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S T A T E O F R H O D E I S L A N D

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- PUBLIC UTILITY COMMISSION

Introduced By: Senators Lauria, Euer, DiMario, Ujifusa, Felag, Valverde, Vargas, Britto, Gallo, and McKenney

Date Introduced: February 06, 2026

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 39-1-2 of the General Laws in Chapter 39-1 entitled "Public Utilities
2 Commission" is hereby amended to read as follows:

3 **39-1-2. Definitions.**

4 (a) Terms used in this title shall be construed as follows, unless another meaning is
5 expressed or is clearly apparent from the language or context:

6 (1) "Administrator" means the administrator of the division of public utilities and carriers.

7 (2) "Airport" and "landing field" mean and include all airports and landing fields other
8 than those owned by the state.

9 (3) "Chairperson" means the chairperson of the public utilities commission.

10 (4) "Charter carrier" means and includes all carriers for hire or compensation within this
11 state not included in the definition of common carrier.

12 (5) "Commission" means the public utilities commission.

13 (6) "Commissioner" means a member of the public utilities commission.

14 (7) "Common carrier," except when used in chapters 12, 13, and 14 of this title, means and
15 includes all carriers for hire or compensation, including railroads, street railways, express, freight
16 and freight-line companies, dining-car companies, steam boat, motor boat, power boat, hydrofoil,
17 and ferry companies and all other companies operating any agency or facility for public use in the
18 conveyance over fixed routes, or between fixed termini within this state of persons or property by,
19 or by a combination of, land, air, or water.

(8) "Company" means and includes a person, firm, partnership, corporation, quasi-municipal corporation, association, joint-stock association or company, and his, her, its, or their lessees, trustees, or receivers appointed by any court.

8 ⑨⑩ “Customer” means a company taking service from an electric distribution company
9 at a single point of delivery or meter location.

10 ~~(10)~~⁽¹¹⁾ “Distribution facility” means plant or equipment used for the distribution of
11 electricity and that is not a transmission facility.

12 ~~(11)(12)~~ “Division” means the division of public utilities and carriers.

13 (42)(13) “Electric distribution company” means a company engaging in the distribution of
14 electricity or owning, operating, or controlling distribution facilities and shall be a public utility
15 pursuant to subsection (20) of this section.

24 (15) "Facility" means all buildings, equipment, structures and other stationary items that
25 are located on a single site or on contiguous or adjacent sites and that are owned or operated by the
26 same person or by any person who controls, is controlled by or is under common control with such
27 person.

28 (16) "Large energy use facility" means a facility that uses or is able to use twenty
29 megawatts (20mw) or more and is primarily engaged in providing a service described under code
30 518210 of the 2022 North American Industry Classification System. Code 51820 refers to
31 businesses offering infrastructure like cloud storage, application hosting (excluding software
32 publishing), and data entry services. These facilities process client-supplied data for reports or
33 provide automated services such as optical scanning and disk conversion.

34 ~~(14)(17)~~ “Liquefied natural gas” means a fluid in the liquid state composed predominantly

1 of methane and that may contain minor quantities of ethane, propane, nitrogen, or other components
2 normally found in natural gas.

3 ~~(15)~~(18) “Manufacturing customers” means all customers that have on file with an electric
4 distribution company a valid certificate of exemption from the Rhode Island sales tax indicating
5 the customer’s status as a manufacturer pursuant to § 44-18-30.

6 ~~(16)~~(19) “Motor carriers” means any carrier regulated by the administrator pursuant to
7 chapters 3, 11, 12, 13, and 14 of this title.

8 ~~(17)~~(20) “Natural gas” means the combustible, gaseous mixture of low-molecular-weight,
9 paraffin hydrocarbons, generated below the surface of the earth, containing mostly methane and
10 ethane with small amounts of propane, butane, and hydrocarbons, and sometimes nitrogen, carbon
11 dioxide, hydrogen sulfide, and helium.

12 ~~(18)~~(21) “Nonprofit housing development corporation” means a nonprofit corporation that
13 has been approved as a 26 U.S.C. § 501(c)(3) corporation by the Internal Revenue Service, and is
14 organized and operated primarily for the purpose of providing housing for low- and moderate-
15 income persons.

