

MINUTES
ARKANSAS ALTERNATIVE ENERGY COMMISSION
[Established by ACT 1301 of 2009]
State Capitol Room 171, Little Rock, Arkansas
Thursday July 28, 2016

The Arkansas Alternative Energy Commission met Thursday, July 28, 2016, at 10:00 a.m. in Room 171 of the State Capitol in Little Rock, Arkansas.

Commission members in attendance: Warren Allen, Chair; Jay Caspary, Don Crabbe, David Dodge, Audrey House, Rod Krug, and Gregory Perkins.

Commission member using conference call: Rita Potts.

Mr. Allen called the meeting to order.

REVIEW AND APPROVAL OF JUNE 16, 2016, MEETING MINUTES.

Ms. House made a motion to approve the June 16, 2016, minutes as written, and with a second by Mr. Caspary, the motion carried.

Mr. Frank Kelly, Solar Source Consulting, Arkansas Real Clean Energy Economy, [Pwrpt Presentation] presented a brief history of renewable energy policies in Arkansas. Mr. Kelly stated that less than 0.01% of energy generation in Arkansas is produced from solar and wind systems; however, there is enough sunlight striking the Earth every 104 minutes to power the entire world for a year. The United States has the space and sunlight to provide 100 times its annual power demand by harvesting solar energy. The installation process is much less destructive and time consuming than fossil fuels. The cost of installing solar panels has dropped 70% since 1998. Investors can benefit from distributed solar generation by installing solar panels on rooftops and farms. This power is readily consumed and solar installations can create shade to lower the cooling load. A parking lot solar canopy, able to withstand 90 mile an hour winds, is the most expensive type of installation at approximately \$4 a watt. For residential locations on a foundation the cost drops to about \$3.20 per watt. The least expensive method is to build at ground level; which would drop the cost to around \$2.00 per watt. The federal government offers a 30% tax credit for investing in solar energy. There are currently only 476 installs in Arkansas, while solar is booming in other states. Arkansas needs more policy incentives to stimulate solar generation; however, this has been met with resistance. The Rural Energy for America Program, currently on hold, was mainly for farming businesses, but less than 4 installations qualified for the program in Arkansas. The payback on a 3,000 square foot residential home, with the current reduction in installation cost compared to the negotiated rate in net-metering, is about 11-12 years. If you would like to see a solar facility or get a quote for installation you can go to www.arkansas.solar.

Mr. Jake Bleed, Administrator, Office of Communications, Arkansas Department of Finance and Administration (DFA), explained that Arkansas does not have a centralized fleet maintenance system, instead each agency has its own fleet management system. The state fleet consists of about 9,000 vehicles, as follows:
[Pwrpt Presentation]

- Department of Highways and Transportation own 2,469 vehicles
- Arkansas Game and Fish Commission own 567 vehicles
- Institutions of Higher Education own 1,524 vehicles
- Department of Finance and Administration own 4,888 vehicles

Each agency is responsible for the maintenance and operation of their vehicles and reports monthly to DFA. DFA reports annually to the General Assembly on the cost of fuel, insurance, and maintenance incurred by each agency, and oversees the acquisition of all new vehicles and disposal of old vehicles. Arkansas requires a five cent tax on CNG and other alternative fuels on a per-gallon basis. The DFA, Office of State Procurement (OSP), bids on vehicle purchasing contracts on behalf of the state agencies and local government. Approximately 1,000 vehicles are purchased a year. Contracts were sought for the Chevy Volt and Nissan Leaf but were not obtained. DFA also sought contracts for various bi-fuel capable vehicles, and has three contracts at this time. Arkansas Code requires an annual report on the number of alternative fuel vehicles owned by the state. The definition of alternative fuel used in the statute is borrowed from federal regulations and includes vehicles capable of operating on ethanol. State agencies employ 1,652 vehicles classified as alternative fuel vehicles, the majority of which are E85 capable. Approximately 30 vehicles operate on hybrid electric, biodiesel, or other fuels. There are no CNG capable vehicles identified in the most-recent report. In 2013, the OSP did seek two contracts to install CNG conversion kits to state vehicles. The State did not utilize these contracts and there is no current CNG conversion contract. The prices ranged from \$9,800 - \$14,980 per conversion and the cost would have been incurred by each individual agency. There are only six CNG fueling stations across Arkansas at this time. Mr. Bleed stated he was unaware of other states performing mass conversions or any benefit from doing so to date. In further discussion, he stated better efficiency in the state fleet might be achieved by setting reimbursement rates for vehicle maintenance and through more reporting.

UPDATE ON ARKANSAS ALTERNATIVE ENERGY COMMISSION'S FUTURE SUNSET DATE

Ms. House explained that she is still working on the issue. She has contacted Senator Stubblefield and is waiting to hear back from him.

FUTURE MEETING SUBJECTS/SPEAKERS

Mr. Dodge noted he has a speaker scheduled for the August 25th meeting and will forward the information in email for the agenda.

Mr. Perkins stated he has scheduled the Resource Planning Manager from American Electric Power to speak at the September 29th meeting.

Ms. Potts confirmed that she had a speaker lined up for the October 27th meeting.

OTHER BUSINESS

Mr. Dodge mentioned that the Arkansas Alternative Energy Commission website is outdated and hinders the ability to recruit speakers. Since the commission is unfunded, he has been in discussion with his company's web design team to possibly review the website and update it accordingly. Ms. House added that she can provide Michael Lolly's contact information as he created the website originally.

There being no other business, the meeting adjourned at 11:29 a.m.