

October 9, 2015 Clean Power Plan Stakeholder Meeting Summary

These meeting notes summarize and paraphrase statements made at the Clean Power Plan (CPP) Stakeholders Meeting held on October 9, 2015. This is not a true transcript of the meeting. This meeting was organized by the Arkansas Department of Environmental Quality (ADEQ) and Arkansas Public Service Commission (PSC).

Opening Remarks:

Becky Keogh, ADEQ Director, conveyed her appreciation for the time and commitment from all stakeholders and pointed out that this is a team approach to look at and review EPA's CPP final rule. She discussed improvements in the final CPP rule vs. proposed rule regarding emissions reductions for Arkansas, such as less stringent target and better pathway to compliance. She also discussed implementing a State approach in the most cost-effective way possible, and in a way that allows for economic growth, while still protecting the State's environment. Using a football analogy, she stated that she will bring all the stakeholders' (SH's) perspectives to the Governor and the "game plan" will be developed through this stakeholder process which will address economic opportunity and affordable energy while sustaining the natural beauty of Arkansas.

Ted Thomas, PSC Chairman, described the role of PSC in this process as identifying the least costly plan for compliance. He suggested that fuel cost and application of newer energy technologies should largely guide plan development. He also stated that the final plan will be much easier to implement than the proposed plan. He pointed out that both agencies are engaged with Governor, Arkansas legislators and stakeholders during this process.

The Arkansas Clean Power Plan Strategy and Stakeholder Process

Stuart Spencer delivered a presentation titled "The Arkansas Clean Power Plan Strategy and Stakeholder Process" which is available on the [ADEQ Carbon Emission Standards for the Power Sector: Workgroup Presentation Materials](#) web page.

Mr. Spencer stated that one of the objectives of the SHs' meeting is to explore the least-cost option. The purpose of the post-rule stakeholder process is to start a dialogue. He pointed out that while the CPP, signed in August, has not yet been published in the Federal Register, the deadlines for compliance are already set. All states are eligible for a two-year extension. Energy Efficiency has been removed as one of the building blocks for compliance. He stated that Act 382 requires assessment of reliability impacts as well as economic impacts, environmental and ratepayer impacts.

Stakeholder Discussion Sessions

For the purposes of discussion sessions 1 – 4, stakeholder representatives were organized into six categories:

- Utility Groups
- Fossil Fuel Organizations
- Energy Efficiency and Renewable Energy
- Industrial Organizations
- Regional Transmission Organizations/Independent System Operators
- Communities

Each stakeholder category group was allotted ten (10) minutes to speak on each discussion session topic and could choose to divide its ten (10) minutes among category constituents or choose a single representative to speak on behalf of the others.

Discussion Session 1: Initial Reactions to the Final Clean Power Plan

Stakeholder groups were asked to discuss both the direct and indirect effects on the organization(s) which they represented. Stakeholder statements are summarized below.

Utility Group:

Electric Cooperatives of Arkansas spoke on behalf of the Utility Group. The Utility group noted improvement of the final over the proposed plan. Changes in the final plan will reduce cost of compliance and targets are more reasonable for Arkansas compared to the original proposal. This group recognizes that the CPP will face legal challenges. The Utility group suggested submitting the initial State plan and requesting the 2-year extension. The Utility group brought up the importance of coordination of state plan development with compliance with other Clean Air Act regulations, such as the Regional Haze Rule. The Utility group suggested a preference for a “trading ready” plan, but noted that additional information is needed from EPA. The Utility group stated that compliance will increase costs to rate-payers. The Utility group indicated that the mass-based approach may be preferable to rate-based approach, but that it may limit economic growth and that an analysis of the rate-based option is also needed. The Utility group stated that the State plan must address reliability and that the time-frame for compliance may be too short. The Utility group suggested building in a safety valve for reliability.

Regional Transmission Organizations (RTOs)/Independent System Operators (ISOs):

Southwest Power Pool (SPP) appreciated the availability of a 2-year extension and stated that a reliability safety valve is very important. SPP stated that their modeling suggests that a 40 % costs savings could be achieved by using interstate carbon trading rather than a state-by-state approach. SPP said that time is needed to analyze transmission infrastructure to ensure reliability and that it will be difficult to accomplish this in the time allowed. SPP acknowledged the extra time given in final rule will be better than was proposed. SPP believes that RTOs will play a major role in implementation, and encourages states to work together. SPP stated that actions of other states will affect Arkansas so SPP advised Arkansas to work with other states in a more holistic approach.

