

Paul Suskie
Chairman
(501) 682-1451

Colette D. Honorable
Commissioner
(501) 682-1455

Olan W. Reeves
Commissioner
(501) 682-1453

**ARKANSAS
PUBLIC SERVICE COMMISSION**
1000 Center
P.O. Box 400
Little Rock, Arkansas 72203-0400
<http://www.Arkansas.gov/psc>



FOR IMMEDIATE RELEASE:
February 3, 2010

Arkansas Public Service Commission Approves Energy Efficiency Programs – Establishes “Roadmap” for Expansion of Energy Efficiency in Arkansas

14 Orders Direct Utilities to Implement Energy Savings Programs and Establish Proceedings to Examine Incentives and Other Issues

(Little Rock) – The Arkansas Public Service Commission today issued 14 separate orders largely approving the plans filed last summer by the state’s four electric and three natural gas utilities and the administrators of the state weatherization program and energy efficiency education program.

In a 34-page “roadmap” order the Commission called for additional regulatory consideration of a number of issues that it will decide by the Commission in 2010. Among the issues to be decided are:

- What constitutes “comprehensive” energy efficiency programs under the Commission’s Conservation and Energy Efficiency Rules and whether the Commission should establish energy and demand savings goals and targets for utilities in Arkansas;
- Whether utilities should be allowed to earn incentives for achieving superior performance in the delivery of energy savings services to their customers;
- How the loss of a utility’s fixed costs due to successful energy-efficiency programs should be addressed;
- Whether fuel switching from electricity to gas for water and space heating under a concept called Full Fuel Cycle Measurement of Efficiency should be allowed under energy-efficiency programs;
- Whether commercial and industrial customers should be allowed to “opt out” of paying for energy efficiency programs if such customers have made substantial energy efficiency investments on their own; and

- How the benefits of energy efficiency should be defined and quantified.

The Commission ordered that the utilities and other parties that have actively participated in the proceedings, such as its General Staff, the Attorney General, Audubon Arkansas, the Arkansas Community Action Agencies Association (representing low-income customers), and Arkansas Electric Energy Consumers, Inc. (a commercial/industrial advocate) submit comments and testimony on most topics by March 2, 2010. The Commission intends to schedule public hearings on many of the issues in coming months and will decide how to incorporate its rulings into each utility's Comprehensive Energy Efficiency Plan.

According to Commission Chairman Paul Suskie, "The energy efficiency proceedings have documented that there is significant value to be gained by expanding the existing EE programs and portfolios to help their customers save energy and reduce their bills overall." The programs have been implemented under rules adopted by the Commission in 2007 pursuant to the Arkansas Energy Conservation Endorsement Act of 1977.

In 2008 the combined spending of the electric and gas utilities totaled \$7.5 million. The utilities proposed increasing their budgets to \$13.7 million during 2010. Six of the state's investor-owned gas and electric utilities proposed increases in their budgets for this year. "Virtually all of the programs that are being continued and expanded were found to be cost effective, meaning that customers as a whole will benefit from the energy efficiency improvements that are made in homes, businesses, and industry across our state," Suskie said.

Suskie announced that the Commission is today approving the programs, portfolios, and budgets for all utilities for 18 months at 2010 budgeted levels. "The Commission will revisit the issue of continued and expanded funding as it makes determinations concerning what, if anything, will be required in terms of energy and demand savings goals, targets, and/or budgets in order to achieve comprehensive EE program results for Arkansas ratepayers," he said.

Because there are a substantial number of issues in common among 10 energy efficiency dockets, and these issues require additional development and consideration in either new or existing proceedings, in the roadmap order the Commission established where, how, and when these issues will be addressed.

"In short, there is considerable work to be done before a number of the issues raised in these EE Dockets can be resolved by the Commission to the ultimate benefit of utility consumers, other stakeholders, and the utilities themselves," Suskie said. "We look forward to working with all of the parties to refine and expand the energy and dollar-savings opportunities for ratepayers."

#

Contact: Paul Suskie at 501-682-5809

E-mail: psuskie@psc.state.ar.us