

MINUTES
ARKANSAS ALTERNATIVE ENERGY COMMISSION
[Established by ACT 1301 of 2009]
State Capitol, Room 151, Little Rock, Arkansas
Thursday, February 18, 2016

The Arkansas Alternative Energy Commission (AAEC) met Thursday, February 18, 2016, at 10:00 a.m. in Room 151 of the State Capitol in Little Rock, Arkansas.

Commission members in attendance: Warren Allen, Chair; Stan Berry, Don Crabbe, David Dodge, Rod Krug, Andrew Lachowsky, John Nabholz, Gregory Perkins, Rita Potts, and Jessica Sabin.

Commission members using conference call: Jay Caspary and Audrey House.

Legislators in attendance: Representatives Bob Ballinger and Jack Ladyman.

Mr. Allen called the meeting to order.

REVIEW AND APPROVAL OF DECEMBER 10, 2015, MEETING MINUTES [EXHIBIT C]

Ms. House made a motion to approve the December 10, 2015, minutes as written, and with a second by Mr. Nabholz, the motion carried.

INPUT ON ALTERNATIVE ENERGY WITH RESPECT TO THEIR INDIVIDUAL POSITIONS/OFFICES

Ms. Tori Gordon, Policy Advisor to the Governor, was recognized and acknowledged the Governor's support and appreciation to each Commission member's commitment to serve and study the economic development of creating and expanding alternative energy sources in the state. Ms. Gordon expounded on several Arkansas code provisions that allow utility companies to explore and acquire clean energy resources. In addition to overall exploration, investment opportunities, and alternative energy, Ms. Gordon conveyed the Governor's requests that the Commission develop strategies and make recommendations to fund the conversion of state-owned vehicles to compressed natural gas (CNG) fuel or another alternative fuel source. Ms. Gordon stated the Governor is willing to issue a directive to the Department of Finance and Administration to determine a practical number or percentage of vehicles that can be converted in a reasonable timeframe.

Ms. House requested the Governor consider additional funding to maintain the state's existing hydropower facilities, and she also asked for funding consideration for the AAEC to be able to bring in expert speakers from out of state. The Commission does not have any funding.

Mr. Stuart Spencer, Deputy Director of Air Quality, **[Handout #1]**
Arkansas Department of Environmental Quality, was recognized and presented an overview of alternative energy concepts and projects in the state. He explained the benefits of using on-site combined heat and power (CHP) from steam or hot water as an alternative energy source compared to conventional electricity and thermal energy production. Mr. Stuart explained the benefits of using biomass fuel as another alternative energy source. He said burning biomass reduces overall carbon in the atmosphere. Many of the biomass fuels used today are wood products, dried vegetation, and crop residues. Mr. Stuart listed several CHP

facilities and biomass-fueled electricity generators currently operating in the state. Mr. Stuart's handout also listed utility companies in the state which have entered into either a solar or wind project agreement with companies from other states.

Representative Bob Ballinger, House Co-Chairman, Joint Energy Committee, was recognized and discussed his thoughts on the state and renewable energy:

- What is the economic impact for the citizens of Arkansas?
- What is the environmental impact on the state?
- Can utility companies in Arkansas maintain base load capacity for customer demand?

Representative Ballinger asked the Commission to find areas where government policies may be in the way of innovation. He stated the Joint Energy Committee supports the Commission's work and is open to hear the Commission's recommendations.

When asked about the Clean Line transmission issue, Representative Ballinger explained the Joint Energy Committee sent a letter to the Department of Energy expressing this is an Arkansas property rights issue and should not be dealt with at the federal level.

DISCUSSION OF LESSONS LEARNED FROM PRESENTERS

Ms. House suggested looking at the Commission's CNG Energy report findings from the previous years and how to bridge the gap between government entities and innovators.

Ms. Sabin suggested the Commission focus on a particular alternative energy source as an overall energy plan.

Mr. Nabholz suggested the Commission focus on the Governor's CNG requests and look at impediments to clean energy.

DISCUSSION REGARDING TOPICS FOR NEXT MEETING

Mr. Lachowsky suggested including data on electric vehicles as an alternative source.

Mr. Nabholz suggested inviting a presenter from the state fleet service to talk about the number of state vehicles purchase each year, location of these vehicles, and total number of state vehicles. Also find out when CNG vehicles can be ordered from U.S. manufacturers, and look at sites in the state where CNG fueling stations are located. Mr. Nabholz suggested also looking at impediments to the state's hydroelectric and see if anything needs to be changed.

Ms. Sabin suggested looking at other states alternative energy plan and what the future of alternative energy is in the state. She will contact former Commissioner Lolley to speak on electric cars.

Ms. House suggested impediments of policy on renewables, CNG transport funding strategy, mitigation of future policy, and possibility of new transport innovations such as rail for public transportation.

Mr. Crabbe suggested requesting the Arkansas Department of Finance and Administration to provide a financial impact on the cost of converting state vehicles to CNG. He will speak to the Governor's office about finding a presenter from Oklahoma to speak on CNG conversion and who is the best contact person to speak about the state's fleet service.

Mr. Krug will contact a Conway car dealership regarding converting vehicles to CNG; Michael Gallop, Transportation Manager at SWN; and Mitchell Simpson at the Energy office may have cost analysis on the volatility of CNG versus unleaded fuel.

Mr. Dodge suggested the Commission look at utilizing resources available in the state to hold cost down rather than import resources from other states.

NEXT MEETING – APRIL 7, 2016

There being no further business, the meeting adjourned at 11:58 a.m.