

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

A Bill

HOUSE BILL 1633

5 By: Representative Sabin
6

For An Act To Be Entitled

8 AN ACT TO ALLOW A UTILITY TO ENTER INTO A POWER
9 PURCHASE AGREEMENT; AND FOR OTHER PURPOSES.
10

Subtitle

11 TO ALLOW A UTILITY TO ENTER INTO A POWER
12 PURCHASE AGREEMENT.
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 SECTION 1. Arkansas Code Title 23, Chapter 18, Subchapter 1, is
20 amended to add an additional section to read as follows:

21 23-18-108. Power purchase agreement.

22 (a) As used in this section:

23 (1) "Power purchase agreement" means an agreement in which a
24 utility purchases energy from a customer that generates energy using a solar
25 or wind energy system; and

26 (2) "Utility" means an electric utility subject to the
27 jurisdiction of the Arkansas Public Service Commission.

28 (b) A utility may enter into a power purchase agreement.

29 (c)(1) A utility shall not enter into a power purchase agreement for a
30 term of more than five (5) years unless the commission finds that:

31 (A) The cost of the power purchase agreement is
32 economical;

33 (B) The power purchase agreement will provide a positive
34 economic benefit over the term of the power purchase agreement; and

35 (C) The power purchase agreement is required by public
36 convenience and necessity.



1 (2) After making the findings required under subdivision (c)(1)
2 of this section, the commission shall:

3 (A) Enter an order approving the power purchase agreement
4 and providing for the utility to recover the costs of the power purchase
5 agreement over the term of the power purchase agreement; and

6 (B)(i) Determine the sharing of the net present value of
7 the projected benefits of the power purchase agreement over the term of the
8 power purchase agreement.

9 (ii) The customer's share of the projected benefits
10 under this subdivision (c)(2) shall not be less than fifty percent (50%) or
11 more than eighty percent (80%).

12 (iii) The utility shall recover its allocated share
13 in the same manner as it recovers the cost of the power purchase agreement.

14 (d) A power purchase agreement shall not be for more than ten percent
15 (10%) of the utility's projected generation that is necessary to serve the
16 utility's existing customers.

17 (e) This section does not apply to an electric cooperative corporation
18 established under the Electric Cooperative Corporation Act, § 23-18-301 et
19 seq.

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