

February 19, 2016

Ms. Becky Keogh
Director
Arkansas Department of Environmental Quality
8001 National Drive
Little Rock, AR 72209

Re: Stakeholder Engagement on the Clean Power Plan

Dear Director Keogh,

The Clean Power Plan (CPP), finalized by the U.S. Environmental Protection Agency in August 2015, represents an opportunity for Arkansas to accelerate the modernization of its electricity system and give all residents access to secure, clean, and affordable energy. Arkansas should not put this opportunity on hold due to the decision by the Supreme Court to pause CPP enforcement while litigation is ongoing. Instead, Arkansas should join states across the country in pushing forward with the planning process.

Planning for compliance is a no-regrets choice for Arkansas. If the Court upholds the CPP, planning done now will put the state on course to meet compliance deadlines, which are not affected by the stay decision. If the Court overturns the CPP, planning done now will position Arkansas to meet any future regulation(s) that are developed in place of the CPP, in accordance with EPA's well-established authority to regulate carbon emissions from the electricity sector.

Entirely independent of the CPP, Arkansas will benefit from having explored different options for compliance, which will move the state towards a more efficient, reliable, and cost-effective electricity system. In fact, CPP compliance could actually reduce costs for consumers in 2030 compared to business-as-usual due to the deployment of energy efficiency, network efficiency, and other cost-effective advanced energy measures, according to multiple scenarios run through the [State Tool for Electricity Emissions Reductions \(STEER\)](#), a publicly-available analytic tool developed for the Advanced Energy Economy Institute and applied to Arkansas-specific data. By planning for compliance, Arkansas will uncover these savings opportunities and amplify the benefits of advanced energy in the state. Maintaining an ongoing state planning process will also help reduce uncertainty for utilities and other electricity sector participants, enabling them to make their own no-regrets decisions within a more limited universe of future scenarios.

Arkansas has already made significant progress towards modernizing its electricity sector, thanks to policies such as the state's Energy Efficiency Resource Standard. In 2014, [advanced energy directly provided 16,000 jobs](#) and produced an estimated \$1.7 billion in sales for the state's economy and indirectly provided 25,000 jobs and revenues of \$2.8 billion. Preparing for the CPP will enable Arkansas to double down on progress to date and uncover significant opportunities for additional benefits.

Ultimately, by deploying advanced energy for CPP compliance, Arkansas will not only reduce emissions, but also achieve a more dynamic, reliable, customer-focused energy system. If the Department of Environmental Quality decides to continue to convene stakeholders in a compliance planning process, please do not hesitate to contact me. We and our partners, Arkansas Advanced Energy Economy, would happily continue to serve as a resource for that process.

Sincerely,



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cc: Stuart Spencer, Associate Director, Office of Air Quality
Tricia Jackson, State Implementation Planning Supervisor

