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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- AFFORDABLE CLEAN ENERGY
SECURITY ACT

Introduced By: Representatives Stewart, and Tanzi

Date Introduced: February 27, 2026

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 39-31-4, 39-31-5, 39-31-6 and 39-31-7 of the General Laws in
2 Chapter 39-31 entitled "Affordable Clean Energy Security Act" are hereby amended to read as
3 follows:

4 **39-31-4. Regional energy planning.**

5 (a) Consistent with the purposes of this chapter, and utilizing regional stakeholder
6 processes where appropriate, the office of energy resources, in consultation and coordination with
7 the division of public utilities and carriers and the public utility company that provides electric
8 distribution as defined in § 39-1-2(a)(12) as well as natural gas as defined in § 39-1-2(a)(17), is
9 authorized to:

10 (1) Participate in the development and issuance of state, regional, or multistate competitive
11 solicitation(s) for the development and construction of regional electric-transmission projects that
12 would allow for the reliable transmission ~~of nuclear power and/or~~ large- or small-scale domestic or
13 international hydroelectric power to New England load centers that will benefit the state of Rhode
14 Island and its ratepayers, and such solicitations may be issued by the New England States
15 Committee on Electricity or the electric or natural gas distribution company to further the purposes
16 of this chapter;

17 (2) Participate in the development and issuance of state, regional, or multistate competitive
18 solicitation(s) for the development and construction of regional electric-transmission projects that

1 would allow for the reliable transmission of eligible renewable energy resources, including offshore
2 wind, as defined by § 39-26-5(a), to New England load centers that will benefit the state of Rhode
3 Island and its ratepayers, and the solicitations may be issued by the New England States Committee
4 on Electricity or the electric or natural gas distribution company to further the purposes of this
5 chapter; and

6 (3) Participate in the development and issuance of regional or multistate competitive
7 solicitation(s) for the development and construction of regional natural-gas-pipeline infrastructure
8 and capacity that will benefit the state of Rhode Island and its ratepayers by strengthening energy
9 system reliability and security and, in doing so, potentially mitigate energy price volatility that
10 threatens the economic vitality and competitiveness of Rhode Island residents and businesses. The
11 solicitations may be issued by the New England States Committee on Electricity or the electric or
12 natural gas distribution company to further the purposes of this chapter; and the solicitations may
13 request proposals that are priced in increments to allow for the evaluation of project costs and
14 benefits associated with adding various levels of additional, natural gas pipeline capacity into New
15 England and assist with the optimization of energy system reliability, economic, and other benefits
16 consistent with the purposes of this chapter.

17 (4) As part of any such state, regional, or multistate competitive solicitation processes
18 conducted pursuant to this chapter, the office of energy resources shall work jointly with the
19 division of public utilities and carriers, and with the electric distribution company as appropriate,
20 to identify incremental, natural-gas-pipeline infrastructure and capacity and/or electric-
21 transmission projects that optimize energy reliability, economic, environmental, and ratepayer
22 impacts for Rhode Island, consistent with the legislative findings and purpose of this chapter. The
23 office of energy resources and division of public utilities and carriers shall be authorized to utilize
24 expert consultants, as needed, to assist in any state, regional, multistate, or state-level determination
25 related to the procurement activities identified in § 39-31-5.

26 (b) Prior to any binding commitments being made by any agencies of the state, the electric
27 distribution company, or any other entity that would result in costs being incurred directly, or
28 indirectly, by Rhode Island electric and/or gas consumers through distribution or commodity rates,
29 the office of energy resources and division of public utilities and carriers shall jointly file any
30 energy infrastructure project recommendation(s) with the public utilities commission and may
31 make such filing jointly with the electric or natural gas distribution company as appropriate. The
32 public utilities commission shall consider any such recommendation(s) as specified under § 39-31-
33 7.

34 (c) A copy of the filing made under subsection (b) of this section shall be provided to the

1 governor, the president of the senate, the speaker of the house, the department of environmental
2 management, and the commerce corporation.

3 (d) The electric distribution company shall be provided with a copy of any filing made
4 under this section at least ten (10) business days in advance of its filing with the public utilities
5 commission and the electric or gas distribution utility may file separate comments when the filing
6 is made.

7 (e) As part of any office of energy resources and division of public utilities and carriers
8 filing made pursuant to this chapter, the agencies shall identify the expected energy reliability,
9 energy security, and ratepayer impacts that are expected to result from commitments being made
10 in connection with the proposed project(s).