Midcontinent Independent System Operator (MISO) largely agreed with statements by SPP. Implementation of the rule should preserve reliability and economic dispatch. MISO prefers regional solutions to ensure reliability and reduce costs. MISO said the time-frame may be too short and that new gas and transmission infrastructure is being built.

Fossil Fuel Organizations:

America's Natural Gas Alliance (ANGA) expressed concern around the natural gas resource base and stated that, in their assessment, the natural gas availability was more in line with the high resource case. ANGA recommends assessment of the lowest cost options and states that removing barriers and letting market price drive changes is the best approach. ANGA suggested that we need to consider opportunities for industrial growth, which is important for long-term reliability, and that the new leakage provision is important. ANGA cautioned that Arkansas needs to look at different options and not necessarily lock into mandating higher cost abatement options.

American Coalition for Clean Coal Electricity (ACCCE) stated that they had a dim view of the CPP and believe EPA is over-stepping its authority. ACCCE commended the Attorney General's office for participation in the lawsuit against the Clean Power Plan. ACCCE stated that the plan will result in significant electricity rate increases in 39 states.

Energy Efficiency (EE) and Renewable Energy (RE) Group:

Arkansas Advanced Energy Association (AAEA) said targets are fairer in final CPP and endorsed the lowest cost path approach. AAEA acknowledged the great strides made by the utilities and that Arkansas will be starting with lower emissions than thought possible in 2022. AAEA suggested that the plan should be ready to go as soon as possible. AAEA indicated an interest in examining the merits of mass-based vs. rate-based approaches, but is leaning toward mass-based because of greater understandability and flexibility for incorporating EE and RE measures. AAEA stated that interstate carbon trading is important. AAEA recommended that Arkansas look into qualifying for the Clean Energy Incentive Program. AAEA endorses industrial EE and CHP. AAEA recommends we look to other states and federal and local governments to see what they can provide.

Director Becky Keogh stated that our building is very energy efficient and that energy use has dropped significantly since ADEQ first occupied the building. She also stated that all lighting on ground floor has been replaced with LED lighting. Arkansas is committed to reaching an energy star rating.

Arkansas Public Policy Panel indicated that they are happy about the CPP as it will protect public health and the environment, and that the final Plan sets an achievable goal for Arkansas. The Arkansas Public Policy Panel said the State will benefit from a clean, robust economy and that they believe this rule will save consumers money. The Citizen's Climate Lobby is working on a market-based policy for the State and believes that all compliance options should be studied.

Audubon Arkansas was pleased that artificial barriers to solar power are being addressed and is proud of energy efficiency programs being undertaken in Arkansas. Audubon believes that energy efficiency is a working program that should still be considered for appliances. Large scale industrial investment in cost-effective EE programs can help us get to our target.

Sierra Club stated that they were pleased that we are resisting the call to do nothing. Sierra Club says the CPP requirements are achievable, that they are happy that EPA listened, and views the Plan as a great opportunity for Arkansas if we seize it properly. The CPP can also promote jobs in the EE and RE areas. Sierra Club stated that it would like a strong emphasis on EE and RE and less coal. Sierra Club asked that Arkansas be a national leader in implementing the CPP. Sierra Club believes the CPP needs to be implemented in an intelligent and responsible way.

Industrial Organizations:

The State Chamber of Commerce (Chamber) had serious concerns and stands in opposition to the CPP. The Chamber stated that the CPP exceeds EPA's authority, gives EPA unprecedented power over the energy supply, ignores basic common sense and objective findings, and is cost prohibitive. The Chamber stated that proponents of the rule believe the rule's benefits outweigh the cost, but that is hard to prove. The Chamber stated that the plan will increase costs to utilities, ratepayers, etc. and will adversely impact the rural and fixed-income population. The Chamber said that the final Plan is better but has the potential to stifle Arkansas jobs and economic growth. The Chamber thinks that shifting fuel prices will provide the best road map to compliance and that Arkansas cannot cede control to the federal government. The Chamber pointed out that many groups are opposed to the CPP and stated that it will lead to lower wages, unemployment, and lower quality of life for dubious benefit.

