

ATTACHMENT 1

REVISED C&EE RULES SECTION 11 – BLACK-LINED VERSION

Section 11: Opt Out / Self Direct Option for Qualifying Non-Residential (NR) Customers

- A. An Arkansas NR customer of an electric or natural gas public utility meeting the eligibility requirements of subsection K of Section 11 at a single metered location or subsection L of Section 11 at multiple metered locations within a single utility's service territory may request approval from the Commission for a Certificate of Exemption (Certificate) allowing the customer to "opt out" of participating in utility provided EE programs and participate instead in a Self-Directed EE Option (S-D Option). To be approved for a Certificate by the Commission, an eligible customer must successfully demonstrate that it:
- (1) has implemented or invested in a measure(s) within ten years prior to the date the customer files its request for a Certificate with the Commission, or
 - (2) will implement or invest in a measure(s) within the duration of the applicable public utility's energy efficiency (EE) plan approved by the Commission pursuant to Ark. Code Ann. §23-3-405.
- B. The request for a Certificate shall be filed with the Commission in a customer-specific SD the applicable utility's EE S-D tariff docket for verification and approval no later than September 15 of any year. The request shall state and shall include adequate information for the Commission to verify that:
- (1) the NR customer has implemented or invested in a measure(s), excluding any measures where the NR customer has already received an incentive from the utility as part of a utility-sponsored program, or will implement or invest in a new measure(s) designed to provide EE savings at the customer's facility in an amount equal to or greater than the most current EE goals or standards established by the Commission for the applicable program years and utility; or
 - (2) the NR customer has exhausted its opportunity to participate in or is unable to realize meaningful benefits through participation in its utility--provided EE programs.
- Effective January 1, 2012, a NR customer that participates in a utility's EE program may not request a Certificate for five years following the NR customer's participation in that utility's EE program.
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- C. The request for a Certificate from a NR customer shall include the following minimum information:
- (1) an estimate of the expected life of the measure(s) or investment(s);
 - (2) an estimate of expected EE savings or evidence of the actual EE savings realized or to be realized, which can be linked to a specific measure(s) or investment(s), stated in kilowatts (kW) or kilowatt hours (kWh) for electricity and in million British Thermal Units (MMBtu) or thousand cubic feet (Mcf) for natural gas;
 - (3) an explanation of how the estimate of expected EE savings or actual EE savings realized was calculated, including supporting workpapers;

- (4) the name, title, company and contact information for the person responsible for calculating the expected EE savings;
- (5) the historical annual usage and peak load information necessary to verify eligibility pursuant to subsection K or L, and a list of account numbers for all qualifying facilities;
- (6) the estimate of expected EE savings or evidence of the actual EE savings realized, which can be linked to a specific measure(s) or investment(s), may include allowances for any reasonably known and measurable changes in operations, changes in output, or production level changes at the qualifying customer location(s);
- (7) a customer alleging that it has exhausted its opportunity to conduct further meaningful cost-effective EE programs or that it is unable to realize benefits through participation in ~~its~~ utility's EE programs shall provide an explanation of how the customer has exhausted its opportunity to conduct further meaningful cost-effective EE programs or how the customer is unable to realize benefits through participation in its utility's EE programs including a description of any measures implemented or investments made by the customer that support that conclusion;
- (8) a description of the steps the customer has taken or will take to measure and verify the achievement of the estimated EE savings supporting the request for a Certificate; and
- (9) an affidavit certifying the accuracy of the information provided from a registered professional engineer or a company official authorized to bind the customer.

- D. The Commission, ~~or the Commission General~~ Staff, and the Attorney General may request additional information from the customer if such additional information is necessary to verify that the measure(s) implemented or to be implemented, or investment(s) made or to be made are designed to provide EE savings at the customer's facility in an amount equal to or greater than the most current EE goals or standards established by the Commission for the applicable program years and utility.
- E. Staff shall, and other parties to the applicable docket may, review the request for a Certificate and ~~shall file its findings and recommendations~~ regarding the request for a Certificate by November 15 of the year in which the request for a Certificate was filed.
- F. Either on its own motion or at the customer's request, the Commission may schedule a hearing to consider the request for Certificate or the Commission may without a hearing issue its determination regarding the request based upon the filings addressing the customer's request. The Commission shall issue its order either approving or denying a customer's request for a Certificate by December 15 of the year in which the request is filed, unless such date is waived by the customer.
- G. The request, if approved, shall be effective for the duration of the applicable utility's EE plan, beginning January 1 of the year following the year in which the request was filed. Upon approving the request for a Certificate under Section 11, the Commission shall notify the appropriate public utility of the exemption. The customer receiving the Certificate shall be exempt from charges billed through a surcharge or rider for EE programs and measures approved by the Commission pursuant to Ark. Code Ann. §23-3-405(3) for that utility, including any lost contributions to fixed costs or utility incentives