11 (f) The office of energy resources and division of public utilities and carriers reserve the
12 right to determine that energy infrastructure projects submitted in any state, regional, or multistate
13 competitive solicitation process are not in Rhode Island's energy reliability, energy security, and/or
14 ratepayer interests, and shall make such findings available to the governor, the president of the
15 senate, and the speaker of the house. The electric or gas distribution utility may attach a separate
16 opinion to those findings, at its election.

17 **39-31-5. State and regional energy procurement.**

18 (a) Consistent with the purposes of this chapter, the public utility company that provides
19 electric distribution as defined in § 39-1-2(a)(12), as well as natural gas as defined in § 39-1-
20 2(a)(17), in consultation with the office of energy resources and the division of public utilities and
21 carriers is authorized to voluntarily participate in state, multistate, or regional efforts to:

22 (1) Procure domestic or international large-scale hydroelectric power, ~~nuclear power~~, and
23 eligible renewable energy resources, as defined by § 39-26-5(a), on behalf of electric ratepayers;

24 (2) Procure incremental, natural-gas-pipeline infrastructure and capacity into New England
25 to help strengthen energy system reliability and facilitate the economic interests of the state and its
26 ratepayers;

27 (3) Support the development and filing of necessary tariffs and other appropriate cost-
28 recovery mechanisms that allocate the costs of new, electric-transmission and natural-gas-pipeline
29 infrastructure and capacity projects selected pursuant to the provisions of this chapter to ratepayers,
30 such that costs are shared among participating states in an equitable manner; and

31 (4) To the extent that the public utility company that provides electric distribution as
32 defined in § 39-1-2(a)(12), as well as natural gas as defined in § 39-1-2(a)(17), pursues the
33 objectives identified above, the public utility company shall utilize appropriate, competitive
34 processes, and maintain compliance with applicable federal and state siting laws.

1 (b) Any procurement authorized under this section shall be commercially reasonable.

2 **39-31-6. Utility filings with the public utilities commission.**

3 (a) Pursuant to the procurement activities in § 39-31-5 or § 39-31-10, the public utility
4 company that provides electric distribution as defined in § 39-1-2(a)(12), as well the public utilities
5 that distribute natural gas as provided by § 39-1-2(a)(20), are authorized to voluntarily file
6 proposals with the public utilities commission for approval to implement these policies and achieve
7 the purposes of this chapter. The company's proposals may include, but are not limited to, the
8 following authorizations:

9 (1) Subject to review and approval of the commission, to enter into long-term contracts
10 through appropriate competitive processes for large-scale hydroelectric power, ~~nuclear power,~~
11 and/or renewable energy resources, as defined by § 39-26-5(a); provided that:

12 (i) The electric distribution company may, subject to review and approval of the
13 commission, select a reasonable, open, and competitive method of soliciting proposals for the
14 purchase of these power resources, that may include public solicitations and individual
15 negotiations.

16 (ii) The solicitation process shall permit a reasonable amount of negotiating discretion for
17 the parties to engage in arms-length negotiations over final contract terms.

18 (iii) Each long-term contract entered into pursuant to this section shall contain a condition
19 that it shall not be effective without commission review and approval.

20 (iv) The electric distribution company shall file the contract(s) or unsigned contract(s)
21 pursuant to § 39-31-10(c), along with a justification for its decision, within a reasonable time after
22 it has executed the contract following a solicitation or negotiation.

23 (v) Subject to review and approval of the public utilities commission, to enter into long-
24 term contracts for natural-gas-pipeline infrastructure and capacity that are commercially reasonable
25 and advance the purposes of this chapter at levels beyond those commitments necessary to serve
26 local gas distribution customers, and may do so either directly, or in coordination with, other New
27 England states and instrumentalities; utilities; generators; or other appropriate contracting parties.

28 (vi) The commission shall accept public comment on any contracts filed by the distribution
29 utility, as authorized under this section, for a period no less than thirty (30) days.

30 (A) During this public comment period, the contracts shall be reviewed by the following
31 state agencies, which shall provide advisory opinions to the public utilities commission on the
32 topics specified, and the public utilities commission shall give due consideration to the advisory
33 opinions filed:

34 (I) The department of environmental management (DEM) shall provide an advisory

1 opinion on the expected greenhouse gas emissions and statewide environmental impacts resulting
2 from the proposed contract(s), including a determination as to whether the proposed project(s)
3 advance the goals of chapter 6.2 of title 42 (the “2021 Act on Climate”).

4 (II) The commerce corporation shall provide an advisory opinion on the expected statewide
5 economic impacts resulting from the proposed contract(s).

6 (III) The office of energy resources shall provide an advisory opinion on the expected
7 energy security, reliability, environmental, and economic impacts resulting from the contract(s).