Arkansas Environmental Federation indicated that they had not taken a position on the final rule. AEF was founded in 1967 and represents industry. AEF was concerned about the negative impact of a state plan or federal plan. AEF observed that the final rule is less stringent than the proposal but indicated that the CPP is flawed on many levels and costs will be prohibitive, leading to higher consumer costs. Arkansas' choices will have a large impact on ratepayers. AEF stated that it makes sense to make an initial submittal and request an extension and that low-cost electricity should be top priority. Any plan should ensure reliability and low cost for ratepayers.

Arkansas Forest and Paper Council summarized their views in three words: OUCH! STOP! ENOUGH! Arkansas Forest and Paper Council stated that they understand energy efficiency and "code words" and that they also understand that the CPP will increase costs to industry and wages will go down. Arkansas Forest and Paper Council suggested looking at Ashley and Miller Counties as examples. Arkansas Forest and Paper Council stated that biomass was not given fair treatment in the final rule. While they recognize that attention needs to be paid to possible benefits of the CPP, equal or greater amounts of attention need to be given to cost. Arkansas Forest and Paper Council asked the State to carefully consider consequences before submitting a plan.

Nucor pointed out that it uses electric arc furnace technology and is the largest consumer of electricity in Arkansas. Nucor stated that a small rate increase will have a huge impact on Nucor's operating costs and that they want low cost, reliable electricity to be maintained.

Communities Group:

Arkansas Electric Energy Consumers (AEEC) stated that they believed they could be considered an industrial group rather than a community group because they represent agricultural and industrial

operations in Arkansas. AEEC commended the legislature for Act 382. AEEC stated that they appreciate that EPA listened to some of the comments when drafting the final; but, they still have strong concerns about effects on ratepayers. AEEC stated that there should be a stronger look taken at the policy of passing costs of policies to ratepayers and that we may look back on this as a disaster. AEEC does not disagree with the need to submit an initial plan with an extension request. AEEC indicated there will be much litigation related to the CPP and members have optimism that the CPP will be struck down. AEEC stated that the retirement of functional EGUs that have already been paid for by ratepayers is bad policy.

Georgia Pacific (GP), who participates with AEEC, stated that if an extension is granted, ADEQ needs to take the time to fully evaluate the options before making a plan that will affect the state for the next 15 years. GP states that there should be no commitment in the State plan prior to the absolute deadline. GP pointed out that paper and wood manufacturers face the prospect of steep costs of other Clean Air Act requirements and that costs will increase tremendously under CPP. GP asserted that EPA did not consider the useful life of existing EGUs and large stranded costs which would be passed to ratepayers. GP stated that all costs need to be considered, including lost jobs, and said that reliability, leakage, etc. must be considered. GP stated that the final CPP will be a windfall for some states and a burden for others.

Director Becky Keogh mentioned that Arkansas has 54 generating units at 19 facilities.

North Little Rock Electric (NLR) welcomed stakeholders to the City of North Little Rock and stated that the municipal utilities fall in more than one camp with diverse interests. NLR is an electric provider and is interested in both the economy and the environment. NLR expressed concern about the legality of the CPP and expects court challenges. NLR supported proceeding with an interim plan and the extension request. NLR expressed interest in a clean environment and a robust economy stating that balance is needed. NLR was concerned that the CPP does not give credit for improvements already made. NLR stated that the City shared concerns for the effect on the monthly budget of low and fixed income ratepayers, including the elderly, if rates increase. NLR stated that the City views the CPP as a regressive form of imposing tax. NLR expressed interest in targeting acknowledgement of community actions to reduce carbon emissions using the Clean Energy Incentive Program. NLR stated that communities can assist with the plan through their governance of construction, maintenance, business licensing and that NLR wants to be a partner in the process.

Discussion Session 2: Expectations for Arkansas Stakeholder Process

Stakeholders were asked to discuss expectations for meeting frequency and type as well as the results of the stakeholder process.

Utility Group:

The Utility group likes the set up and suggested bi-monthly meeting for entire group, with more frequent meetings for technical workgroups and sub-committees. Utilities would like the process to recognize the confidentiality of certain business information. The Utilities stated that they may not always agree with each other on every issue. The Utility group requested that stakeholders look at

federal model rules and submit comments. The Utility groups would like the State to take full advantage of the time allotted.

