



Arkansas' Dependence on Imported Coal



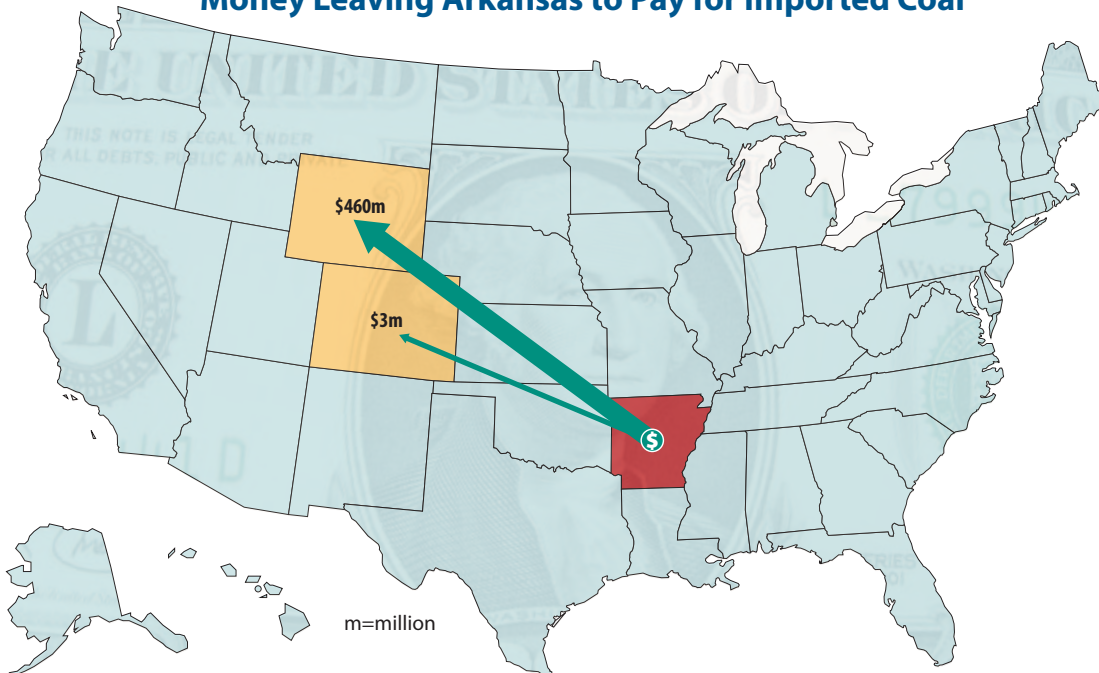
The cost of importing coal is a major drain on the economies of many states that rely heavily on coal-fired power. Thirty-eight states were net importers of coal in 2008, from other states and, increasingly, other nations. *Burning Coal, Burning Cash* ranks the states that are the most dependent on imported coal. This fact sheet shows the scale of this annual drain on Arkansas ratepayers, and discusses ways to keep more of that money in-state through investments in energy efficiency and homegrown renewable energy.

Arkansas imported all the coal its power plants burned in 2008—with almost all the supplies coming from Wyoming. To pay for those imports, Arkansas sent **\$463 million** out of state. Entergy Arkansas, the state's largest provider of electricity services, purchased more than 80 percent of that imported coal (\$386 million). The utility's White Bluff coal plant, in Redfield, spent \$196 million on coal imports—more than any other power plant in Arkansas.



Little Rock, Arkansas. The cost of importing coal is a drain on Arkansas' economy, which relies heavily on coal-fired power. Investments in energy efficiency and homegrown renewable energy can help stimulate the economy by redirecting funds into local economic development—funds that would otherwise leave the state.

Money Leaving Arkansas to Pay for Imported Coal

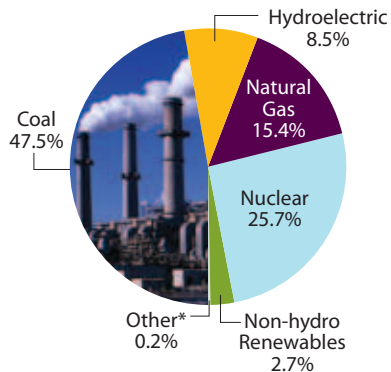


Compared with other states, Arkansas:

- Spent the 8th most on net imports relative to gross state product: 0.47 percent
- Spent the 11th most on net imports per person: \$162
- Is the 12th most dependent on net imports as a share of total power use: 50 percent

Note: Not all these funds will necessarily land in the state or nation where the mining occurs. Mine owners may divert the profits to parent companies in other locations, for example. Amounts also include the cost of transportation.

Arkansas' Mix of Electricity Sources (2008)



Despite having no in-state coal supplies, Arkansas relies on coal for nearly half the electricity it produces.

* "Other" includes oil, municipal solid waste, tires, propane, or other manufactured and waste gases from fossil fuel.

Arkansas has excellent potential for developing in-state renewable energy resources, which can help reduce the state's dependence on imported coal while creating jobs and other economic benefits. With its proximity to the U.S. "wind belt," the state is already becoming a manufacturing hub for wind power technology. For example, Nordex USA is building a wind turbine plant in Jonesboro that may employ up to 700 people.

Photos (top to bottom): Photodisc; Clipper Wind Inc.

Clean Energy Solutions Can Boost Arkansas' Energy Independence

Investing in energy efficiency is one of the quickest and most affordable ways to replace coal-fired power while boosting the local economy. Yet Arkansas spent just 55 cents per person on ratepayer-funded electricity efficiency programs in 2007—nearly 300 times less than it spent on imported coal.

Reducing the state's electricity use by 1 percent annually could save consumers \$21 million, and avoid the need to spend as much as \$8 million to import coal in the first year alone. Arkansas could save that much power or more by adopting an energy efficiency resource standard. Twenty-three states have adopted such a standard, with most requiring utilities to achieve annual electricity savings of at least 1 percent (a target some states are already achieving). Leading states require annual cuts of 2 percent or more.

Arkansas can also reduce its dependence on imported coal by tapping its own wealth of renewable energy resources, which could technically supply at least 1.5 times the state's 2008 power demand. Though economic and physical barriers may curb some of that potential, by-products from Arkansas's forestry industry, and energy crops such as switchgrass, can be harvested in a sustainable manner for use in stand-alone power plants, or co-fired in plants that now burn only coal, replacing imported coal.

The state also has excellent potential for developing wind power, solar power, small-scale hydro-power, and geothermal energy co-produced from existing oil and gas drilling locations. With its

proximity to the U.S. "wind belt," Arkansas is already becoming a manufacturing hub for wind power technology. LM Wind Power (formerly LM Glasfiber) has been turning out wind turbine blades at its plant in Little Rock since 2008. Nordex USA is building a wind turbine plant in Jonesboro that may employ up to 700 people. And in April, Mitsubishi announced plans to build a turbine plant in Ft. Smith that could employ up to 400 people.

Arkansas can spur in-state deployment by adopting a renewable electricity standard, requiring utilities to gradually expand their use of renewable resources. Twenty-nine states and the District of Columbia have already adopted this effective and affordable policy.



Citizens and Scientists for Environmental Solutions

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This fact sheet is based on the findings of *Burning Coal, Burning Cash: Ranking the States That Import the Most Coal*, a report by the Union of Concerned Scientists. The fully referenced report, along with other state profiles, is available on the UCS website at www.ucsusa.org/burningcoalburningcash.

The Union of Concerned Scientists is the leading science-based nonprofit working for a healthy environment and safer world.

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