approved by the Commission. Beginning with the customer's ~~June~~-~~anuary~~ billing cycle in the year following the notification, the utility shall cease billing the customer for any such charges. A customer receiving a Certificate shall not be eligible to participate in any programs or measures offered by the utility pursuant to Ark. Code Ann. §23-3-405.

- H. A Certificate approved by the Commission under Section 11 shall continue for the duration of the public utility's EE plan approved by the Commission pursuant to Ark. Code Ann. §23-3-405. At the end of the final program year included in the utility's EE program plan for which the customer has received approval of a Certificate, the customer who requested a Certificate pursuant to subsection B(1) above shall file a report presenting the measurement and verification of the achievement of the estimated EE savings supporting the request for a Certificate.
- I. The customer must request and receive approval for a new Certificate applicable to each new program plan filed by the utility and the associated goals subsequently approved by the Commission pursuant to Ark. Code Ann. §23-3-405. The Commission may consider the customer's previous EE savings results as compared to goal in approving a subsequent request for a new Certificate.
- J. A customer seeking to withdraw its Certificate shall notify the Commission of such withdrawal by November 15 of any year. Upon notification of withdrawal under this subsection, the Commission shall promptly notify the appropriate public utility of the withdrawal. Beginning with the customer's ~~June~~-~~anuary~~ billing cycle in the year following the notice of withdrawal, the utility shall begin billing the customer for any costs recovered through a surcharge or rider approved by the Commission pursuant to Ark. Code Ann. §23-3-405(3), including any lost contributions to fixed costs and utility incentives approved by the Commission, and the customer shall become eligible to participate in any programs or measures offered by the utility pursuant to Ark. Code Ann. §23-3-405.
- K. To be eligible for a Certificate under Section 11, the customer's facility at a single metered location must meet the following respective requirements for electricity or natural gas:
 - (1) Have a minimum peak electrical demand of greater than one megawatt (1 MW) at that location based upon the prior 12 months billing history at the time of the application, or
 - (2) Have an annual natural gas consumption of greater than seventy thousand MMBtu or Mcf (70,000 MMBtu or Mcf) at that location.
- L. To be eligible for a Certificate of Exemption under Section 11 for multiple facilities with identical ownership within a single utility's service territory, the customer's facilities at two or more metered locations within that service territory must meet the following requirements for electricity or natural gas:
 - (1) Have a minimum peak electrical demand of greater than two hundred kilowatts (200 kW) at each location and a minimum combined peak electrical demand of one megawatt (1 MW), based upon the prior 12 months billing history at the time of the application,

when aggregating the customer's facilities listed in the application and within that service territory, or

(2) Have an annual natural gas consumption of greater than fourteen thousand MMBtu or Mcf (14,000 MMBtu or Mcf) at each location and a minimum combined annual natural gas consumption of seventy thousand MMBtu or Mcf (70,000 MMBtu or Mcf) when aggregating the customer's facilities listed in the application and within that service territory.

- M. The customer-specific verification information submitted to the Commission pursuant to subsections C and H of Section 11 by the applicant for a Certificate shall be protected from public disclosure by the Commission as proprietary facts or trade secrets pursuant to the provisions of Ark. Code Ann. §23-2-316.
- N. Each utility affected by a customer receiving a Certificate shall:
 - (1) reduce the level of energy sales in kWh for electricity or MMBtu or Mcf for natural gas by the amount of the exempted customer's usage during the base year established by the Commission for the purpose of establishing the EE savings goals for that utility,
 - (2) exclude the consumption of that customer from the calculation of any EE savings for the duration of the public utility's EE plan approved by the Commission pursuant to Ark. Code Ann. §23-3-405, and
 - (3) at the utility's option, the utility may choose to seek approval from the Commission to revise its last approved EE plan to reflect the impact, if any, of adjustments resulting from customers being approved for "opt-out".