Regional Transmission Organizations (RTOs)/Independent System Operators (ISOs):

SPP had no opinion on the structure but wants to be supportive. SPP requests that a schedule for meetings be published as a practical consideration. SPP supported comment submission on the federal model rules/plan and suggested that it is important to see the model of the FIP as a possible guide to represent the best packet for the Plan.

MISO suggested frequent meetings early in the process and that Arkansas coordinate with other states, regional organizations like CenSARA, other RTOs, etc. RTOs have the responsibility for transmission grid so they should be worked with early and often.

Fossil Fuel Organizations:

America's Natural Gas Alliance recommended that agendas should be published ahead of meetings and that there should be fluid participation by topic. ANGA would like the ability to bring work or analysis and to flow with that. ANGA encourages communication among groups.

CenterPoint Energy (CenterPoint) agreed with bi-monthly meetings for the larger group and that the group should be broken down into smaller working groups. CenterPoint thinks that there are two tracks: one for litigation and the other for plan preparation. CenterPoint stated that we needed to look at anything that helps us put a plan together and that we need low cost solutions. This analysis should be done in smaller groups which report back at meetings of the larger group and emphasized the importance of small groups

Energy Efficiency (EE) and Renewable Energy (RE) Group:

AAEA stated that we need to have meetings as frequently as staff can tolerate, supported technical working groups, and suggested that we should have as much of a plan together as we can by September of 2016.

Audubon Arkansas encouraged strong communication structure among groups so that the technical working groups are not completely siloed.

Stuart Spencer brought up that many of the subcommittees work will be interdependent. For instance, you can't assess the economics, without knowing possible plan structures.

Sierra Club encouraged frequent meetings and indicated a preference that workgroups should have ADEQ and PSC staff participation. Sierra Club inquired what the role of stakeholders would be in writing the plan. (*Stuart Spencer interjects that he sees the role of the stakeholder groups as that of a think-tank—pulling down ideas*). Sierra Club expressed a need to separate opposition to the CPP from the development of the State plan so that meetings aimed at the goal of developing a plan can be productive.

Industrial Organizations:

AEF stated that they have a lot of resources to offer, but their membership is comprised of volunteers with other jobs. AEF needs to have more notice before meetings.

Arkansas Forest and Paper Council stated that all options need to be put on the table, including saying “no” to developing a plan.

Nucor had no issues with thoughts or expectations on the stakeholder meeting process. Nucor asked whether PSC should open a docket for the stakeholder process and that this may be the best way to handle confidential business information. Nucor asked how the studies necessary to comply with Act 382 will be funded and what other outside experts will need to be brought in.

Stuart Spencer mentioned that resource adequacy is an issue and Director Keogh stated that she and Ted Thomas were seeking the ability to augment these resources and that ideas to support and augment our teams was welcome.

Communities Group:

Arkansas Electric Energy Consumers emphasized the importance of having a process or ability to access confidential information without compromising EGUs because commercially sensitive information will be required to inform some decisions. AEEC wants to be very involved and expressed the need frequent meetings. AEEC stated that the process must be open to all viewpoints and that time must be used effectively.

Municipal League concurred with the time and communications views expressed by others, but they warned that all communication to them is subject to the Freedom of Information Act. The Municipal League expressed the need for time to communicate with the 501 cities and towns in the state and gather information.

NLR stated that it fully supports the location of the meeting.

Director Becky Keogh stated that in accordance with outreach requirements, some meetings must be held in other parts of the State and explained that all meetings are open to the public.

Discussion Session 3: Desired Outcomes for Arkansas Strategy to Address the Clean Power Plan

Stakeholders were asked to consider their desired outcomes for the Arkansas Strategy, including a consideration of rate-based vs mass-based compliance, ratepayer impact, environmental effects, economic effects, trading, and grid reliability.

Utility Group:

Entergy, speaking on behalf of the Utility group, stated that the State needs to do at least the minimal planning required to avoid a federal plan. The Utility group suggested that the State may use parts of the model rule or FIP for the State plan and that EPA is still asking for a lot of comment on the federal model rules/plan. The Utility group indicated that there will likely be a DC circuit decision in mid-2017 so we may have more certainty at that point and that EPA will likely not issue a FIP if a state misses the

2017 deadline for a progress report on the state plan under development. The Utility group is cautiously leaning toward a “trading ready” mass-based approach and that a “trading ready” approach narrows the options at which to look. The Utility group indicated that a mass-based approach will allow for better reliability and flexibility, whereas rate-based might limit operation of specific units. The utilities stated that Arkansas will benefit from trading with other states and that trading is easier with mass and may work better with the RTOs. The Utility groups stated that a rate-based plan that allows trading may be a viable option.

