

Solar Power: A Natural for Arkansas

Keep Arkansas "Open for Solar Business"ⁱⁱⁱ

Driving economic growth across Arkansas, solar technology is providing careers, local investment and energy savings for Arkansans. But some utility companies – concerned about their bottom line and protecting their monopoly – are seeking to undermine legislators' overwhelming support for the Solar Access Act of 2019 (Act 464), which has spurred a wave of solar and energy efficiency projects for our cities, counties and school districts.

Protect private investment in Arkansas.

More than \$150MM in large-scale solar projects are awaiting the PSC's approval. Dozens more are under development. Each are valuable investments for local communities. Changing the rules now puts these projects at risk.



The Solar Access Act Is Working as the General Assembly Intended – Don't Change it Now.

Prior to Act 464's passage, Arkansas was one of a handful of states that did not allow third-party financing or leasing of solar arrays. The barrier inhibited the state from fully capitalizing on the benefits of solar. Due to our location, Arkansas ranks 11th in the nation for solar power potential, according to National Renewable Energy Laboratory data. The state moved to 25th in 2020 (up from 43rd in 2018) in state-by-state solar power rankings and has installed more than 376 megawatts as of Q3 2020.ⁱⁱ

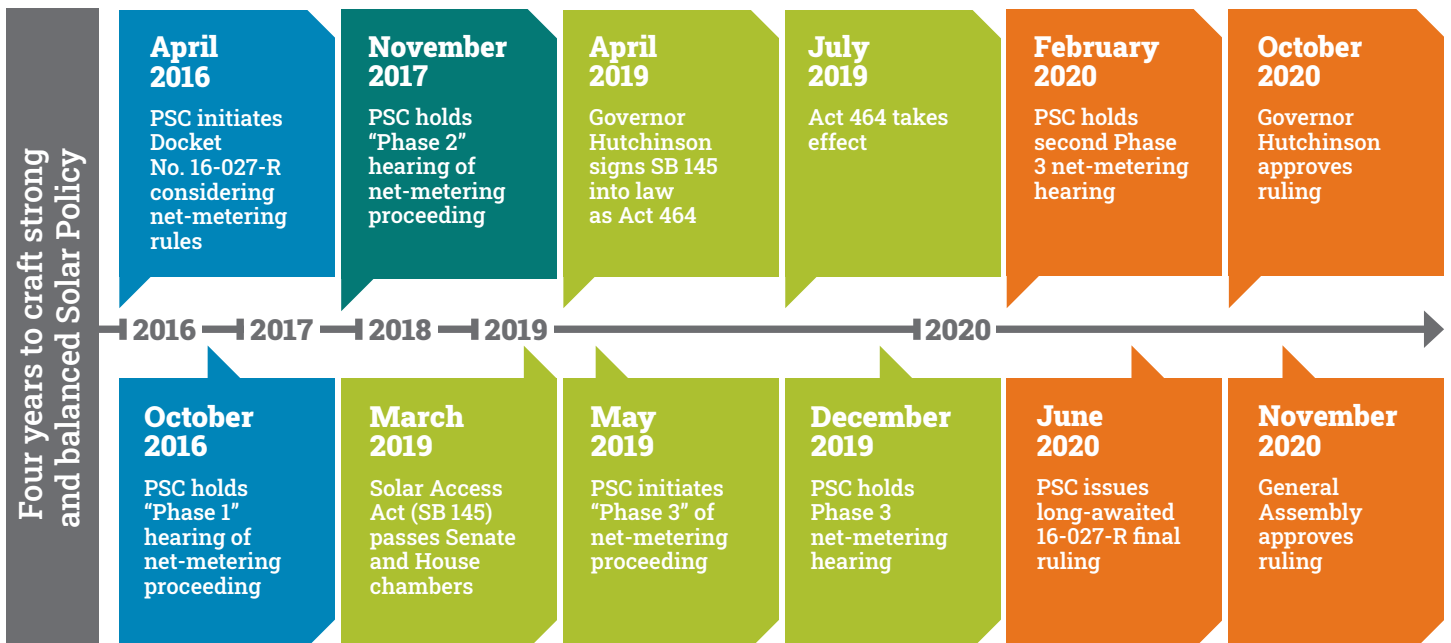
Solar prices have dropped 45% in the past 5 years, and the state is projected to add 1,106 MW of solar in the next 5 years.ⁱⁱⁱ

