

A Champion of Solar Rises In South: Ouachita Electric

OECC leader Mark Cayce bucks standard utility line, supports net-metering bill

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Mark Cayce has seen the light, and it is solar.

As CEO of Ouachita Electric Cooperative Corp. in Camden, he has made sun power a cornerstone of innovative programs serving a high-tech corner of Arkansas: the defense manufacturing cluster in East Camden, home to a 12-megawatt solar array that was the largest in the state when it was built three years ago.

Now Cayce is promoting solar power on several fronts at a pivotal time for energy policy, and he's adding rooftop projects to a program that lets co-op members finance efficiency improvements on their electric bills.

Cayce, doubling as board chairman of solar array developer Today's Power Inc., says he has a simple reason for metaphorically basking in the sun.

"It helps our members," he said. "Solar reduces our peak load in summertime, and cutting that load has real value for us. That savings lets us lower the overall cost of power to all our members."

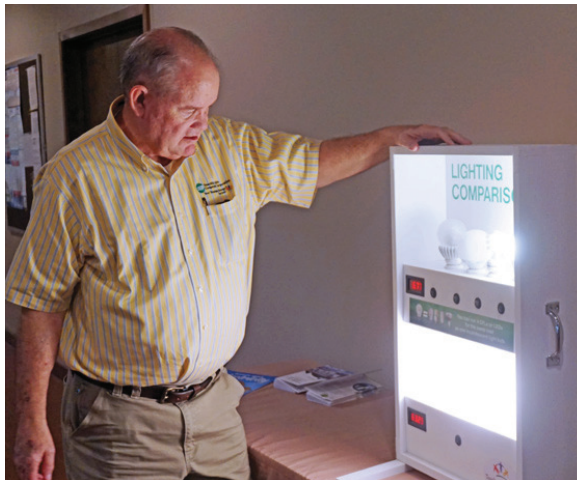
"Not many people might think it, but little ol' Camden and the Highland Industrial Park [in East Camden] are pretty high-tech places."

As TPI chair, Cayce preaches solar's environmental benefits and cost-saving potential for homeowners, landlords and businesses. TPI, of Little Rock, has built 23 small utility-scale solar installations in Arkansas and beyond. A wholly owned subsidiary of Arkansas Electric Cooperatives Inc., TPI is quickening the pace of its projects.

Cayce is also speaking out as Arkansas faces policy decisions that could spur or chill solar development, and Democrats in Congress crusade for a "Green New Deal." Arkansas is the 11th-sunnier state on average, but its 369 solar jobs in 2018 ranked near last per capita. That's despite a 30 percent increase from 287 solar jobs in 2017, according to the Solar Foundation's 2018 national jobs census released last week.

Nationwide, 242,000 workers in the solar industry numbered about 8,000 fewer than in 2017, with declines attributed to project delays stoked by uncertainty over import tariffs on solar panels. Policy bumps and economic conditions in some states also contributed, the report said.

In Arkansas, a battle over solar elec-



Mark Cayce, CEO of Ouachita Electric Cooperative in Camden, has been a solar power advocate for years. Now he's speaking up at a pivotal time for the future of solar development in Arkansas and across the nation. [PHOTO BY KERRY PRICHARD]

tricity rates has raged at the Arkansas Public Service Commission for three years, and action recently shifted from the regulatory agency to the state Legislature.

Senate Bill Seen as Key

Cayce and OECC have joined environmentalists, the Association of Arkansas Counties and the Associated General Contractors of Arkansas in speaking out for Senate Bill 145, which would broaden net metering, the process utilities use to credit customers for their solar power. Walmart Inc. is another backer, espousing a growing corporate sentiment that renewable power is economical and socially responsible.

SB 145 would give counties and nonprofits new access to solar savings. Only owners of energy facilities can be on net metering in Arkansas, said Adam Fogleman, Pulaski County's attorney. SB 145, he said, would let nonprofits and government entities partner with for-profit companies. The nonprofit would get solar energy savings; the for-profit partner the tax credits.