NLR indicated that they think mass-based may be favorable from a simplicity standpoint, but more research is needed before deciding on mass- vs rate-based approach. NLR indicated that rates will increase regardless of approach and that jobs could be created, but someone has to pay for these jobs. NLR stated that this is why they prefer a primary emphasis on EE programs because these allow investments in homes and communities instead of infrastructure. NLR is concerned about EE in landlord/tenant relationships. NLR favors trading and would like cities to participate in trading. NLR indicated that reliability is the most important issue.

Director Keogh brought up that the State needs to think about how jobs are going to be repositioned—places in the state where jobs will be lost may differ from places where they will be created. Workforce retraining needs to be considered.

Stuart Spencer suggested that, as groups respond to discussion item 3, that they also think about the issue of mass for existing units only vs mass with a new source complement.

Regional Transmission Organizations (RTOs)/Independent System Operators (ISOs):

SPP emphasized that they look at everything first from a reliability standpoint and that what happens in energy markets is also very important. SPP is still evaluating rate vs mass-based from the perspective of cost and reliability. The SPP representative’s own opinion is that the mass-based approach is less complicated and may fit better in the market structure; but, SPP has not taken an official position. SPP stated that carbon trading will be beneficial, and regional cooperation is preferred. This regional approach can be effectuated with a “trading ready” plan. SPP also noted that it is important to recognize that you can’t trade across state boundaries if you have a mass-based plan and your neighbors have a rate-based plan (or vice-versa). SPP understands the state’s right to litigate, but believes that there is a need to develop a parallel approach to compliance. SPP has modeled rate vs mass differences and is unclear as to the cost-differential when applying growth to a mass-based scenario. SPP stated that rate-base may limit operation and that states can benefit from trading with other states. SPP stated that, based on the proposal, possible transmission congestion issues were identified in both state-by-state and regional plan types. SPP advocated working with regional groups, such as MSEER, and neighbors. SPP suggested that they can provide modeling and technical presentations, but that it will be helpful to know the audience to whom they will be presenting so that they can bring the appropriate level of information. SPP indicated that part of the value of a RTO is the shared mutual reserve. In a state-by-state approach, more investment in generation would be required because the reserve pool necessary to preserve reliability would be smaller.

MISO indicated that they have not heard anyone endorse rate yet, but all say that more analysis is needed. MISO indicated that there tends to be more of an inclination to mass, with the exception of the gulf states; but, we need to investigate the possibilities for growth in a mass-based system. MISO emphasized that regional cooperation would be helpful.

Fossil Fuel Organizations:

ANGA pointed out that the rule imposes costs which lead to rate impacts. ANGA stated that we need to look at the abatement cost of technology and identify the least-cost approach of technologies—get a list of different studies done. Existing gas comes in as lowest cost and there is room to grow. ANGA stated that the State has a pretty good set up for infrastructure to boost gas and that increased gas use will bolster economic growth. ANGA indicated that there is high resource availability for natural gas and that analysis should use the appropriate supply for the high resource reality. ANGA provided a handout with information on the high resource reality of natural gas. This handout is available on the ADEQ Clean Power Plan materials [webpage](#) under “Stakeholder Feedback.” ANGA is still evaluating mass- vs rate-based approach. ANGA is concerned with growth—ability to grow and overall costs. ANGA also pointed out that there are certain things that cannot be credited in the federal plan and encouraged comment on the federal plan.

Energy Efficiency (EE) and Renewable Energy (RE) Group:

Arkansas Advanced Energy Association is interested in RTO/utility research on mass- vs rate-based approaches. AAEA expressed the need to consider what other states that are part of transmission grid are going to do. AAEA stressed that Arkansas should make full use of EE and RE measures to help reduce emissions. AAEA indicated that a multistate plan makes a lot of sense. AAEA asked the State to consider a revenue value on trading that could be used for funding issues cities have, low-income customers, CHP, etc. AAEA encouraged Arkansas to be an early action state to take credit under the Clean Energy Incentive Program which will pay off in the future. AAEA encouraged the State to set aside allowances at the beginning for advanced energy technology, EE, and RE—particularly solar and biomass. AAEA indicated support for reliability and flexibility.