Select pending large solar projects (1 MW+)

- 1 BANK OZK – Arkansas County
 - 2 Producers Rice Mill – Arkansas County
 - 3 City of Forrest City – St. Francis County
 - 4 Stuttgart School District – Arkansas County
 - 5 Ozark Mountain Regional Public Water Authority – Boone County
 - 6 Searcy Board of Public Utilities – White County
 - 7 Bearskin Farm Partnership – Lonoke County
 - 8 City of Stuttgart – Arkansas County
 - 9 Arkansas Dept of Corrections, Division of Community Correction – Howard County
 - 10 Pulaski County Government – Pulaski County
 - 11 Little Rock Water Reclamation Authority – Pulaski County
- Select locations with completed or under construction large solar projects
 - Indicates multiple solar projects in the same area



The PSC's final ruling in June of 2020, approved by Legislative Council in November of last year, strikes the appropriate balance of allowing improved consumer choice, fair compensation, grid cost recovery, and guard rail protections to ensure responsible growth so that solar investments benefit all Arkansans. Now is not the time to once again rewrite the rules. Arkansas needs to ensure regulatory stability to allow the market to thrive.



Grid Cost Recovery Protections Already in Place

Today, utility executives contend their companies need a mechanism for so-called reimbursement for a net metering customer's grid usage. But in its final ruling, as approved by Legislative Council, the Commission established multiple pathways, including a grid charge for large projects and the ability to introduce alternate net metering billing structures after the end of 2022, to ensure that any unpaid grid costs can be fully recovered based on evidence through future proceedings. Unhappy with the requirement to document and prove the need for additional cost recovery from solar customers, the utilities instead are asking the Legislature to overrule their regulator's findings.

Solar Access Act Vote Count:
28-2 Senate | 83-5 House of Representatives



At the ceremonial signing of the Solar Access Act, lead sponsor Sen. Dave Wallace said, "From this day on, the consumers of Arkansas will drive this market."

The Subsidization Myth

Utility executives claim net-metering customers don't pay their fair share of the grid and are subsidized by other ratepayers. But the evidence shows the opposite.

As part of the PSC's net-metering proceeding, Crossborder Energy conducted a comprehensive analysis of the costs and benefits of distributed solar for Entergy Arkansas residential customers.^{iv} It is the only Arkansas study of its kind. **The findings show the direct benefits of distributed solar for all of Entergy's ratepayers exceed the costs imposed on the utility or on other ratepayers who do not install solar.** In other words, net metering of distributed solar provides a measurable positive benefit to all ratepayers that outweighs any cost.

The Arkansas analysis mirrors a newly released report from scientists at Michigan Technological University that shows it is the net-metering customers, in fact, who are subsidizing electric utilities and their non-solar ratepayers. Thanks to the net-metering customers, utilities and their non-solar customers can save money from avoided costs for new grid, reserve, and generation capacity, as well as for avoided operation and maintenance and environmental and health liabilities due to fossil fuel power generation.^v

Defend the Solar Access Act

 **Audubon** | ARKANSAS



ⁱ Governor Asa Hutchinson at Solar Access Act signing.

ⁱⁱ <https://www.seia.org/state-solar-policy/arkansas-solar>

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^{iv} <https://arkansasadvancedenergy.com/2017/09/18/new-report-solar-customers-are-a-net-plus-for-arkansas/>

^v <https://www.pv-magazine.com/2021/02/11/us-scientists-claim-pv-system-owners-subsidize-their-non-pv-neighbors/?fbclid=IwAR2JQKKF76rrGi4QdePVpo9NX4ojLcipQq2d4vhPqphA5rxiqsYWaaYk0A>