

Case Study

Arkansas' Low Income Energy Forum Delivers Affordable, Efficient Energy

The Problem

Arkansas has a high rate of poverty and many residents cannot afford to pay their utility bills or to conserve energy in order to lower their bills. Federal funds only allow the State to assist one-third of the population that is income eligible for relief. Unlike most states, Arkansas does not supplement those federal funds. Until recently, the only source of funds to assist the poor was private donations – either through churches or utility companies' Good Neighbor Funds.



In order to address the problem, the Arkansas Community Action Agencies Association (ACAAA) convened a public forum to educate and engage the public. The forum was followed by a stakeholder process to develop action steps.

The Product

Through these processes, three proposed actions were developed: formation of a statewide fuel fund;

proposed legislation for a sales tax exemption for utility services; and creation of the state's first utility-funded energy efficiency program.

The Process

In 2005, the ACAAAA formed a Steering Committee of stakeholders to find a way to address this problem. The stakeholders included utility providers (electric and natural gas), social service organizations, and ACAAAA staff. In 2006, the Steering Committee convened the Low Income Energy Forum.

Involving the Public

The Low Income Energy Forum was a one-day event held at Altell Arena, in North Little Rock. Over 100 people attended the forum, including leaders from diverse sectors and groups within the state.

Nationally known speakers made presentations to the group. These speakers included representatives of the American Gas Association, the electric industry, low-income consumers, Economic Opportunity Studies, and Michigan's Heat and Warmth Fund.

The Forum was held in conjunction a meeting of the State legislature's Joint

Energy Commission, where some of the Forum participants gave testimony.

How Stakeholders Responded to the Public

In August 2006, the original Steering Committee of stakeholders, was expanded to include some faith-based groups. They formed three workgroups to develop plans to address the three priorities identified through the public forum: formation of a statewide fuel fund; proposed legislation for a sales tax exemption for utility services; and creation of the state's first utility-funded energy efficiency program.

The workgroup to develop the statewide fuel fund formed an organization, which has applied for tax-exempt status from the IRS, and should soon be able to receive funds.

Next Steps

The statewide fuel fund group introduced a bill in the Arkansas legislature, seeking a quarter of a million dollars to carry the fuel fund through until it has fundraising capability and more stakeholders can be involved. So far, two utilities have

provided fuel funds and a third utility has express interest.

The other work groups have developed proposed legislation for the sales tax exemption; and continue to work toward creating a utility-funded energy efficiency program.

For more information about this case, contact Rose Adams, Executive Director of ACAA at radams@acaaa.org.



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