Sierra Club indicated that they were in favor of a State plan rather than punting to EPA. Sierra Club wanted to emphasize EE and RE programs and to focus on job creation and economic impacts of RE and EE. Sierra Club urged that all benefits be considered, such as improved health, and not just possible impacts to electric rates. Sierra Club stated that it does not have a position on rate vs mass. Sierra Club asked whether a few key legislators should be included in the process.

Industrial Organizations:

State Chambers of Commerce indicated that cost to ratepayers is the most important consideration.

AEF stated that, whatever plan goes forward, they hope that we consider costs to ratepayers as first priority.

Arkansas Forest and Paper Products indicated that cost is important. EGUs seem to have a large representation at the Stakeholder group, but private ratepayers, etc. should be included in discussions.

Arkansas Forest and Paper Products stated that we need to think about the value to the individual ratepayer who is paying the bill.

Nucor expressed concern about the effect on jobs in rural areas and that jobs and emissions will be exported overseas, due in part to environmental regulations. Nucor provided a study showing the effects of a 10 % increase in electricity on rural communities. This study is available on the ADEQ Clean Power Plan materials [webpage](#) under “Stakeholder Feedback.” Nucor emphasized the need to keep manufacturing jobs in the State.

Communities Group:

Arkansas Electric Energy Consumers indicated that they were still evaluating mass- vs rate-based approaches and are interested in the RTO’s and utilities’ analyses. AEEC does not currently have a final position on this. AEEC indicated that ratepayer impact is the most important factor and that the impact should be as minimal as possible. AEEC stated that there is clearly some value—real and alleged benefits—that may result from lowering carbon emissions, such as health benefits, and these must be accounted for and balanced against detrimental effects. AEEC indicated rate increases on gas and electricity may result in an economic downturn. AEEC expressed the need to think about weighing the cost of saving money on a light bill to eliminating manufacturing jobs in the state. AEEC wanted to know more about options for carbon trading. AEEC emphasized that grid reliability is very important and would like to see studies. AEEC emphasized that grid reliability is tied to economic effects. AEEC referenced SPP studies that show that reliability could be impacted.

Stuart Spencer brought up that utilities are in the process of making decisions and have projects in cue. It is uncertain as to how these projects may impact Arkansas’ emission rate. The state needs to evaluate and account for what utilities are already doing.

Discussion Session 4: Participating Effectively in the Stakeholder Process

Stakeholders were asked to consider their interest in participation in group meetings, membership on subcommittees, presenting information to the stakeholder group, and assisting with technical analyses.

A few questions were asked by stakeholders before the roundtable discussion began. AAEA asked whether we have access to modeling tools and mentioned that Michigan has developed a modeling tool and that Synapse may also have a tool. Sierra Club asked whether it would be ok if people other than the designated representatives attended some of these meetings. Director Becky Keogh responded indicating that the Agencies want to make sure workgroups meet effectively and want expanded involvement using the resources stakeholders have. Keogh emphasized that legislation has laid out certain studies and set forth a process for the State.

Fossil Fuel Organizations:

ANGA suggested the possibility of conducting some workgroup meetings by phone.

America's Coalition for Clean Coal Energy indicated that they can provide guidance on economic impacts and would be interested in participation on economic, legislation, and policy committees.

Regional Transmission Organizations (RTOs)/Independent System Operators (ISOs):

SPP indicated that they can provide modeling expertise and develop presentations on grid reliability.

SPP asked whether all meetings will be open to the public.

Stuart Spencer responded that any meeting that ADEQ/APSC convenes will be public. He suggested that we may need to form an umbrella technical workgroup over smaller groups. Mr. Spencer also indicated that the agencies are planning for a free flow of information among groups.