16 ~~(19)~~(22) “Nonregulated power producer” means a company engaging in the business of
17 producing, manufacturing, generating, buying, aggregating, marketing, or brokering electricity for
18 sale at wholesale or for retail sale to the public; provided however, that companies that negotiate
19 the purchase of electric generation services on behalf of customers and do not engage in the
20 purchase and resale of electric generation services shall be excluded from this definition. A
21 nonregulated power producer shall not be subject to regulation as a public utility except as
22 specifically provided in the general laws.

23 ~~(20)~~(23) “Public utility” means and includes every company that is an electric distribution
24 company and every company operating or doing business in intrastate commerce and in this state
25 as a railroad, street railway, common carrier, gas, liquefied natural gas, water, telephone, telegraph,
26 and pipeline company, and every company owning, leasing, maintaining, managing, or controlling
27 any plant or equipment, or any part of any plant or equipment, within this state for manufacturing,
28 producing, transmitting, distributing, delivering, or furnishing natural or manufactured gas, directly
29 or indirectly, to or for the public, or any cars or equipment employed on, or in connection with, any
30 railroad or street railway for public or general use within this state, or any pipes, mains, poles,
31 wires, conduits, fixtures, through, over, across, under, or along any public highways, parkways, or
32 streets, public lands, waters, or parks for the transmission, transportation, or distribution of gas for
33 sale to the public for light, heat, cooling, or power for providing audio or visual telephonic or
34 telegraphic communication service within this state, or any pond, lake, reservoir, stream, well, or

1 distributing plant or system employed for the distribution of water to the consuming public within
2 this state, including the water supply board of the city of Providence; provided, that, except as
3 provided in § 39-16-9 and in P.L. 1933, ch. 2072, as amended, this definition shall not be construed
4 to apply to any public waterworks or water service owned and furnished by any city, town, water
5 district, fire district, or any other municipal or quasi-municipal corporation, excepting the water
6 supply board of the city of Providence, unless any city, town, water district, fire district, municipal
7 or quasi-municipal corporation obtains water from a source owned or leased by the water resources
8 board, either directly or indirectly, or obtains a loan from the board pursuant to the provisions of
9 chapter 15.1 of title 46, or sells water, on a wholesale or retail basis, inside and outside the territorial
10 limits of the city or town, water district, fire district, municipal or quasi-municipal corporation,
11 except, however, that a public waterworks or water service owned and furnished by any city, town,
12 water district, fire district, or any other municipal or quasi-municipal corporation that sells water,
13 on a wholesale or retail basis, inside and outside its territorial limits, shall not be construed as a
14 public utility if it has fewer than one-thousand five hundred (1,500) total customer-service
15 connections and provided outside sales do not exceed ten percent (10%) of the total water service
16 connections or volumetric sales and provided the price charged to outside customers, per unit of
17 water, is not greater than the price charged to inside customers for the same unit of water, nor to
18 the Rhode Island public transit authority, or to the production and/or distribution of steam, heat, or
19 water by the Rhode Island port authority and economic development corporation in the town of
20 North Kingstown; and the term “public utility” shall also mean and include the Narragansett Bay
21 water quality management district commission; and provided that the ownership or operation of a
22 facility by a company that dispenses alternative fuel or energy sources at retail for use as a motor
23 vehicle fuel or energy source, and the dispensing of alternative fuel or energy sources at retail from
24 such a facility, does not make the company a public utility within the meaning of this title solely
25 because of that ownership, operation, or sale; and provided further that this exemption shall not
26 apply to presently regulated public utilities that sell natural gas or are dispensers of other energy
27 sources; and provided further, that the term “public utility” shall not include any company:

- 28 (i) Producing or distributing steam or heat from a fossil-fuel-fired cogeneration plant
29 located at the university of Rhode Island South Kingstown, Rhode Island;
- 30 (ii) Producing and/or distributing thermal energy and/or electricity to a state-owned facility
31 from a plant located on an adjacent site, regardless of whether steam lines cross a public highway;
32 and
- 33 (iii) Providing wireless service.

