

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
91st General Assembly
Regular Session, 2017

As Engrossed: H3/17/17
A Bill

HOUSE BILL 2027

By: Representative Sabin

For An Act To Be Entitled

AN ACT TO CREATE THE ARKANSAS DISTRIBUTED GENERATION ACT OF 2017; TO INCREASE THE USE OF RENEWABLE ENERGY RESOURCES IN THE STATE; TO REGULATE THE USE OF DISTRIBUTED GENERATION CONTRACTS; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE THE ARKANSAS DISTRIBUTED GENERATION ACT OF 2017.

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

SECTION 1. Arkansas Code Title 23, Chapter 18, is amended to add an additional subchapter to read as follows:

Subchapter 11 – Arkansas Distributed Generation Act of 2017

23-18-1101. Title.

This subchapter shall be known and may be cited as the "Arkansas Distributed Generation Act of 2017".

23-18-1102. Findings – Purpose.

(a) The General Assembly finds that it is in the public interest to:

(1) Promote and encourage the development and use of this state's renewable energy resources;

(2) Foster investment in emerging renewable energy technologies using the renewable energy resources found within this state; and

(3) Require electric utilities to include renewable energy



resources as an integral part of their energy portfolios.

(b) The purpose of this subchapter is to:

(1) Ensure that each electric utility includes renewable energy resources as an integral part of its energy resource plan; and

(2) Enable the increased use of renewable energy resources.

23-18-1103. Definitions.

As used in this subchapter:

(1) "Electric utility" means a public utility as defined in § 23-1-101 that is engaged in the business of supplying electricity to an end user in this state;

(2) "Renewable electric generation facility" means a facility for the generation of electric energy that:

(A) Is owned or leased and is operated by one (1) or more persons or corporations;

(B) Is located in this state;

(C) Is connected to an electric utility grid;

(D) Is fueled by a renewable energy resource; and

(E) Has an effective alternating current capacity of not more than twenty megawatts (20 MW) nameplate value;

(3) "Renewable energy generation credit" means the monetary, statutory, or regulatory value per kilowatt-hour of the added value and environmental benefits; and

(4) "Renewable energy resource" means a solar, wind, water, or geothermal resource, including without limitation biomass, agricultural waste, and landfill waste that is converted into electrical energy and is located in the state.

23-18-1104. Distributed generation contracts – Requirements.

(a) Each electric utility shall:

(1) Consider electric energy and capacity purchases from renewable electric generation facilities as part of any resource plan developed under § 23-18-106; and

(2) Include electric energy and capacity purchases from renewable electric generation facilities in its resource plans consistent with the requirements of this subchapter.

(b) The Arkansas Public Service Commission may approve electric energy and capacity purchases from renewable electric generation facilities if the commission determines that the electric energy and capacity purchases from renewable electric generation facilities:

- (1) Satisfy the requirements of this subchapter;
- (2) The cost is reasonable and prudent;
- (3) Are required by the public convenience and necessity;
- (4) Enable the electric utility to supplement or replace its existing generation resources; and
- (5) Approval is in the public interest.

23-18-1105. Renewable energy generation credits.

A renewable energy generation credit associated with purchases of electric energy and capacity from renewable electric generation facilities shall:

- (1) Be conveyed to the electric utility; and
- (2) Qualify in helping an electric utility to meet applicable standards established by the state or federal government.

23-18-1107. Interconnection.

(a) The Arkansas Public Service Commission shall ensure that all purchases of electric energy and capacity from renewable electric generation facilities:

- (1) Enable the interconnection and use of renewable energy resources;
- (2) Protect the integrity and reliability of each electric utility's system; and
- (3) Protect the health, safety, and welfare of the public.

(b) All costs of interconnection, including an addition or modification to an electric utility's system that is made beyond the point at which a renewable electric generation facility interconnects with an electric utility's system for the sole purpose of receiving electricity from a renewable electric generation facility, are the exclusive responsibility of the renewable electric generation facility.

(c) The cost of interconnection shall include without limitation any quantifiable additional cost associated with the renewable electric

generation facility's use of the electric utility's distribution system and transmission system, and any effect on reliability.

(d) A necessary metering upgrade for a renewable electric generation facility that has executed a distributed generation contract under this subchapter is the exclusive responsibility of the renewable electric generation facility.

23-18-1108. Cost recovery.

The Arkansas Public Service Commission shall allow an electric utility to recover the reasonable and prudent costs associated with a distributed generation contract approved by the commission under § 23-18-1104.

/s/Sabin