

# Energy Efficiency and Electric Infrastructure in the State of Arkansas

The simple choice for energy efficiency.



In any given state, there are a range of stakeholders well-positioned to contribute to the design and delivery of effective energy efficiency programming. This factsheet provides an overview of relevant entities in the state of Arkansas, along with highlights of state policies and practices related to energy efficiency. The entity types described and highlighted below are typically involved in electricity and/or energy efficiency related matters in states. Other important stakeholders such as trade associations, industry, and local businesses are not included as they vary significantly from state to state.

\* \* \*

## Electric Market Overview

### Electric Utilities

Privately- and publicly-owned electric utilities generate, transmit, distribute, and/or sell electricity primarily for use by the public. These include investor-owned electric utilities, municipal and state utilities, Federal electric utilities, and rural electric cooperatives.<sup>1</sup> The following summarizes electric utilities in Arkansas by type:

- *Investor-Owned Electric Utilities:*  
AEP SWEPCO: <https://www.swepco.com/>  
Entergy AR: <http://entergyarkansas.com/>  
Empire District Electric: <https://www.empiredistrict.com/>
- *Member-Owned (Electric Cooperative):* Arkansas has 17 electric membership corporations (EMCs) that make up the *Electric Cooperatives of Arkansas*. For a complete list, visit: <http://www.aecc.com/distribution-cooperatives>
- *Municipally-Owned/Publicly-Owned Utilities:* Arkansas has 15 municipally- or publicly-owned non-regulated utilities in the state, which are included in the following list available through the Arkansas Energy Office: <http://www.arkansasenergy.org/resources/utilities-arkansas>
- *Other:* 1 Retail Power Marketer; 1 Generation & Transmission Cooperative<sup>2</sup>

*Electric utility service areas (as available):*

[https://www.swepco.com/global/utilities/lib/docs/info/facts/SWEPCOServiceTerritory\\_Counties.pdf](https://www.swepco.com/global/utilities/lib/docs/info/facts/SWEPCOServiceTerritory_Counties.pdf)

[http://www.energy-arkansas.com/about\\_energy/counties.aspx](http://www.energy-arkansas.com/about_energy/counties.aspx)

<https://www.empiredistrict.com/About/servicearea.aspx?state=AR>

<sup>1</sup> Source: EIA

<sup>2</sup> Sources: EIA 2013 Form EIA-861 Utility Data (<http://www.eia.gov/electricity/data/eia861/>) and Arkansas Public Service Commission (<http://www.arkansas.gov/psc/>)

## Status of Electric Industry Restructuring

Vertically integrated utilities are responsible for generation, transmission and distribution of power to customers. In the 1990's, many states began to unbundle the electricity supply and distribution functions of investor-owned utilities on the theory that only the wires (the fixed network system) constituted a natural monopoly, while the generation of power did not. In states that have undergone restructuring, individual retail customers can choose their supplier but still receive delivery over the power lines of the local utility.<sup>3</sup>

- Arkansas restructuring has been suspended: <http://www.eia.gov/electricity/policies/restructuring/arkansas.html>

## Regional Transmission Organization (RTO)/Independent System Operator(ISO)

About 60% of U.S. electric power supply is managed by RTOs or ISOs: independent, membership-based organizations that ensure reliability and usually manage the regional electric supply market for wholesale electric power. In the rest of the country, electricity systems are operated by individual utilities or utility holding companies. RTOs/ISOs engage in long-term planning that involves identifying effective, cost-efficient ways to ensure grid reliability and system-wide benefits. Coordination and cooperation between utilities, state PUCs and RTOs/ISOs is often required to advance energy efficiency goals.<sup>4</sup>

- Arkansas is part of the Midcontinent Independent System Operator (MISO) <https://www.misoenergy.org> and the Southwest Power Pool (SPP) RTO <http://www.spp.org/>. Entergy Arkansas, Inc., which serves a significant portion of Arkansas, is a member of MISO. Southwestern Electric Power Company, Oklahoma Gas and Electric Company and The Empire District Electric Company are members of the SPP, and Arkansas Electric Cooperative Corporation is a member of both SPP and MISO.

