

# Energy to Power Arkansas' Future

GUEST EDITORIAL:  
**Bob Lamb**

There are many things that make a great place to live, work, raise a family, and do business. From plentiful natural resources and a skilled workforce, to low taxes, competitive electric rates, and a host of professionals dedicated to bringing more economic opportunities and jobs to the state, among other attributes, the State of Arkansas has much to be proud of.

These factors will undoubtedly help Arkansas move past the tough economic challenges facing the state and the nation. To further facilitate this recovery, we must ensure that our electric supply and energy infrastructure—the foundation of our economy that keeps our homes, businesses, schools and hospitals running—is reliable and ready to meet the state's rising demand.

According to the Edison Electric Institute (EII), American homes today use 21 percent more electricity than they did in 1978. As new technologies place additional demand on our electricity grid, the development of additional generation capacity and electricity transmission infrastructure, as well as the diversification of the state's energy supply mix, are more important than ever.

In looking ahead to Arkansas' future energy needs, much can be learned from our past. All of the investor-owned generating facilities (natural gas, nuclear, and coal) currently in use in Arkansas were constructed from the early 1960s through the 1980s. During the 1950s through the 1990s all the Army Corps of Engineers and the electric cooperatives constructed several hydropower facilities throughout the state; in addition, the electric cooperatives constructed natural gas generation plants.

There are also independently-owned power plants in Arkansas that contribute to our electric supply. The majority of these plants use natural gas to generate electricity, and many were built on speculation without sufficient investment into the necessary infrastructure to make these plants cost-competitive for Arkansas ratepayers.

Arkansas has a well-balanced mix of electricity generation which includes natural gas, coal, nuclear, hydropower and other renewable sources. This mix helps keep our electric rates competitive.

According to the U.S. Energy Information Association, in 2007 Arkansas' average residential monthly electric bill was \$97.58, well below the average for Mississippi at \$118.00, and Louisiana at \$119.58. For commercial rates the difference is even greater: Arkansas, \$391.47; Mississippi, \$448.02, and Louisiana, \$666.54. This gives Arkansas a competitive advantage that can help bring businesses and new jobs to the state.

So how do we build on this positive energy foundation?

First and foremost, our state must promote investment in energy infrastructure. By ensuring that our state's electric utilities are able to make critical investments in generation and transmission, Arkansas can benefit from dependable and affordable electricity that will help the state grow and prosper.

Second, supporting smart energy efficiency and conservation measures within a broad energy plan can help reduce peak demand and encourage businesses and residential users to make the most of our electric supply.

Third, working to further diversify Arkansas' energy portfolio can help reduce our state's exposure to electric prices spikes and encourage investment into new energy technologies to create "green" jobs.

Finally, supporting the development of a long-term state energy plan that includes all forms of energy will further balance our energy supply and create opportunities for new energy investment and job creation.

Clearly, there is no single solution to meet Arkansas' growing electricity demand and foster an environment where businesses can grow. By keeping all options on the table and promoting key policies, we can meet our energy, environmental and economic development goals. **TBQ**

*Bob Lamb is voluntary Chairman of Progress Arkansas, a coalition of business and community leaders working to build consensus and support for economic, energy and environmental policies that will support growth and prosperity for the State of Arkansas.*

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