

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009
4

As Engrossed: H3/27/09

A Bill

HOUSE BILL 2051

5 By: Representatives Maxwell, Reep
6
7

For An Act To Be Entitled

9 AN ACT TO DIRECT THE ARKANSAS PUBLIC SERVICE
10 COMMISSION TO ESTABLISH A HOME WEATHERIZATION
11 REVOLVING LOAN FUND TO ENCOURAGE AND FACILITATE
12 THE INSTALLATION OF HOME WEATHERIZATION AND
13 ENERGY EFFICIENCY MEASURES FOR THE PURPOSE OF
14 INCREASING THE HOME'S ENERGY EFFICIENCY; AND FOR
15 OTHER PURPOSES.
16
17

Subtitle

18 THE HOME WEATHERIZATION REVOLVING LOAN
19 FUND ACT OF 2009.
20
21
22

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
24

25 *SECTION 1. Arkansas Code Title 23, Chapter 4, is amended to add an*
26 *additional subchapter to read as follows:*

27 23-4-1101. Title.

28 This subchapter shall be known and may be cited as the "Home
29 Weatherization Revolving Loan Fund Act of 2009".
30

31 23-4-1102. Legislative intent.

32 (a) The purpose of this subchapter is to direct the Arkansas Public
33 Service Commission to establish and oversee a home weatherization revolving
34 loan fund from which Arkansas homeowners may borrow funds solely for the
35 purpose of weatherizing their residential homes through the installation of
36 home weatherization and efficiency measures that will substantially increase



1 the energy efficiency of those homes.

2 (b) The General Assembly finds and declares that it is in the public
3 interest to substantially improve the energy efficiency of residential homes
4 in Arkansas to:

5 (1) Conserve energy resources;

6 (2) Delay the need for the construction of new electric
7 generation facilities; and

8 (3) Delay the development of new natural gas supplies.

9
10 23-4-1103. Definitions.

11 As used in this subchapter:

12 (1) "Home weatherization and efficiency measure" means the use
13 of a weatherization or an energy efficiency measure that improves the overall
14 energy efficiency of a residential home, including without limitation the:

15 (A) Sealing with caulk, foam sealant, weather stripping,
16 window film, a door sweep, an electrical receptacle gasket, or other device
17 to reduce infiltration through a crack, gap, hole, and other energy bypass
18 around a door, window, and pipe that penetrates the attic ceiling and any
19 other area with a high potential for heat loss;

20 (B) Installation of:

21 (i) Energy efficient roofing, building wrap, siding,
22 or flashing;

23 (ii) Insulation:

24 (a) In the wall, the floor, and the ceiling;

25 (b) Around a duct, a pipe, and a water heater;

26 and

27 (c) Near the foundation and a sill;

28 (iii) An energy-efficient storm door and window; and

29 (iv) Modern, energy-efficient home heating and
30 cooling equipment;

31 (C) Repair of old, inefficient equipment, including
32 without limitation a furnace, a boiler, a water heater, a programmable
33 thermostat, and an air conditioner; and

34 (D) Replacement of an old, inefficient:

35 (i) Door with a tightly sealing, foam-core door; and

36 (ii) Window with an energy efficient, double-glazed

1 window; and

2 (2) "Residential home" means a home:

3 (A) Located in this state;

4 (B) Owned by the homeowner; and

5 (C) Serving as the primary residence of the homeowner.

6
7 23-4-1104. Home Weatherization Revolving Loan Fund.

8 The Home Weatherization Revolving Loan Fund may be capitalized by the
9 following:

10 (1) Federal funds earmarked for weatherization or energy efficiency
11 purposes that are received by this state as a result of a congressional
12 appropriation;

13 (2) State funds appropriated for weatherization or energy efficiency
14 purposes under this subchapter;

15 (3)(A) A fee authorized by the Arkansas Public Service Commission to
16 be charged on the monthly electric and natural gas bill of all retail
17 residential customers of all electric public utilities and natural gas public
18 utilities that are subject to the jurisdiction of the commission.