## Utility Oversight and Planning

### Utility Oversight

Public utility commissions (PUCs) oversee goals, investments, and ratemaking for investor-owned electric utilities. Most of this oversight is conducted via specific regulatory proceedings. Municipally-owned utilities are governed by a local city council or an elected commission, and member-owned/cooperative utilities are governed by a board elected by members. In a few states, PUCs have oversight over some aspects of municipally and member-owned utility performance such as energy efficiency resource standards.<sup>5</sup>

- The Arkansas Public Service Commission (APSC) regulates twenty-four electric utilities in the State, including four investor-owned utilities, one generation and transmission cooperative utility, seventeen distribution cooperative utilities, and two Regional Transmission Organizations (RTO). The Commission does not regulate municipally owned utilities, public power agencies, or exempt wholesale generators (Independent Power Producers). <http://www.apscservices.info/electric.asp>

### Integrated Resource/Procurement Planning

Integrated resource plans (IRPs) are utility plans for meeting forecasted annual peak and energy demand through a portfolio of supply-side and demand-side resources over a specified future period. As of early 2015, integrated resource planning is required or present in more than 30 states, including most vertically integrated/non restructured states. In states that are restructured, regulated distribution-only utilities may be required to develop procurement plans to service customers that do not choose a competitive retail supplier. Energy efficiency is considered as a demand-side resource but the degree to which it is included in resource/procurement planning is influenced by other factors including policies such as energy efficiency resource standards or requirements that all cost effective energy efficiency be considered.<sup>6</sup>

- Entergy Arkansas' most recent IRP 2014-2023: [http://entergy-arkansas.com/content/transition\\_plan/2012\\_IRP\\_Filing\\_103112.pdf](http://entergy-arkansas.com/content/transition_plan/2012_IRP_Filing_103112.pdf)

<sup>3</sup> Source: The Regulatory Assistance Project (RAP)

<sup>4</sup> Source: [EPA Energy and Environment Guide to Action](#)

<sup>5</sup> Sources: [EPA Energy and Environment Guide to Action](#) and RAP

<sup>6</sup> Source: [EPA Energy and Environment Guide to Action](#)

- AEP SWEPCO's most recent IRP 2014: [https://www.swepco.com/global/utilities/lib/docs/info/projects/SWEPCOIntegratedResourcePlan/SWEPCO\\_LA\\_IRP\\_Presentation\\_Jan-30-14.pdf](https://www.swepco.com/global/utilities/lib/docs/info/projects/SWEPCOIntegratedResourcePlan/SWEPCO_LA_IRP_Presentation_Jan-30-14.pdf)
- Empire District Electric's most recent IRP 2013: <https://www.empiredistrict.com/DocHandler.ashx?id=6679>

### Statewide Planning Process

States sometimes undertake executive or legislatively driven statewide energy planning processes. These plans may be completely independent of utilities or may explicitly engage utilities.

- In 2010, The Arkansas Public Service Commission (APSC) created the [APSC Sustainable Energy Resources \(SER\) Action Guide](#), which declares that energy efficiency is almost invariably the most cost effective means of meeting energy and capacity requirements.

### Energy Efficiency Potential Studies

Energy efficiency potential studies determine the amount of technical, economic, and achievable potential for energy efficiency in a region, state, or utility service territory. Energy efficiency potential studies may be undertaken by state agencies or energy efficiency advocacy organizations, or by utilities as part of or to inform compliance with a regulatory requirement. The following are recent energy efficiency potential studies:

- Advancing Energy Efficiency in Arkansas: Opportunities for a Clean Energy Economy (2011): <http://aceee.org/sites/default/files/publications/researchreports/e104.pdf>
- Arkansas Advanced Energy Foundation Study (2014): <http://www.arkansasadvancedenergy.com/index.cfm?objectid=83190EC0-2F89-11E4-B4940050569A5318>
- Navigant (2015): [http://www.apscservices.info/pdf/13/13-002-U\\_222\\_1.pdf](http://www.apscservices.info/pdf/13/13-002-U_222_1.pdf)

