

BEFORE THE ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF ENTERGY ARKANSAS, INC. FOR)	
APPROVAL OF CHANGES IN RATES)	DOCKET NO. 15-015-U
FOR RETAIL ELECTRIC SERVICE)	
_____)	

SIERRA CLUB’S PETITION TO INTERVENE AS A PARTY

Sierra Club respectfully submits this petition to intervene as a party in this proceeding. Sierra Club petitions to intervene in this proceeding on behalf of itself and its approximately 2,700 members who live in Arkansas. In support of this petition to intervene, submitted through Rule 4.02 of the Arkansas Public Service Commission’s Rules of Practice and Procedure, Sierra Club states:

1. Sierra Club is the nation’s oldest and largest grassroots environmental organization. Sierra Club’s mission is to explore, enjoy, and protect the wild places of the earth, and to educate and enlist humanity to protect and restore the quality of the natural and human environment. Sierra Club has worked diligently to protect and improve air and water quality in the United States, limit the adverse effects of climate change, and promote clean energy.

2. For decades, Sierra Club has advocated for responsible local, state, and national energy policy and has been actively concerned with and involved in electric utility issues. Sierra Club regularly participates in public utility proceedings nationwide and in Arkansas to advocate for robust renewable energy and energy efficiency investments that will produce safe and sustainable jobs, while also reducing both electric

system costs and emissions from fossil-fuel energy sources. Sierra Club has previously been granted intervention in several Arkansas electric utility cases.¹

3. Sierra Club seeks to participate in this proceeding to represent and protect its interests and those of its Arkansas members, many of whom are residential customers of Entergy Arkansas, Inc. (“Entergy Arkansas”). Sierra Club and its members have a substantial interest in the production of reliable, affordable, low-polluting, and efficient energy for Arkansas. As Entergy Arkansas’s application makes clear, this docket will directly impact Sierra Club members by increasing residential electricity rates for those members in Entergy Arkansas’s service area, while at the same time raising significant questions about the company’s future economic and environmental compliance risk. Indeed, Sierra Club members, as well as Sierra Club itself, have an interest in ensuring that Entergy Arkansas’s investment in Mercury and Air Toxics Standards (“MATS”) compliance does not adversely affect the company’s ability to prudently plan for, and comply with, all current and impending environmental compliance obligations.

4. Rule 4.02(a) of the Arkansas Public Service Commission’s Rules of Practice and Procedure provides that:

Any Person whose interest may be directly affected by Commission action and whose interest is not adequately represented by other Parties may petition the Commission for leave to intervene as a Party in any Docket.

¹ *E.g.*, Order #8, dated June 16, 2009 (granting Sierra Club intervention), No. 09-008-U, *In the Matter of the Application of Southwestern Electric Power Company for Approval of a General Change in Rates and Tariffs*; Order #11, dated Sept. 21, 2009 (granting Sierra Club intervention), Docket 09-024-U, *In the Matter of Entergy Arkansas, Inc.’s Request for a Declaratory Order Approving the Addition of the Environmental Controls Project at the White Bluff Steam Electric Station Near Redfield, Arkansas*; Order # 3, dated Mar. 6, 2012 (granting Sierra Club intervention), Docket No. 12-008-U, *In the Matter of Southwestern Electric Power Company’s Petition for a Declaratory Order Finding that Installation of Environmental Controls at the Flint Creek Power Plant is in the Public Interest*.

Code Ark. R. 126.03.1-4.02. Sierra Club meets this standard both in its own right and on behalf of its members.

5. In this proceeding, Entergy Arkansas is seeking Commission approval to (among other things): i) implement a formula rate plan pursuant to a recent enactment of the Arkansas legislature; ii) increase its approved return on equity to allow for investment in, among other things, transmission and distribution infrastructure; iii) recover costs of compliance with the MATS rule for the Independence and White Bluff coal-fired units; iv) recover costs for investments in certain wind and solar projects; v) recover costs for its purchase of a portion of a natural gas plant; and vi) increase residential customer charges by approximately 13%.