Bigger power arrays would also be allowed to net-meter. Entergy Arkansas and other utilities are concerned, suggesting that the Legislature, rather than the PSC, take charge of some ratemaking, according to several industry executives. Arkansans who want politics at arm's length from utility regulation are alarmed by that prospect. A Senate committee was scheduled to hear arguments on the bill Thursday.

Cayce wrote a letter to senators backing SB 145, by Sen. David Wallace, R-Leachville, saying it would give Arkansans more access to low-cost solar energy. "Solar truly is a win-win situation for all OECC members and the utility."

Joey Dean, writing for the contractors, said the bill would "create economic opportunities" for the construction industry: "SB 145 would eliminate barriers to third-party ownership of solar energy systems, which would allow a business owner to lease a system from a solar firm."

Arkansas is one of five states prohibiting that purchasing model, Dean said. The contractors also favor more solar access for "businesses, government entities, schools, churches, nonprofit organizations and homeowners."

Utility Response

Utilities say they must recover infrastructure costs, and ensure that rates for solar customers shift no cost burdens to non-solar customers. In PSC testimony, utilities favored a two-channel billing system where net-metering customers would pay one rate for power they take off the grid and receive a smaller rate for energy they put back on.

Entergy Arkansas, the state's largest electric utility with about 700,000 customers, offered a statement. "Our interest is that non-net-metering customers do not end up subsidizing the costs of net-metering customers without enjoying the benefits of generating their own power."

Katie Niebaum, director of the Arkansas Advanced Energy Association, says greater solar access will spur jobs and the economy. "AAEA is working to ensure the final legislation not only enables third-party financing options as originally intended, but also maintains a fair value for Arkansans' solar investment and retains the Commission's jurisdiction over ratemaking," she said.

Entergy has power-purchase deals with solar generation projects near

Stuttgart and Lake Village, and has requested proposals for far more renewable power. But Audubon Arkansas' interim director, Gary Moody, in a news conference introducing SB 145, said the utilities love solar only as long as they own it. "They don't want to give up market share."

Cayce, who has no profit motive, sees solar as just another logical component in his 17 years of advancing technology at the Camden co-op, including efforts in local solar generation, energy efficiency and innovative finance. He's proud of the 12-megawatt East Camden solar project for defense contractor Aerojet Rocketdyne, and OECC's partnership with South Arkansas Telephone Co. to string fiber-optic cable through its service area.

Helping Members Save

OECC's HelpPays program — Pay As You Save — lets homeowners and landlords use their electric bills to pay off the cost of sealing up homes and retrofitting them with high-efficiency HVAC systems at no upfront cost.

"We are in the beginning stages of offering solar to our members through" the program, said Leslie Holloway, member services manager at the 7,000-member co-op. Details are still being worked out.

The HelpPays program drew widespread praise from members like Linda Hodges of Louann (Ouachita County), who got a 4-ton high-efficiency heating and air system and \$11,000 to finance it without paying a nickel out of pocket. Financing went through the National Rural Utilities Cooperative Finance Corp., and her monthly electric bill was lower even with the retrofit payments added.

Holloway said 332 members are now in the program, and OECC has new authorization from the USDA Rural Energy Savings Program "for loan funds up to \$8 million" that will offer 0.5 percent interest rates to HelpPays participants. "Our goal is to provide an energy assessment/audit on all residential members of OECC," he said.

OECC and Today's Power broke ground this month on a solar array for Southern Arkansas University Tech in Camden. In 2017, OECC received the Cooperative of the Year Award from the Smart Electric Power Alliance.

"The benefits from solar are already evident in economic development around here," Cayce told *Arkansas Business*. "Aerojet Rocketdyne has added jobs, and while I can't say that's directly because of solar, it was one factor in that expansion."

"Solar cuts power bills, and it creates jobs," Cayce said. "I haven't found anybody who doesn't want those things." ■



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