## Energy Efficiency Policies/Activities

### Statewide Clean Energy Policy/Energy Efficiency Energy Resource Standard(s)

Energy efficiency resource standards (EERSs) require obligated parties—usually regulated retail distributors of electricity—to meet a specific portion of their electricity demand through energy efficiency. As of March 2015, 27 states have some type of energy efficiency requirement or goal.<sup>7</sup>

- Arkansas has a mandatory energy efficiency resource standard.

### Current Utility-Administered Energy Efficiency Programs

Energy efficiency is regarded as an important utility resource with co-benefits that include reducing air pollution, saving customers on utility bills, and creating local jobs. While the majority of large-scale energy efficiency programs are funded by utility ratepayers, program administration may be by the utility, the state, an independently awarded program administrator or a combination of entities. Below are available links related to ratepayer-funded energy efficiency programs offered in the state<sup>8</sup>:

- *Program Administrator:* Empire District Electric: <https://www.empiredistrict.com/EnergySolutions/Electric.aspx?electric=AR>  
Most recent program filing: [http://www.apscservices.info/efilings/docket\\_search\\_results.asp?casenumber=13-002-U](http://www.apscservices.info/efilings/docket_search_results.asp?casenumber=13-002-U)  
ENERGY STAR Partner since 2008
- *Program Administrator:* AEP SWEPCO: <http://www.swepcogridsmart.com/arkansas/index.html>  
Most recent program filing: [http://www.apscservices.info/efilings/docket\\_search\\_results.asp?casenumber=13-002-U](http://www.apscservices.info/efilings/docket_search_results.asp?casenumber=13-002-U)  
ENERGY STAR Partner since 2008
- *Program Administrator:* Entergy Arkansas: [http://www.entergy-arkansas.com/energy\\_efficiency/main.aspx](http://www.entergy-arkansas.com/energy_efficiency/main.aspx)  
Most recent program filing: [http://www.apscservices.info/efilings/docket\\_search\\_results.asp?casenumber=13-002-U](http://www.apscservices.info/efilings/docket_search_results.asp?casenumber=13-002-U)  
ENERGY STAR Partner since 2012

<sup>7</sup> Ibid.

<sup>8</sup> For other energy efficiency program offerings in the state, visit: <http://programs.dsireusa.org/system/program?state=AR>

## Other Key Stakeholders

### State Air Office:

- State Air Office – Arkansas Department of Environmental Quality (ADEQ): <https://www.adeg.state.ar.us/air/>

### State Energy Office:

- Arkansas Energy Office: <http://www.arkansasenergy.org/>

### Consumer Advocate(s)

Most states also have one or more consumer advocacy organizations. Consumer Advocates are often concerned with maintaining low rates and ensuring equitable treatment of all customer classes.<sup>9</sup>

- The Consumer Utility Rate Advocacy Division (CURAD) represents the interests of Arkansas' utility customers through advocacy, education, and litigation: <http://arkansasag.gov/programs/arkansas-lawyer/consumer-utility-rate/>

### Others Public Interest Groups

Groups representing environmental and other public interests are often involved in providing public input or technical expertise during regulatory proceedings or stakeholder processes. The following energy efficiency organizations/nonprofits are active in the state or region:

- Southeast Energy Efficiency Alliance (SEEA): <http://www.seealliance.org/>
- Arkansas Advanced Energy Association: <http://arkansasadvancedenergy.com/>

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\* Revised December 21, 2015. To alert the U.S. EPA of substantial policy changes or program updates, please contact [eeaccountmanager@icfi.com](mailto:eeaccountmanager@icfi.com)

<sup>9</sup> Source: [EPA Energy and Environment Guide to Action](#)