

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999

A Bill

HOUSE BILL 2125

4
5 By: Representative Judy

For An Act To Be Entitled

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8
9 "THE ARKANSAS RENEWABLE ENERGY DEVELOPMENT ACT OF
10 1999; AND FOR OTHER PURPOSES."

Subtitle

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13 "ARKANSAS RENEWABLE ENERGY DEVELOPMENT
14 ACT OF 1999."

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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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19 SECTION 1. This act shall be known as the "Arkansas Renewable Energy
20 Development Act of 1999."

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22 SECTION 2. (a) Utility ratepayers have historically funded numerous
23 public-benefit programs that support: increasing energy efficiency; research
24 and development of clean and efficient energy technologies; the needs of low-
25 income customers; renewable resource development and environmental quality.
26 In the regulated utility environment, these ratepayer-funded programs were
27 often managed by utilities with oversight from their public service
28 commission. In anticipation of a competitive environment, utilities, in an
29 effort to become more competitive, have begun to decrease spending on these
30 public benefit programs.

31 (b) As the nation restructures traditional rate of return regulation and
32 integrated resource planning, it becomes economically advantageous for
33 utilities to sell more power, rather than reduce consumption through energy
34 efficiency programs. Pressure to sell more energy and the resultant
35 environmental and economic cost associated with it must be mitigated by
36 incentives and other means. Every single Arkansan will benefit from the

1 development of our renewable energy resources and energy efficiency programs.

2 (c) The production of electricity leaves the largest environmental
 3 footprint of all our industrial processes. We are increasingly accounting for
 4 pollution at its source and sometimes struggle to maintain state level
 5 compliance with the Clean Air Act. Prospects of global environmental
 6 agreements entered into by our nation may soon affect our state. Arkansans
 7 must have choices that include cleaner and more sustainable renewable energy
 8 resources. Information provided by disclosure of fuel mix and fuel emissions
 9 is needed, and is an essential element of a "competitive" market.

10 (d) Therefore, the General Assembly finds that it is in Arkansas' long-
 11 term interest to develop environmentally safe, reliable, affordable and
 12 sustainable energy resources.

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 14 SECTION 3. For Purposes of This Act:

15 (a) Qualifying renewable energy (RE) resource shall include solar, wind,
 16 hydro, geothermal, biomass, biogas, and fuel cells charged from renewable
 17 sources. Waste to energy recycling shall also qualify.

18 (b) Renewable energy equipment that complies with local and state codes
 19 and the National Electric Code and uses a renewable energy resource as fuel
 20 shall be considered qualifying renewable energy equipment.

21 (c) Qualifying renewable energy generation shall constitute electricity
 22 generated from qualifying renewable energy equipment.

23 (d) A qualifying facility in the case of utility installations shall pass
 24 the review of the Arkansas Energy Office division of the Arkansas Department
 25 of Economic Development. Such a review, the process for application and
 26 criteria, shall be created and administered by the Arkansas Energy Office.

27 (e) A qualifying project or program shall pass the review of the agency
 28 responsible for administering funding to the project or program.

29 (f) PBC indicates Public Benefit Charge.

30 (g) RE indicates Renewable Energy.

31 (h) R&D indicate research and development.

32 (i) EE indicates Energy Efficiency.

33 (j) LI indicates low income.

34 (k) GPT indicates Green Pricing Tariff.

35 (l) RPS indicates Renewables Portfolio Standard.

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1 SECTION 4. (a) Utilities selling energy services to Arkansans shall
2 provide, along with such information as rates, disclosure of such things as
3 identified harmful emissions, particulates, and amounts of nuclear waste, per
4 megawatt hour.

5 (b) This information shall be subsequently included with billing by the
6 end of the fourth month on an annual basis.

7 (c) Electric and natural gas utilities shall provide disclosure
8 information.

9 (d) The Arkansas Public Service Commission, by means of rules and
10 regulations, shall determine methodology, uniformity and simplicity of the
11 disclosure label. Parties affected by this act shall be afforded involvement
12 in the design and implementation of this section, and of subsequent sections
13 that are to be designed and implemented by the Arkansas Public Service
14 Commission. This shall be facilitated by the creation of a special docket or
15 other means to be determined by the APSC. Party representation shall also be
16 afforded, as mentioned above, to representatives of the renewable energy
17 industry. Public involvement shall also be afforded as provided by the rules
18 and regulations of the Arkansas Public Service Commission.

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20 SECTION 5. (a) The Arkansas Public Service Commission shall establish,
21 through rules and regulations, a renewables portfolio standard (RPS) for all
22 retail electricity suppliers.