8 (B) The commission shall notify the aforementioned agencies upon the filing of any
9 contract filed by the distribution utility pursuant to this chapter, and notify them of any related
10 hearings and/or proceedings.

11 (C) Advisory opinions issued by agencies designated under subsection (a)(1)(vi)(A) of this
12 section shall not be considered as final decisions of the agencies making the opinions, and shall not
13 be subject to judicial review under § 42-35-15, or any other provision of the general laws.

14 (vii) The commission shall approve the contract(s) if it determines that:

15 (A) The contract is commercially reasonable;

16 (B) The requirements for the solicitation have been met;

17 (C) The contract is consistent with achievement of the state’s greenhouse gas reduction
18 targets as specified in chapter 6.2 of title 42 (the “2021 Act on Climate”); and

19 (D) The contract is consistent with the purposes of this chapter.

20 (viii) Participate in a multistate or regional sharing of costs through the Federal Energy
21 Regulatory Commission-approved tariffs for the costs of electric transmission and natural-gas-
22 pipeline infrastructure projects pursued under this chapter.

23 (b) The commission shall hold evidentiary hearings and public hearings to review any
24 contract filing that may be made pursuant to this section and issue a written order approving or
25 rejecting the contract within one hundred twenty (120) days of the filing; in rejecting a contract,
26 the commission may advise the parties of the reason for the contract being rejected and provide an
27 option for the parties to attempt to address the reasons for rejection in a revised contract within a
28 specified period not to exceed ninety (90) days.

29 **39-31-7. Duties of the commission.**

30 (a) The commission shall approve any proposals made by the electric or gas distribution
31 company that are commercially reasonable and advance the purposes of this chapter. The
32 commission’s authority shall include, without limitation, the authority to:

33 (1) Approve long-term contracts entered into pursuant to the goals and provisions of this
34 chapter for large-scale hydroelectric power, ~~nuclear power~~ and renewable energy resources, as

1 defined by § 39-26-5(a);

2 (2) Approve long-term contracts for natural-gas-pipeline infrastructure and capacity
3 consistent with the purposes of this chapter;

4 (3) Approve rate-recovery mechanisms proposed by the electric and gas distribution
5 companies relating to costs incurred under this chapter by the electric and gas distribution company
6 that facilitate the multistate or regional sharing of costs necessary to implement electric
7 transmission and natural-gas-pipeline infrastructure projects pursued under this chapter, including
8 any costs incurred through the Federal Energy Regulatory Commission approved tariffs related to
9 such multistate or regional energy infrastructure procurements;

10 (4) Address any proposed changes to standard-offer procurements, standard-offer pricing,
11 and retail-choice rules;

12 (5) Provide for the recovery of reasonable net costs from all distribution customers incurred
13 by the electric and gas distribution company in furtherance of the purposes of this chapter that may
14 include, but are not limited to, costs to solicit, evaluate, and seek approval of such contracts as well
15 as net costs incurred under any contracts approved by the commission under this section and costs
16 associated with the management of incremental capacity resulting from interstate gas-pipeline-
17 expansion projects pursued pursuant to this chapter and costs associated with investments in local
18 gas-distribution-network assets necessary to implement such interstate gas-pipeline-expansion
19 projects;

20 (6) Nothing herein is intended to prohibit the commission from allowing the electric
21 distribution company to use the energy, capacity, and other attributes purchased for resale to
22 customers and approve tariffs that charge those customers for the energy, capacity, and other
23 attributes from the resale to those customers; and/or to use the NE-GIS certificates for purposes of
24 meeting the obligations set forth in chapter 26 of this title (“renewable energy standard”);

25 (7) Approve cost allocation proposals filed by the gas distribution company and/or the
26 electric distribution company that appropriately allocate offshore wind costs incurred under § 39-
27 31-10, natural gas infrastructure and capacity costs incurred under § 39-31-6 between electric and
28 gas distribution customers of the electric and gas distribution company in a manner proportional to
29 the energy benefits accrued by Rhode Island’s gas and electric customers from making such
30 investments. In making its determination, the commission shall consider projected reductions in
31 regional, wholesale electric prices as a benefit that accrues to electric ratepayers. The allocation of
32 costs shall include all distribution customers, regardless from whom they are purchasing their
33 commodity service; and

34 (8) Approve any other proposed regulatory or ratemaking changes that reasonably advance

1 the goals set forth herein.

2 (b) The grant of authorizations under this chapter shall not be construed as creating a
3 mandate or obligation on the part of the electric and gas distribution company to enter into any
4 contracts or file any proposals pursuant to this chapter.

