

**ARKANSAS ALTERNATIVE ENERGY COMMISSION**

**[Established by ACT 1301 of 2009]**

**State Capitol, Room 171, Little Rock, Arkansas**

**Thursday, December 10, 2015**

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The Arkansas Alternative Energy Commission (AAEC) met Thursday, December 10, 2015, at 10:00 a.m. in Room 171 of the State Capitol in Little Rock, Arkansas.

**Commission members in attendance:** Warren Allen, Chair; Stan Berry, Jay Caspary, Audrey House, Rod Krug, Andrew Lachowsky, Paul Love, John Nabholz, Gregory Perkins, Rita Potts, and Jessica Sabin.

Mr. Allen called the meeting to order.

**REVIEW AND APPROVAL OF NOVEMBER 19, 2015, MEETING MINUTES [EXHIBIT C]**

**The November 19, 2015, meeting minutes were approved as written.**

**HYDROELECTRIC POWER GENERATION**

**Mr. Gene Higginbotham, Director, Arkansas Waterways Commission, [PowerPoint Presentation #1]** was recognized and gave an overview of hydroelectric power generation, noting hydroelectric power is electricity produced by machines that are run by moving water.

The commission's mission is to promote and protect navigation on the state's five commercially navigable rivers: Arkansas, Mississippi, Ouachita, Red, and White.

There are six hydropower plants on the McClellan-Kerr Arkansas River Navigation System run by North Little Rock, the electric cooperatives, and the US Army Corps of Engineers. Of the 13 lock and dams in the state, six provide hydropower. Much of the hydropower produced in the state remains in the state.

**UPDATE ON ARKANSAS PUBLIC SERVICE COMMISSION INITIATIVES**

**Mr. John Bethel, Executive Director, Arkansas Public Service (PSC) [PowerPoint Presentation #2] Commission,** was recognized and stated the PSC is charged with the mission of providing safe, reliable utility service at a reasonable price. He presented an overview of the utility energy efficiency programs that are provided by the utilities under the PSC's oversight. His PowerPoint titled, "Energy Efficiency (EE) Programs in Arkansas," covered the following topics:

- Description of Commission
- Legal Background
- EE and Conservation Program Rules
- Quick Start Programs
- Informal Working Group Process
- Overview of EE Programs
- EE Program Cost

- Utility EE Program Budgets
- Evaluation, Measurement, and Verification
- EE Program Modifications

The PSC regulates the following utilities:

- Four investor-owned electric utilities (Entergy, distribution cooperatives, Southwestern Electric Power Company, Oklahoma Gas and Electric)
- Seventeen electric distribution cooperatives
- One electric generation and transmission cooperative (Arkansas Electric Cooperative Corporation)
- Two electric regional transmission organizations (Midcontinent Independent System Operator and Southwest Power Pool)
- Three investor-owned natural gas distribution companies (CenterPoint Energy, Arkansas Oklahoma Gas, and Arkansas Western Gas)
- One water utility (operated in Pine Bluff - Liberty Utilities)
- Approximately 300 telecommunications utilities

Mr. Bethel stated there is an energy efficiency tab on the PSC's website which then links to each utility for their information concerning their energy efficiency programs.

Mr. Lachowsky asked Mr. Bethel for legislative recommendations concerning energy efficiency.

Mr. Bethel noted from a statutory standpoint, the state is well positioned on energy efficiency, and he is not aware of any legislative improvements, but from an alternative energy standpoint, they might explore the issue of distributed generation.

## **REVIEW OF ARKANSAS ENERGY OFFICE PLANS**

**Mr. Mitchell Simpson, Director, Arkansas Energy Office (AEO), Arkansas [PowerPoint Presentation #3] Economic Development Commission,** presented a PowerPoint titled, "Arkansas Energy Office Program Priorities."

He stated the AEO's mission is to promote energy efficiency, clean technology, and sustainable strategies that encourage economic development, energy security, and the environmental well-being for all citizens of Arkansas. The AEO is one of two divisions within the commission and has the following enabling legislation and specific legislative requirements:

- Act 532 of 2013 - Clean-Burning Motor Fuel Act (Gaseous Fuels Rebate)  
Provides incentives to developers of clean alternative fuel stations as well as vehicle owners purchasing or converting to clean burning fuel vehicles.
- Act 554 of 2013 - Guaranteed Energy Cost Savings Act (Performance Contracting)  
Allows state agencies and institutions of higher learning to engage in large-scale energy efficiency and capital improvement projects by financing the projects with guaranteed energy savings.

- Act 1494 of 2009 - Energy-Efficient Buildings Program (State Buildings EE)  
Promotes the conservation of energy and natural resources in buildings owned by the state or institutions of higher education.
- Act 1111 of 2013 - Weatherization Assistance Program (WAP) [transferred from the Department of Human Services]  
Through a federally-funded sub-grantee network, WAP provides assistance to low-income applicants throughout Arkansas. Examples of available improvements include: weather stripping, caulking and sealing, insulation, repairing/retrofitting

The AEO's priorities are energy efficiency, transportation, financing programs, and energy efficiency market preparation initiative.

Mr. Lachowsky asked if Mr. Simpson had any legislative recommendations concerning energy efficiency.

Mr. Simpson suggested possibly focusing more attention to transportation components, such as reinvigorating the gaseous fuels program and focusing on removing the impediments to electric vehicles, and any assistance necessary to make energy efficiency more affordable.

Ms. Potts asked if there is a state energy plan.

Mr. Simpson stated there is not a state energy plan, just the framework. He will provide that framework to the commission.

#### **NEXT MEETING – JANUARY 21, 2016**

The commission made the following suggestions for future study subjects and presenters:

##### 2016 Meetings

- Mr. Frank Kelley, Chairman, Arkansas Renewable Energy Association - Solar Energy
- Arkansas Department of Environmental Quality
- Clean Line Energy
- George Sheffer, Vice President, Operations, Fayetteville Shale, Southwestern Energy  
Company Update on Fayetteville Shale (3/17/2016)

Ms. Sabin stated she will be working with the Arkansas State Library to update the commission's website.

Ms. Sabin asked commission members who have invited individuals to speak, to provide her with a summary of the presentation and any relevant documents. She also suggested the commission build upon the foundation they already have and to look at recommendations presented.

There being no further business, the meeting adjourned at 12:23 p.m.