARKANSAS ALTERNATIVE ENERGY COMMISSION**  
**[Established by ACT 1301 of 2009]**  
**State Capitol, Room 171, Little Rock, Arkansas**  
**Thursday, September 19, 2013**

The Arkansas Alternative Energy Commission (AAEC) met Thursday, September 19, 2013, at 10:00 a.m. in Room 171 of the State Capitol in Little Rock, Arkansas.

**Commission members in attendance:** Warren Allen, Stan Berry, Ryan Boyd, Mike Callan, George Heintzen, Jr., Mikel Lolley, and Rita Potts

The meeting was called to order and facilitated by Mr. Mikel Lolley.

**REVIEW AND CONSIDERATION TO APPROVE MAY 23, 2013, MINUTES [EXHIBIT C]**

**Mr. Heintzen made a motion to approve the May 23, 2013, meeting minutes. Mr. Callan seconded the motion, and the motion carried.**

**STATUS ON ENHANCED ENERGY CODE**

**[HANDOUTS 1 and 2]**

**Mr. JD Lowery, Policy and Sustainable Energy Manager, Arkansas Energy Office (AEO), Arkansas Economic Development Commission,** gave a brief update on the “2013 Arkansas Energy Code” and “2013 Arkansas Energy Code – A market-based consumer driven approach.”

Mr. Lowery stated the AEO is in the process of updating rules for the new residential construction energy standard from the International Energy Conservation Code (IECC) 2003 to IECC 2009. This process was done on the commercial side in 2011.

The AEO gathered input for six months with a stakeholder group of 17 individuals representing the state home builders association, realtors, lenders, appraisers, municipal and publicly owned utilities, as well as code officials throughout the state. The AEO also opened a public comment period September 4, 2013, and ending on October 4, 2013. Once this public comment period ends, it will come before the Joint Energy Committee for its review, late October or early November.

The state sets the standard for the energy code and relies on the municipalities to enforce it. He said the Home Builders Association is currently against this.

Mr. Lowery stated the AEO is also proposing to add an Energy Cost Disclosure Label for new home construction, similar to what is found on vehicles and large appliances. He said it would provide for:

1. Consumer involvement - allowing consumers to understand the long-term operating cost of new homes.
2. Builder involvement - protecting investment in energy efficiency features and providing flexibility to builders.
3. Municipality involvement - reducing burden on municipal code officials and local budgets.
4. Utilizing a Home Energy Rating Index (HERS) score.

Mr. Lowery stated the weatherization assistance program has been moved to the AEO from the Arkansas Department of Human Services, and the AEO believes this is ultimately better for state policy.

**PROGRESS ON STRATEGIC ENERGY PLAN**

Mr. JD Lowery also listed recommendations and progress to-date on the energy plan:

1. Update the IECC 2003 to IECC 2009

--This has been completed on the commercial side and in progress for residential construction.

2. Increase inspectors for natural gas production wells throughout the state.  
--Act 121 addressed this issue.  
AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES AND OPERATING EXPENSES FOR THE OIL AND GAS COMMISSION FOR THE FISCAL YEAR ENDING JUNE 30, 2014; AND FOR OTHER PURPOSES.
3. Recommendation to have a one-time tax incentive for compressed natural gas (CNG) stations and car conversions or incremental cost of purchasing a new CNG vehicle.  
--Act 152 addressed this issue.  
AN ACT TO PROVIDE INCENTIVES FOR CONVERTING DIESEL-POWERED MOTOR VEHICLES AND GASOLINE-POWERED MOTOR VEHICLES TO MOTOR VEHICLES POWERED BY COMPRESSED NATURAL GAS OR PROPANE GAS; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.
4. The Guaranteed Energy Cost Savings Act moved the procurement process from the state procurement office to the AEO for energy performance contracting with energy service companies.  
--Act 554 addressed this issue.  
AN ACT TO AMEND THE GUARANTEED ENERGY COST SAVINGS ACT; TO ALLOW STATE AGENCIES TO USE MAINTENANCE AND OPERATIONS APPROPRIATIONS FOR DEBT SERVICE RELATED TO A GUARANTEED ENERGY COST SAVINGS CONTRACT; AND FOR OTHER PURPOSES.
5. Act 1418 - AN ACT TO CREATE AN INCOME TAX EXEMPTION FOR QUALIFIED DROP-IN BIOFUELS MANUFACTURERS; AND FOR OTHER PURPOSES.

Mr. Lolley requested Mr. Lowery to provide a written summary of the following concerning the energy plan:

- Progress at the end of 2013
- Update from the 2013 legislative session
- Current status or what has been accomplished to-date
- Future Goals

## **NEXT MEETING DATES**

**Mr. Heintzen made a motion that the next meeting be November 21, 2013, at 10:00 a.m. in Room 171 of the State Capitol. The motion was seconded by Mr. Allen, and the motion carried.**

## **OTHER BUSINESS**

Mr. Lolley asked how the commission proceeds without a chairman? Ms. Stapleton advised that the governor appoints the chair for the commission, as per Act 1301 of 2009. The commission currently has the following vacancies.

- Speaker of House – 1 utility position
- President Pro Tempore – 1 consumer position
- Governor – 1 consumer position

Mr. Lolley noted that Mr. Leo Houser, the previous chair, has “reached out” to the governor for one of these appointments. Mr. Lolley stated this issue will be an agenda item at the next meeting.

Mr. Lolley requested the commission’s first and second reports be forwarded electronically to the new commissioners.

There being no further business, the meeting adjourned at 11:35 a.m.