

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

SENATE BILL 454

5 By: Senators Gilmore, Stone, M. McKee
6 By: Representative Beaty Jr.
7

For An Act To Be Entitled

8
9 AN ACT CONCERNING PUBLIC UTILITY CONTRACTS FOR
10 INTERRUPTIBLE SERVICE; AND FOR OTHER PURPOSES.
11

Subtitle

12
13 CONCERNING PUBLIC UTILITY CONTRACTS FOR
14 INTERRUPTIBLE SERVICE.
15
16
17

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
19

20 SECTION 1. Arkansas Code § 23-3-117 is amended to read as follows:

21 23-3-117. Contracts for interruptible service ~~with industrial users.~~

22 (a)(1) Public utilities are authorized to A public utility may
23 contract for the sale, on an interruptible basis, of utility services at
24 agreed prices for a definite term not to exceed twenty-five (25) years with
25 customers whose use of the service is for manufacturing, generation,
26 processing, preparation of products, or industrial purposes.

27 (2) However, the contracts A contract under subdivision (a)(1)
28 of this section:

29 (A) Before becoming effective, shall:

30 (i) be subject Be subject to approval by the
31 Arkansas Public Service Commission ~~before becoming effective; and~~

32 (ii) Demonstrate that the contract is in the public
33 interest;

34 (B) These contracts, after After approval by the
35 ~~commission~~ Arkansas Public Service Commission, shall continue in full force
36 and effect for the term ~~thereof~~ of the contract; and



1 (C)(i) Specify the amount of interruptible load to be
2 achieved by the customer.

3 (B) The amount under subdivision (a)(2)(C)(i) of
4 this section shall be permitted to be altered only one (1) time per year.

5 (b)(1) An electric utility shall have a schedule that offers
6 interruptible service when the electric utility's class of customers with the
7 highest level of consumption per customer that has rates that include a
8 demand component, and any successors to such a class, as the class existed on
9 January 1, 2023, has an annual usage for the class as a whole in excess of
10 five million megawatt hours (5,000,000 MWh).

11 (2) The rate schedule shall be consistent with and permitted by
12 applicable regional transmission organization tariffs and any applicable
13 order, rule, or regulation issued by the Federal Energy Regulatory Commission
14 and the Arkansas Public Service Commission, in order to the greatest extent
15 possible to qualify as a resource in the regional transmission organization's
16 wholesale market.

17 (3) If permitted by the applicable regional transmission
18 organization tariffs, the Federal Energy Regulatory Commission, and the
19 Arkansas Public Service Commission, then the rate schedule's pricing shall
20 be:

21 (A) Based on the embedded costs of the electric utility;
22 and

23 (B) Consistent with the cost-of-service study and
24 underlying allocation methods used to set the other rates of the electric
25 utility.

26 (4) The rate schedule shall include the demand rate discount
27 developed consistent with the method used in Order No. 35 issued by the
28 Arkansas Public Service Commission in Docket No. 96-360-U, on October 16,
29 1998.

30 (c)(1) Except as otherwise provided or required by the applicable
31 regional transmission organization or an applicable Federal Energy Regulatory
32 Commission order, rule, or regulation, an electric utility shall not prohibit
33 a customer from taking interruptible service based solely upon a fuel source
34 the customer uses to meet the customer's contracted interruptible
35 requirements.

36 (2) An electric utility customer's accounts that are taking

1 interruptible service under an electric utility's rate schedule for
2 interruptible service shall not be eligible for net-metering or be allowed to
3 participate in net-metering under the Arkansas Cost-Shifting Prevention Act
4 of 2023, § 23-18-601 et seq., unless the Arkansas Public Service Commission
5 has:

6 (A) On or before December 31, 2022, issued an order
7 addressing an individual net-metering customer's application for approval of
8 a net-metering facility with a name plate generating capacity in excess of
9 ten thousand kilowatts (10,000 kW) if an individual net-metering customer
10 takes service under an electric utility's rate schedule for interruptible
11 service; and

12 (B) Determined that it is in the public interest for an
13 individual interruptible customer to be a net-metering customer.