

Approved 10/27/16

MINUTES
ARKANSAS ALTERNATIVE ENERGY COMMISSION
[Established by ACT 1301 of 2009]
State Capitol Room 171, Little Rock, Arkansas
Thursday, September 29, 2016

The Arkansas Alternative Energy Commission met Thursday, September 29, 2016, at 10 a.m. in Room 171 at the State Capitol in Little Rock, Arkansas.

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

Legislators in attendance: Representative Sue Scott.

Mr. Allen called the meeting to order.

REVIEW AND APPROVAL OF AUGUST 25, 2016, MEETING MINUTES

[Exhibit C]

Mr. Perkins made a motion to approve the August 25, 2016, minutes as written, and with a second by Ms. Sabin, the motion carried.

**AMERICAN ELECTRIC POWER SOUTHWESTERN ELECTRIC POWER COMPANY'S
APPROACH TO RENEWABLE MODELING**

Mr. Scott Fisher, Resource Planning Manager, American Electric Power, (AEP), Southwestern Electric Power Company, (SWEPCO), was introduced by Commissioner Greg Perkins and explained that integrated resource planning (IRP) is balancing the needs of a variety of constituents while ensuring safe, reliable and efficient resource selections for the future of energy. The most recent 3-year IRP is available on the PSC's website.

AEP is working to convert its portfolio to more sustainable by transforming the generation fleet and reducing emissions. AEP reduced its reliance on coal by 20% since 2005, and increased natural gas generation by 10%. Emission reductions are:

- Sulfur Dioxide SO₂ – coal fired power plants' emissions – reduced 88% in the last 25 years.
- Nitric Oxide NO_x – ozone causing gases – reduced 87% in the last 25 years.
- Mercury Hg – coal fired power plants' emissions - reduced 54% in the last 25 years.
- Carbon Dioxide CO₂ – predominately coal fired power plants – reduced 39% since 2000.

SWEPCO is a unit of AEP and participates in the Southwest Power Pool (SPP) Regional Transmission Organization. SPP is responsible for the reliability of the network and establishes the planning requirements that go into developing an IRP. SWEPCO owns 5,148 megawatts (MW) of capacity made up of coal, gas and lignite as well as 470MW of wind purchase power agreements. Wind generation capacity factor is high at 40 - 50%. In 2015, wind provided SWEPCO customers about 7% of their energy needs and is much more economical than solar as a renewable. SWEPCO has a request for proposal out for 100MW of wind. The net-metered renewable is owned by the customer and totals about 10MW. The U.S. Congress passed, and then extended in late 2015, the Production Tax Credit (PTC) incentive which provides a \$23/MWh tax credit for investing in a wind project that is completed in 4 years. The PTC will expire in 2019.

Transmission is a major component to bringing renewables across Arkansas and the United States. AEP has 14 patents on a transmission tower that is more efficient and has a lower impact than the traditional structures.

The Clean Power Plan has a 30% carbon intensity reduction target by 2030, and although SWEPCO didn't model it in its IRP, the preferred SWEPCO plan achieves a 29% reduction. **[PowerPoint Presentation]**

UPDATE ON ARKANSAS ALTERNATIVE ENERGY COMMISSION'S (AAEC) FUTURE RELATIVE TO SUNSET DATE

Ms. Jessica Sabin, AAEC Commissioner, was recognized and stated she and Ms. House have been considering the next step to save the commission or let the sunset date remain. The AAEC's mission statement is to study the needs and impacts of various forms of alternative energy on the economic future of Arkansas. If the commission's intention is to extend the sunset date, the focus needs to be narrowed and a 10-year overview prepared highlighting research and showing what could also be done. Ms. Sabin suggested the commission build upon the last report(s) as well as introduce a handful of good ideas to promote to the legislature for continuance. She added that she is trying to get the AAEC's website updated so all the reports can be accessed.

REVIEW OF SUBJECTS RESEARCHED TO DATE

Mr. Paul Love, AAEC Commissioner, was recognized and presented a summary of topics from past meetings. Mr. Love stated that he found three topics which were not pursued:

1. Find out when CNG vehicles can be ordered from U.S. manufacturers.
2. Look at other states' alternative energy plan and what their future holds.
3. Possibility of new transport innovations such as rail for public transportation.

Mr. Love concluded the commission needs an expert economist that can add to the research for a more definitive outcome. **[Handout #1]**

DISCUSSION OF COMMISSION REPORT

Mr. Allen stated that he has two bills that Ms. House has worked on with some legislators to exempt the commission's sunset rule and add an appropriation. He encouraged the commission to review the summary, past minutes, and reports in order to narrow details in the October meeting, and plan for a report being done by the end of this year.

FUTURE MEETINGS/SPEAKERS

Mr. Allen announced the next meetings will be October 27, 2016, and December 8, 2016. There will not be a meeting in November.

Ms. Potts noted she has two representatives attending from the Arkansas Recycling Coalition for the October 27 meeting.

There being no further business, the meeting adjourned at 11:54 a.m.