

## American Council for an Energy-Efficient Economy: 2017 State Scorecard (Including Arkansas)



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The American Council for an Energy-Efficient Economy (“ACEEE”) has released the 2017 version of its “State Energy Efficiency Scorecard” (“Scorecard”). With a total of 14.5 out of a maximum available of 50 points, Arkansas ranked 31st in the nation, a drop of 1 point and 4 rankings from the 2016 scorecard. Arkansas tied at 31st with Ohio and North Carolina. Massachusetts led the ranking at No. 1, with 44.5 points, followed by No. 2 California with 42 points.

Arkansas’s utility programs and policies scored 7 out of a possible 20 points, which ranked 21th in the nation (higher than all states in the South). On utility programs, states surrounding Arkansas scored as follows: Texas (1 point), Oklahoma (4 points), Missouri (1.5 points), Tennessee (1.5 points), Mississippi (1.5 points), and Louisiana (0.5 points).

ACEEE describes the Scorecard as an assessment of state policies and programs that improve efficiency in homes, businesses, industries and transportation systems.

The Scorecard examines six policy areas involving state pursuit of energy efficiency. They include:

- Utility and public benefits programs and policies (Arkansas scored 7 out of a 20 point maximum)
- Transportation policies (0.5 out of 10 points)
- Building energy codes and compliance (3.5 out of 8 points)
- Combined Heat and Power policies (0 out of 4 points)
- State government-led energy efficiency initiatives (3.5 out of 6 points)
- Appliance and equipment standards (0 out of 2 points)

The Scorecard addressed an additional issue in the 2017 version through an assessment of policies designed to improve energy efficiency programs that serve low-income customers. During the recent legislative session, the Arkansas General Assembly gave the PSC the authority to implement programs for low-income customers.

The Scorecard’s chapter on Arkansas includes a “State Government Summary” which notes that the state: . . . offers several consumer incentives for energy-efficient investments, including PACE financing. The state government leads by example by requiring energy-efficient public buildings, benchmarking energy use, and encouraging energy savings performance contracts. There were no major research centers focused on energy efficiency.

Other programs and/or incentives listed for the state include:

- Databases of state incentives for renewables and energy efficiency (providing financial incentive information/State Energy Office Contacts)
- Property Assessed Clean Energy (PACE) financing for energy efficiency
- Advanced energy technology loans (financing energy-related costs reduction retrofits and green energy implementation for Arkansas companies)
- Sustainable Energy-Efficient Buildings Program (requires development of a plan for reducing energy use in all existing state-owned major facilities by 20 percent from 2008 levels by 2014/30 percent by 2017)
- Arkansas Energy Performance Contracting Program (guide to properly use ESPCs, etc.)

According to the report (p. 22), Arkansas is one of 20 states (and the only state in the South with an energy efficiency resource standard (“EERS”) for its investor-owned utilities (“IOUs”). In 2010 the Arkansas PSC established an EERS by setting electric utility energy savings targets (which will have grown from 0.25% of kWh sales per year in 2012 to 1.0% in 2019), coupled with approval in of EE program cost recovery, collection of lost contribution to fixed costs, and utility performance incentives. The Commission also established and has gradually raised the EERS targets for natural gas IOUs, currently set at 0.5% of therm sales. To date, most of the state’s electric and gas IOUs have achieved or exceeded their targets and earned performance incentives for doing so.

[A link to the 2017 Scorecard can be found here.](#)

Substantial insight and information for this post was provided by Wally Nixon who is a Commissioners’ Legal Advisor for the Arkansas Public Service Commission.