23 (b) Qualifying renewable resources shall include solar, wind, new hydro,
24 geothermal, biomass, biogas, and fuel cells charged from renewable sources.
25 Waste to energy recycling shall also qualify.

26 (c) The RPS minimum standard shall commence at the level of one-tenth of
27 one percent (.1%) of all retail sales of electricity in the state of Arkansas.
28 An additional two-tenths of one percent (.2%) shall be added to the minimum
29 RPS annually until superceded by federal legislation.

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31 SECTION 6. (a) The Arkansas Public Service Commission shall by means of
32 rules and regulations, establish a "green pricing tariff " (GPT) that will
33 allow electric utilities to promote and market electricity generated from
34 renewable resources.

35 (b) RPS generation requirements may be sold through the GPT.

36 (c) Existing renewable energy generation resources shall qualify for sale

1 through the GPT, however they shall not qualify for the RPS.
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3 SECTION 7. (a) The Arkansas Public Service Commission shall establish a
4 Public Benefits Charge (PBC) that shall fund the following:

5 Energy research and development at the rate of .04 mils/kWh Energy
6 efficiency programs at the rate of .08 mils/kWh. Low income programs at the
7 rate of .1 mils per kWh. Renewable energy development at the rate of .08
8 mils/kWh.

9 (b) All electric energy transmitted by means of the electric grid and
10 consumed within the State of Arkansas shall be subject to this PBC by means of
11 a non-bypassable transmission charge.

12 (c) Funds accrued in the PBC shall be collected and allocated to
13 administering agencies by the Arkansas Public Service Commission.

14 (d) Fifty percent (50%) of the PBC funds accrued for LI programs shall
15 be administered by the Department of Human Services. Fifty percent (50%) of
16 the funds for LI shall be administered by the State Area Agency on Aging.

17 (e) PBC funds accrued for R&D, EE, & RE programs shall be administered by
18 the Arkansas Energy Office division of the Arkansas Department of Economic
19 Development.

20 (f) Twenty-five percent (25%) of the PBC funds accrued for R&D and RE
21 programs shall be available for utility expenditures required to meet the RPS.
22 Individual utility funding for qualifying facilities is based on total energy
23 sales, within Arkansas, by that utility.

24 (g) Seventy-five percent (75%) of the PBC funds accrued for R&D programs
25 shall be available to colleges, universities and state agencies for qualifying
26 projects or programs.

27 (h) Twenty-five percent (25%) of the PBC funds accrued for RE programs
28 shall be available to school districts across the state for qualifying
29 projects or programs.

30 (i) Fifty percent (50%) of the PBC funds accrued for RE programs shall be
31 available to commercial lending institutions for qualifying programs designed
32 to help implement renewable energy installations in the private sector.
33 Qualifying programs shall maximize use of funds through interest buy-down or
34 other means as defined by the Arkansas Department of Economic Development.

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36 SECTION 8. (a) Electric energy consumers shall be allowed to "net meter"

1 their on-site qualifying RE generation by selling excess generation back to
2 the grid at retail rates.

3 (b) All customer classes shall be allowed to participate.

4 (c) Allowable capacity of an individual qualifying facility shall be
5 equal to or less than 50kW. Allowable capacity of agricultural qualifying
6 facilities shall be equal to or less than 100kW.

7 (d) Net excess generation shall be credited to the following month.
8 Unused credit is granted to the utility at the end of each twelve-month
9 period. Utilities shall donate these credits to the Office of Human Services.
10 The Office of Human Services shall administer and allocate these credits
11 through programs that the office designs and implements.

12 (e) RE generation tied to the grid shall comply with national
13 interconnect requirements. Grid connected net-metering RE generating systems
14 shall not be burdened with unnecessary connection requirements imposed by
15 utilities or other electric energy providers.

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17 SECTION 9: (a) Arkansans purchasing qualifying renewable energy
18 equipment or services related to their installation or operation shall be
19 exempt from the Arkansas State Sales Tax.

20 (b) This exemption shall remain in effect through the year 2008.
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22 SECTION 10. The provisions in this act may include, but are not limited
23 to the establishment of technical specifications or other guidelines as may be
24 necessary in order to administer policies or programs that are within the
25 spirit of this act.

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27 SECTION 11. All provisions of this act of a general and permanent
28 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
29 Code Revision Commission shall incorporate the same in the Code.

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31 SECTION 12. If any provision of this act or the application thereof to
32 any person or circumstance is held invalid, such invalidity shall not affect
33 other provisions or applications of the act which can be given effect without
34 the invalid provision or application, and to this end the provisions of this
35 act are declared to be severable.
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1 SECTION 13. All laws and parts of laws in conflict with this act are
2 hereby repealed.

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