34 ~~(21)~~(24) “Purchasing cooperatives” shall mean any association of electricity consumers

1 that join for the purpose of negotiating the purchase of power from a nonregulated power producer,
2 provided however, that purchasing cooperatives shall not be required to be legal entities and are
3 prohibited from being engaged in the re-sale of electric power.

4 (22)(25) “Railroad” means and includes every railroad other than a street railway, by
5 whatsoever power, operated for public use in the conveyance in this state of persons or property
6 for compensation, with all bridges, ferries, tunnels, switches, spurs, tracks, stations, wharves, and
7 terminal facilities of every kind, used, operated, controlled, leased, or owned by or in connection
8 with any railroad.

9 (23)(26) “Retail access” means the use of transmission and distribution facilities owned by
10 an electric transmission company or an electric distribution company to transport electricity sold
11 by a nonregulated power producer to retail customers pursuant to § 39-1-27.3.

12 (27) “Retail electricity consumer” means the end user of electricity for specific purposes
13 such as heating, lighting or operating equipment, and includes all end users of electricity served
14 through the distribution system of an electric utility, whether or not each end user purchases the
15 electricity from the electric utility.

16 (24)(28) “Street railway” means and includes every railway by whatsoever power operated
17 or any extension or extensions, branch, or branches thereof, for public use in the conveyance in this
18 state of persons or property for compensation, being mainly upon, along, above, or below any street,
19 avenue, road, highway, bridge, or public place in any city or town, and including all switches, spurs,
20 tracks, rights of trackage, subways, tunnels, stations, terminals, and terminal facilities of every kind,
21 used, operated, controlled, or owned by or in connection with any street railway.

22 (25)(29) “Transmission facility” means plant or equipment used for the transmission of
23 electricity as determined by the Federal Energy Regulatory Commission pursuant to federal law as
24 of the date of the property transfers pursuant to § 39-1-27(c).

25 (26)(30) “Wireless service” means communication services provided over spectrum
26 licensed by or subject to the jurisdiction of the Federal Communications Commission.

27 (b) Notwithstanding any provision of this section or any provision of the act entitled, “An
28 Act Relating to the Utility Restructuring Act of 1996” (hereinafter “utility restructuring act”), upon
29 request by the affected electric utility, the commission may exempt from the utility restructuring
30 act or any provision(s) thereof, an electric utility that meets the following requirements:

31 (1) The utility is not selling or distributing electricity outside of the service territory in
32 effect for that utility on the date of passage of the utility restructuring act; and

33 (2) The number of kilowatt hours sold or distributed annually by the utility to the public is
34 less than five percent (5%) of the total kilowatt hours consumed annually by the state. Provided,

1 however, that nothing contained in this section shall prevent the commission from allowing
2 competition in the generation of electricity in service territories of utilities exempted in whole or in
3 part from the utility restructuring act pursuant to this section, as long as such allowance of
4 competition is conditioned upon payment to the exempted electric utility of a nonbypassable
5 transition charge calculated to recover the elements comparable in nature to the elements in § 39-
6 1-27.4(b) and (c) taking into consideration any unique circumstances applicable to the exempted
7 electric utility.

8 SECTION 2. Chapter 39-1 of the General Laws entitled "Public Utilities Commission" is
9 hereby amended by adding thereto the following section:

10 **39-1-27.10.1. Classification of services for large energy use facilities.**

11 (a) The commission shall provide for a classification of service for retail electricity
12 consumers that are large energy use facilities. The classification of service shall be separate and
13 distinct from classifications of service for other commercial or industrial retail electricity
14 consumers and have its own tariff and rate schedule.

15 (b) Any tariff and rate schedule adopted by the commission for the class shall:

16 (1) Allocate the costs of serving the class of retail electricity consumers that are large
17 energy use facilities to the class in a manner that is equal or proportional to the costs of serving the
18 class; or

19 (2) Directly assign the costs of serving a retail electricity consumer that is a large energy
20 use facility to the retail electricity consumer;

21 (3) Meet the same conditions the commission requires for a contract under this section;

22 (4) Mitigate the risk of:

23 (i) Other classes of retail electricity consumers paying unwarranted costs; and

24 (ii) Shifting the costs, in an unwarranted manner, of serving a retail electricity consumer
25 that is a large energy use facility to other classes of retail electricity consumers, including costs of
26 an electric company to meet load requirements resulting from the provision of electricity service to
27 a retail electricity consumer that is a large energy use facility.

