

APSC Ruling Allows Entities with Sovereign Immunity to Turn It On

The Arkansas Public Service Commission (ASPC) has removed the indemnification clause in the interconnection contracts between utilities and agencies with sovereign immunity. Bill Ball, a founding member of AREA, was one of the interveners on the docket who testified at the April 10 hearing. His comments identified impediments and unintended consequences of some aspects of the Net Metering Rules and Procedures.

The Renewable Energy (RE) system at the Arkansas Energy Office (AEO) is an ironic, if not outrageous, example of waste and obstructionism: time, money, labor, and materials invested in the project have yet to yield 1kWh of electricity. The AEO installed a solar array during the rehabilitation of its new office on Capital Avenue, Little Rock, in Oct 2008. The system had not been commissioned because the utility required the state to sign a mutual indemnification clause to protect the utility from claims of damage in case of an accident.

Mr. Ball's comments also compared Arkansas public policy on energy to the surrounding states policies and used this example of the impact bad policy can have on businesses and energy consumers in Arkansas: SWEPCO announced the purchase of 410 Megawatts of wind energy from Kansas & Oklahoma as a part of the settlement on the Turk Plant in Hempstead County. Mr. Ball explained that the deal between the parties does nothing for Arkansas, its citizens, or energy consumers because the purchase agreements are with Kansas and Oklahoma wind farms and effectively send jobs, tax revenue, and rate payer dollars out of state. SWEPCO is now negotiating transmission contracts and building the infrastructure to carry the wind energy to its Arkansas customers.

In 2002, the ASPC set the docket to announce the Rules and Procedures the utilities would use in developing their interconnection agreements and fees to their net metering customers. AREA members want the APSC to make the necessary amendments to reduce known barriers for a more robust development of Arkansas' renewable energy resources.

In April, 2012, Order #1 of Docket 12-001-R provided the interveners an opportunity to raise other issues. The ASPC plans to move quickly to open new dockets to discuss and research four other impediments to developing renewable energy in Arkansas.

The other impediments to net metering and co-generation that will be debated in upcoming APSC dockets are listed here:

- 1) Meter Aggregation: Combining several meters that take advantage of one (1) net metering facility.
- 2) Capacity Limits: current law limits capacity to 25kW (residential) and 300kW (commercial); the limit restricts larger consumers from offsetting all of their energy demand.
- 3) Forfeiture of Net Excess Generation at end of calendar year: of 47 states with a net-metering law, 11 (including AR), grant excess generation back to the utility.

- 4) Fair and Appropriate Compensation for RE Generation: AREA members are hoping the APSC will expand the current net metering law to provide some means of offering long term contracts that compensate RE system owners for their energy production at rates that recognize the full range of benefits.

AREA members will be among the first to know the dates and time of the additional docket. Please join us at the ASPC Hearing Room in downtown LR for the upcoming dockets. Your public comments can make a difference.

Related Articles

Docket 12-001-R information on the APSC Services webpage. Scroll down to Line 38, Order #6:

http://www.apscservices.info/efilings/docket_search_results.asp?casenumber=12-001-R

Mr. Ball's Initial Comments and Surreply for ASPC Docket 12-001-R:

http://arkansasrenewableenergyassoc.org/images/stories/Initial_Comments_12-001-R.pdf

http://arkansasrenewableenergyassoc.org/images/stories/Surreply_Comments_W_Ball_12-001-R.pdf

ASPC Rules for Net Metering (ASPC):

http://www.apscservices.info/Rules/net_metering_rules.pdf

AREA Historical Link, Current Summary of PSC Docket 12-001-R, by Bill Ball:

http://www.arkansasrenewableenergyassoc.org/images/stories/Current_Summary_of_PSC_Docket_12-001-R.pdf

The PURPA Act of 1978:

<http://energy.gov/oe/services/electricity-policy-coordination-and-implementation/other-regulatory-efforts/public>

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