19 (B) If the fund is capitalized through a fee under subdivision
20 (3)(A) of this section, the fee shall not:

21 (i) Exceed fifty cents (50¢) on a customer's monthly bill
22 for electric service or natural gas service; or

23 (ii) Be collected for more than two (2) years after its
24 imposition unless, after notice and hearing, the commission continues the
25 imposition of a fee in an amount that is less than fifty cents (50¢) per
26 month for the purpose of:

27 (a) Ensuring the adequate capitalization of the
28 fund; and

29 (b) Covering the cost of administration of the fund;

30 or

31 (4)(A) Funds provided by an electric public utility or a natural gas
32 public utility.

33 (B) If the fund is capitalized under subdivision (4)(A) of this
34 section, the commission shall authorize the electric public utility or the
35 natural gas public utility to:

36 (i) Earn a return on its funds that capitalize the fund;

1 and

2 (ii) Recover the return authorized under subdivision
3 (4)(B)(i) of this section through the electric public utility's or the
4 natural gas public utility's rates.

5
6 23-4-1105. Availability of loan assistance.

7 Loan assistance from the Home Weatherization Revolving Loan Fund shall
8 be:

9 (1) Allocated among all electric public utility and natural gas public
10 utility residential customers based on the ratio of each electric public
11 utility's and natural gas public utility's number of residential customers to
12 the total number of residential customers that are served by all the electric
13 and natural gas public utilities in the state;

14 (2) Capped at a five thousand dollars (\$5,000) maximum limit per
15 residential home;

16 (3) Restricted to the weatherization of a residential home constructed
17 before 1990;

18 (4) Utilized exclusively by a residential homeowner for the
19 installation of a home weatherization and efficiency measure; and

20 (5)(A) Repaid by the residential homeowner receiving the loan on terms
21 and conditions authorized by the Arkansas Public Service Commission.

22 (B) If the home weatherization revolving loan fund is
23 capitalized through funds provided by a public utility, the terms of the loan
24 under subdivision (5)(A) of this section may include a provision for sharing
25 the savings between the residential homeowner and the public utility.

26
27 23-4-1106. Loan priority.

28 The Arkansas Public Service Commission shall establish guidelines that
29 give a residential homeowner who is eligible for assistance from the federal
30 Low Income Home Energy Assistance Program priority in the receipt of funds
31 from the Home Weatherization Revolving Loan Fund.

32
33 23-4-1107. Administration.

34 (a)(1) The Arkansas Public Service Commission shall delegate the
35 administration of the Home Weatherization Revolving Loan Fund to a public or
36 private entity under terms and conditions that the Arkansas Public Service

1 Commission determines necessary:

2 (A) To cover the fair and reasonable costs to the
3 administrator of the fund; and

4 (B) For the continuing oversight by the Arkansas Public
5 Service Commission.

6 (2) In the process of selecting an administrator of the fund,
7 the Arkansas Public Service Commission shall solicit without limitation input
8 from the:

9 (A) Department of Human Services;

10 (B) Attorney General; and

11 (C) Arkansas Energy Office of the Arkansas Economic
12 Development Commission.

13 (3) The commission's selection of an administrator is subject to
14 the approval of the Governor and the Legislative Council.

15 (b) The administrator is authorized to make loans from the fund under
16 rules set by the Arkansas Public Service Commission.

17
18 23-4-1108. Report.

19 The Arkansas Public Service Commission shall report to the General
20 Assembly or the Cochairs of the Legislative Council by April 1 of each year
21 about the status and utilization of the home weatherization revolving loan
22 fund for the preceding calendar year.

23
24 23-4-1109. Rules.

25 (a) Within ninety (90) days after the effective date of this act, the
26 Arkansas Public Service Commission shall initiate a rulemaking proceeding for
27 the purpose of establishing the:

28 (1) Home weatherization revolving loan fund;

29 (2) Guidelines and rules necessary for the operation of the fund
30 under this subchapter; and

31 (3) Procedures for measuring the effectiveness of a home
32 weatherization and efficiency measure implemented under this subchapter.

33 (b) Within one hundred eighty (180) days of the initiation of the
34 rulemaking proceeding under subsection (a) of this section, the commission
35 shall issue its final order.

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/s/ Maxwell