Utility Group:

The Utility group indicated a need to establish boundaries and scope for each group and for each meeting. The Utility recommended identifying questions that need to be answered and what information is prerequisite prior to each meeting. The Utility group emphasized that general meetings cannot be used to problem solve and that we need some technical sessions. Utility groups recommended that subcommittees should have the most appropriate and effective members and pointed out that not all stakeholders have the same views or experience. The Utility group suggested that the focus of each meeting should be determined well in advance, as well as data needs, deliverables, etc. The Utility group stated that in-person meetings may not always be feasible and recommended technology-based solutions for remote participation (webinars, conference calls). For in-person meetings, the Utility group recommended that logistics be identified far in advance. The Utility group emphasized the need to identify external data points and timelines related to other rules. The Utility group emphasized that group constituents have different objectives and needs.

North Little Rock Electric indicated that they have diverse interests and that the municipal groups play well with each other. NLR indicated that all groups need to be in communication with one another.

Industrial Organizations:

Chamber of Commerce stated that it has breadth of personnel and expertise and may participate in several groups, including policy, economic, and environmental committees.

AEF indicated that they are limited in paid staff, but that they have a great number of volunteers, including the AEF Air Committee, that may be able to offer assistance.

Arkansas Forest and Paper Council emphasized consideration of ratepayers' perspectives first. Arkansas Forest and Paper Council cautioned that some information may be proprietary and that information sharing from a perspective of neutrality is important. Arkansas Forest and Paper Council indicated a desire for ratepayers to be represented on every committee.

Nucor indicated that they were willing to provide any assistance possible.

Communities Group:

AEEC requested adequate notice prior to meetings and that provisional agendas should be included with meeting announcements. AEEC requested that minutes of meetings should be kept and posted in an

accessible location. AEEC recommended that ADEQ continue posting information to the website. AEEC emphasized the need to establish a process for protecting confidential business information.

Stuart Spencer suggests posting minutes on ADEQ website.

AEEC cont'd: AEEC indicated that they had no problem with the existing subcommittee structure and suggested formation of a subcommittee to keep track of legal actions related to CPP because we need to be alert to all of the things going on with the CPP, especially the robust opposition to the rule. AEEC is interested in participating on the steering, policy, and economic effects committees and asked for clarification on the difference between the steering and policy committees.

ADEQ indicated that the steering Committee consists of the involved Agencies and that it would be the group that would take the plan forward whereas the policy committee would be more involved in assessing specific policies.

Entergy cautioned that regulated utilities cannot discuss a lot of information in a room like this due to the confidential nature of some information.

Energy Efficiency (EE) and Renewable Energy (RE) Group:

AAEA suggested that we have another large group meeting before forming committees and sub-committees. AAEA suggested Steve Patterson for policy group and stated that AAEA has economists and engineers on staff who can provide assistance.

Arkansas Public Policy Panel indicated that they can participate anywhere that would be beneficial and would like to participate on the environmental feasibility and policy committees. Arkansas Public Policy Panel asked whether ADEQ and PSC staff members could participate on each committee and encouraged free sharing of information among groups.

Sierra Club indicated that it has access to experts in EE and RE and can provide numbers related to benefits to be realized from CPP as well as economics. Sierra Club questioned the value of a committee to monitor litigation, stating that it may not be beneficial. Sierra Club stated that the State plan must move forward regardless of opposition or litigation.

Closing Remarks:

Director Becky Keogh expressed agreement with the idea of bi-monthly stakeholder (large group) meetings and suggested 30-day notice for each meeting. Keogh stated that notes from each meeting will be distributed in summary format. Keogh indicated the need for a workgroup to prepare comments on the model rules and federal plan to inform the ADEQ and PSC.

Chairman Ted Thomas remarked that qualifying income levels for CEIP are up for debate and so if we have ideas we can write them. Thomas pointed out that making decisions later gives access to the most current fuel price information, but the quicker you make decisions the more options and access to early credit there may be. Thomas indicated that the mass- vs rate-based decision is very important. His view was that the only real advantage to a rate-based plan is growth, but that it is difficult to take advantage of energy efficiency in rate-based approach and that a rate-based approach is more complex and

bureaucratic. Thomas stated that if you can figure out how a mass-based approach will accommodate growth, this is good. Thomas indicated that there are opportunities for combined heat and power, especially below 20 MW and off grid, and if there is an effective way to implement the opportunities, he will take it to the Governor. Thomas emphasized the need for apples-to-apples evaluations, tools, and assumptions so that different options can be compared. Thomas recognized the importance of confidentiality.

Director Becky Keogh mentioned the MSEER meeting in Little Rock to be held on October 19, 2015 and encouraged stakeholders to attend.