6. The Commission's ruling in this proceeding may directly affect Sierra Club's and its members' interests. The Commission's ruling in this proceeding may, for example, impact the pace of the shift in Arkansas away from heavily polluting forms of energy generation (above all, coal) and toward cleaner resources, such as renewable energy and energy efficiency. The Commission's decision on the prudence of retrofitting the Independence and White Bluff coal-fired plants to comply with the MATS rule may have the effect of extending the useful life of those plants, to the detriment of Sierra Club's and its members' interests. The Commission's decision on Entergy Arkansas's requests to recover costs for investments in certain wind and solar projects may set an important precedent in Arkansas that could catalyze (or deter) further investments in these clean sources of energy. Finally, the Commission's ruling in this proceeding may directly impact the economic interests of Sierra Club's Arkansas members who are residential ratepayers in Entergy Arkansas's service area.

7. Based on its initial review of Entergy Arkansas's application and supporting materials, Sierra Club has identified the following specific issues of fact and law that it intends to address in this proceeding:
- a. Sierra Club will address the prudence of Entergy Arkansas's decision to retrofit its coal units to comply with the MATS rule. Sierra Club intends to investigate whether the decision to retrofit these plants is the lowest-cost compliance option;
 - b. Sierra Club will address whether Entergy Arkansas's investments in transmission infrastructure unreasonably commit the company to continuing to operate any particular generation units for the foreseeable future. This is a particularly important issue as pending environmental regulations are likely to increase Entergy Arkansas's costs for its fossil-fuel generation units;
 - c. Sierra Club will support and encourage Entergy Arkansas's investments in wind, solar, and other renewable sources of energy. Sierra Club will address whether the proposed cost-recovery mechanisms allow for optimal investment in renewable energy in Arkansas;
 - d. Sierra Club will address Entergy Arkansas's formula rate plan to determine if this method of meeting the company's revenue requirements is at least compatible with the continued shift away from fossil-fuel generation and toward clean energy solutions, including energy efficiency; and

- e. Sierra Club plans to address whether the proposed rate increase and recovery for MATS compliance investments are in the public interest.

8. Sierra Club's participation will help develop a thorough record, determine the issues to be decided, and stimulate disclosure of information regarding the impacts of Entergy Arkansas's application on ratepayers. In particular, Sierra Club may provide evidence or analysis that will assist the Commission in determining whether the proposed rate increase is in the public interest. Participation will also enable Sierra Club to gather information for the Commission's consideration to better evaluate how the projects contemplated in the application will impact Entergy Arkansas's ability to meet its future environmental compliance obligations. Sierra Club's intervention in this proceeding will provide the Commission with important and useful analyses that will better inform the Commission's decisionmaking process.

9. No other party can adequately represent Sierra Club's or its members' interests in this proceeding. As of the date of this filing, no party with an environmental or public-health mission has petitioned to intervene in this proceeding. Sierra Club has extensive experience in the environmental benefits, the public health benefits, and the associated utility economics related to the retrofitting of coal-fired generation. Sierra Club also has extensive experience with and knowledge of the economics of renewable energy and energy efficiency. Further, Sierra Club's members have an interest in both the economic and the environmental consequences of Entergy Arkansas's rate case that only Sierra Club can adequately represent.

10. The deadline for intervention in this proceeding is June 23, 2015. Order # 5, Dkt. 81. This petition is therefore timely filed. Sierra Club can and will comply with the procedural schedule established for this proceeding.

11. Tony G. Mendoza and Joshua D. Smith will represent Sierra Club in this proceeding. Mr. Mendoza is an out-of-state attorney licensed to practice in the District of Columbia and New York. Mr. Smith is an out-of-state attorney licensed to practice in Florida and Oregon. Sierra Club will accept service at Mr. Mendoza's and Mr. Smith's business address provided below.

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For these reasons, Sierra Club respectfully requests that the Commission grant this petition to intervene as a party in this proceeding.

Respectfully submitted,

Dated: June 10, 2015

/s/ Tony G. Mendoza
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing Petition to Intervene was electronically filed via the Arkansas PSC's electronic filing system. Notice of this filing will be served upon all parties of record who have registered through this electronic filing system.

/s/ Tony G. Mendoza _____
Tony G. Mendoza

Date: June 10, 2015