5 (c) The public utilities commission shall docket any proposals made by the office of energy
6 resources and division of public utilities and carriers pursuant to § 39-31-4. Docket materials shall
7 be posted and maintained on the commission's website. The commission shall conduct
8 proceedings, as provided below, solely for the purpose of determining whether the proposed
9 infrastructure projects, if implemented, are in the public interest and no commitments shall be valid
10 or authorized without such finding being made by the commission. The validity and approval of
11 any commitments made by the electric or gas distribution company in furtherance of the purposes
12 of this chapter shall be separate and subject to § 39-31-5. The docket opened pursuant to this
13 subsection shall proceed as follows:

14 (1) The following state agencies shall provide advisory opinions to the commission on the
15 topics specified below within sixty (60) days from the docketing date:

16 (i) The department of environmental management (DEM) shall provide an advisory
17 opinion on the expected greenhouse gas emissions and statewide environmental impacts resulting
18 from the proposed project(s), including a determination as to whether the proposed project(s)
19 advance the goals of chapter 6.2 of title 42 (the "2021 Act on Climate").

20 (ii) The commerce corporation shall provide an advisory opinion on the expected statewide
21 economic impacts resulting from the proposed project(s).

22 (2) The commission shall notify the aforementioned agencies upon the filing of any
23 proposal made under this section, and notify them of any related hearings and/or proceedings.

24 (3) Advisory opinions issued by agencies designated under subsection (c)(1) of this section
25 shall not be considered as final decisions of the agencies making the opinions and shall not be
26 subject to judicial review under § 42-35-15 or any other provision of the general laws.

27 (4) Upon completion of the sixty-day (60) advisory-opinion period, the commission shall
28 provide for a thirty-day (30) public comment period on any energy infrastructure project(s) selected
29 pursuant to this chapter and hold evidentiary hearings. In addition to evidentiary hearings, the
30 commission shall also hold at least one public hearing to accept public comment on the proposal(s)
31 prior to an open meeting held pursuant to this section.

32 (5) The commission shall hold an open meeting no later than one hundred twenty (120)
33 days from the date of filing by the office of energy resources and division of public utilities and
34 carriers and shall certify that the proposed project(s) are in the public interest if, in the commission's

1 determination, and in consideration of filed advisory opinions and the opinion of the electric or gas
2 distribution utility, the proposed infrastructure project(s):

3 (i) Are consistent with the findings and purposes of this chapter;

4 (ii) Will benefit Rhode Island by improving local and regional energy system reliability
5 and security;

6 (iii) Will benefit Rhode Island ratepayers by offering the potential for reduced energy price
7 volatility and reduction of energy supply costs in the context of an integrated regional energy
8 system;

9 (iv) Will not cause unacceptable harm to the environment and are consistent with the
10 greenhouse gas reduction goals established in chapter 6.2 of title 42 (the “2021 Act on Climate”);
11 and

12 (v) Will enhance the economic fabric of the state.

13 (6) The commission shall issue a written determination of its findings within ten (10)
14 business days of its open-meeting decision and provide copies of that determination, along with
15 copies of all advisory opinions, public comment, and any other materials deemed relevant to the
16 commission determination, to the governor, the president of the senate, the speaker of the house,
17 the commissioner of the office of energy resources, and the administrator of the division of public
18 utilities and carriers.

19 (d) A determination issued by the commission shall constitute the sole, final, binding, and
20 determinative regulatory decision within the state for the purpose of authorizing the state to support
21 a proposed, regional energy-infrastructure project(s) that is funded through the Federal Energy
22 Regulatory Commission approved tariffs on a regional and/or multistate basis pursuant to this
23 chapter. Appeals shall be governed by § 39-5-1.

24 (e) Upon issuance of a written determination by the commission finding that the proposed
25 project(s) is in the public interest, the office of energy resources and division of public utilities and
26 carriers shall, on behalf of the state, be authorized to support any state, regional, and/or multistate
27 process necessary to implement the project(s), including, without limitation, supporting any
28 necessary and related Federal Energy Regulatory Commission filings; provided, however, that any
29 commitments made by the electric or gas distribution company to implement the proposals remain
30 voluntary and subject to § 39-31-5.

31 (f) Nothing in this section shall be construed to preclude the electric or gas distribution
32 company from making a filing under § 39-31-6, simultaneous with a filing under this section by
33 the office of energy resources and the division of public utilities and carriers, in which case the
34 filings made under §§ 39-31-6 and 39-31-7 shall be consolidated.

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- AFFORDABLE CLEAN ENERGY
SECURITY ACT

- 1 This act would exclude nuclear power from the office of energy resources and division of
- 2 public utilities from participation, procuring and entering into long-term contracts.
- 3 This act would take effect upon passage.

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