28 (5) In deciding whether to approve a proposed tariff or rate schedule of an electric company
29 for a classification of service described under this section, the commission shall consider whether
30 tariffs and the rates:

31 (i) Result in, or have the potential to result in, increased costs or unwarranted risk to other
32 retail electricity consumers;

33 (ii) Provide for equitable contributions to grid efficiency, reliability and resiliency benefits;

34 (iii) Impede the electric company's ability to meet the clean energy targets set forth in

1 chapter 6.2 of title 42 (" 2021 act on climate) or reduce the emissions of greenhouse gases consistent
2 with state policy;

3 (iv) Allow for procurement of or contracts for generation resources that support the electric
4 company's ability to meet the clean energy targets set forth in chapter 6.2 of title 42, or reduce the
5 emissions of greenhouse gases consistent with state policy; and

6 (v) Meet any other conditions the commission may require in the public interest.

7 (d) The commission shall require an electric company that is providing electricity service
8 to a retail electricity consumer that is a large energy use facility to enter into a contract with the
9 retail electricity consumer that covers the provision of the electricity service including, as
10 applicable, transmission, distribution, energy, capacity or ancillary electricity services.

11 (e) Any contract for the provision of electricity service entered into between an electric
12 company and a retail electricity consumer that is a large energy use facility:

13 (1) Shall:

14 (i) Be consistent with the criteria listed under this chapter;

15 (ii) Specify the duration of the contract and be for a duration of ten (10) years or longer;

16 (iii) Specify the date or estimated date that the electric company will begin to provide
17 electricity service to the retail electricity consumer;

18 (iv) Obligate the retail electricity consumer to pay a minimum amount or percentage, as
19 determined by the commission, based on the retail electricity consumer's projected electricity usage
20 for the electricity services the electric company is contracted to provide for the duration of the
21 contract; and

22 (v) Meet any other conditions the commission may require in the public interest; and

23 (2) May include a charge for excess demand for the electricity services the electric
24 company is contracted to provide that is in addition to the tariff or rate schedule.

25 (3) If an electric company fails to begin to provide electricity service on or by the date or
26 estimated date specified in a contract entered into under this section due to causes within the electric
27 company's reasonable control, the electric company shall provide the retail electricity consumer
28 notice of the delay as soon as reasonably practicable. A contract entered into under this section may
29 include terms and conditions that address the possibility of a delay due to causes within the
30 reasonable control of the parties to the contract.

31 (4) A contract, as described in subsection (d) of this section as well as this subsection, shall
32 not prevent the commission from carrying out the commission's duties under this section.

33 (5) Nothing in this chapter is intended to limit or restrict the ability of a retail electricity
34 consumer that is a large energy use facility from using direct access or a green power rate, or a

1 voluntary renewable energy rate or a special contract, as approved by the commission, except the
2 contract shall meet the requirements and be consistent with the provisions of this section.

3 (f) No later than September 1, 2028 and every even-numbered year thereafter, the
4 commission shall submit a report to the governor and general assembly. The report shall review
5 trends in load requirements and other implications from retail electricity consumers that use large
6 amounts of electricity and may include recommendations for further legislation. In providing the
7 report, the commission shall protect proprietary information as provided under the rules,
8 regulations or orders of commission.

9 SECTION 3. 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 -- PUBLIC UTILITY COMMISSION

1 This act would require the public utilities commission (PUC) to provide for a classification
2 of service for retail electricity consumers that are large energy use facilities, defined as a facility
3 that uses or is able to use twenty megawatts (20mw) or more and is primarily engaged in providing
4 a service that is related to businesses offering infrastructure like cloud storage, application hosting
5 (excluding software publishing), data entry services and facilities that process client-supplied data
6 for reports or provide automated services such as optical scanning and disk conversion.

7 This act would take effect upon passage.

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