

Aug 22 11 21 AM '07

ARKANSAS PUBLIC SERVICE COMMISSION

FILE

IN THE MATTER OF A NOTICE OF INQUIRY)
REGARDING A RULEMAKING FOR)
DEVELOPING AND IMPLEMENTING)
ENERGY EFFICIENCY PROGRAMS)

DOCKET NO. 06-004-R
ORDER NO. 19

ORDER

By Order No. 6 of this docket, and in accordance with the requirements of the Energy Policy Act of 2005 ("EPAAct") and its amendments to sections 111(d) and 115 of the Public Utility Regulatory Polices Act of 1978 ("PURPA"), all parties were invited to provide comments on the question of whether the Commission should adopt the standard for time-based metering and communication established by section 111(d)(14) of PURPA. Initial and Reply Comments were filed by General Staff ("Staff"), the Attorney General's Office ("AG"); Arkansas Electric Energy Consumers, Inc. and Arkansas Gas Consumers, Inc. ("AEEC/AGC"); and all of the state's electric and gas utilities and the electric cooperatives.

As noted by Staff and the AG, many of the parties expressed concern regarding the blanket adoption and implementation of the EPAAct time-based metering and communication standard, and no party supported adopting the EPAAct standard. The AG recommended rejection of the "relatively prescriptive EPAAct standard, ... because installing smart meters for all customers are of questionable cost-effectiveness, and there are other less expensive ways of carrying out demand response." [sic]. AEEC-AGC stated that the Commission should not establish any blanket demand-side management programs, but that it would support the development of appropriate time-sensitive

1
3
8

rates. Staff observed that Section 7 of the Commission's Rules for Energy Efficiency and Conservation (now finalized in Order No. 18 of this docket) adequately address the concerns raised by both the AG and AEEC/AGC. Specifically, the last paragraph of Section 7 states: "Demand response programs that involve rates (e.g., interruptible service, curtailment, off-peak service, time of use rates) shall not be included in any surcharge or rider. The rates for those mechanisms will be established through utility specific rate or tariff proceedings."

In the intervening months since comments were filed on this subject, the Commission has sponsored a Demand Response and Advanced Metering Infrastructure workshop on May 24-25, 2007, which was well attended by utilities and other parties to the energy efficiency collaborative that was established in this docket. The Commission has also issued Guidelines on Resource Planning for Electric Utilities in Docket No. 06-028-R, wherein the utilities were directed to give "comparable consideration" to demand and supply resources and to assess "all reasonably useful and economic supply and demand resources that may be available to a utility or its customers", and to identify and investigate resources including "energy efficiency, conservation, demand-side management, interruptible load, and price responsive demand." As we stated in our Energy Efficiency Rules, the Commission finds that our interest in fostering the development of various Demand Response technologies and practices can best be met through utility-specific rate or tariff proceedings. We also note that the Guidelines on Resource Planning as well as future utility-specific proceedings on the need for new generation resources present opportunities to explore the values and opportunities presented by DR technologies such as Time-Based Metering and Communications.

Consequently, the Commission has determined that it is not in the public interest to adopt the EAct standard on Time-Based Metering and Communications as described in section 111(d)(14) of PURPA.

BY ORDER OF THE COMMISSION.

This 22nd day of August, 2007.

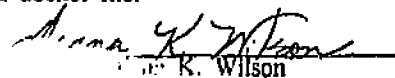


Paul Suskie, Chairman



Daryl Bassett, Commissioner

I hereby certify that the following order issued by the Arkansas Public Service Commission has been served on all parties of record this date by U.S. mail with postage prepaid, using the address of each party as indicated in the official docket file.



Diana K. Wilson

8-22-07 JB



Diana K. Wilson
Secretary of the Commission