

2024 -- S 2293 SUBSTITUTE A

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- RENEWABLE READY PROGRAM

Introduced By: Senators DiMario, Euer, Miller, LaMountain, Tikoian, Sosnowski, Valverde, Britto, Murray, and Gu

Date Introduced: February 12, 2024

Referred To: Senate Environment & Agriculture

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND
2 GOVERNMENT" is hereby amended by adding thereto the following chapter:

3 CHAPTER 140.5

4 RENEWABLE READY PROGRAM

5 **42-140.5-1. Statement of purpose.**

6 The purpose of this program is to promote the responsible siting and development of
7 renewable energy generating resources in locations where it would be an ancillary beneficial use
8 to the redevelopment of previously contaminated property. Greenhouse gas emissions pose threats
9 to the health and safety of Rhode Islanders through flooding, sea level rise, extreme heat, and
10 increased storm intensity. In order to reduce this threat, Rhode Island must promote the deployment
11 of renewable energy generating projects, while preserving the most valuable forests.

12 **42-140.5-2. Definitions.**

13 As used in this chapter, the following words and terms shall have the following meanings,
14 unless the context indicates another or different meaning or intent:

15 (1) "Commissioner" means the commissioner of the office of energy resources.

16 (2) "Community remote net-metering system" shall be defined pursuant to § 39-26.4-2.

17 (3) "Corporation" means any corporate person, including, but not limited to: corporations,
18 societies, associations, limited liability companies, partnerships, and sole proprietorships.

1 (4) "Department" means the department of environmental management.

2 (5) "Eligible entities" means any local governmental unit, person, corporation or
3 community remote net-metering system.

4 (6) "Financial assistance" means any form of financial assistance provided by the
5 infrastructure bank to a local governmental unit, person, corporation, or community remote net-
6 metering system in accordance with this chapter for all or any part of the cost of an approved
7 project, including, without limitation: grants, temporary and permanent loans, with or without
8 interest, guarantees, insurance, subsidies for the payment of debt service on loans, lines of credit,
9 and similar forms of financial assistance, principal forgiveness and negative interest loans.

10 (7) "Fund" means the renewable ready fund described in § 42-140.5-4.

11 (8) "Infrastructure bank" means the Rhode Island infrastructure bank.

12 (9) "Interconnection costs" means charges from the electric distribution company to a
13 renewable energy customer or developer as described in § 39-26.3-4.1.

14 (10) "Interconnection study" means either a feasibility study or impact study as described
15 in § 39-26.3-2.

16 (11) "Local governmental unit" means any town, city, district, commission, agency,
17 authority, board, bodies politic and corporate, public corporation, or other political subdivision or
18 instrumentality of the state or of any political subdivision thereof.

19 (12) "Office" means the office of energy resources.

20 (13) "Person" means an individual, firm, corporation, association, partnership, farm, town
21 or city of the State of Rhode Island, multi-municipal collaborative, or the State of Rhode Island or
22 any department of the state government, governmental agency, or public instrumentality of the
23 state.

24 **42-140.5-3. Identification of eligible sites.**

25 (a) The office, in coordination with the department, shall prepare a list of locations that
26 meet the following criteria:

27 (1) Is a current or former contaminated site as determined by the department;

28 (2) Is property or a facility owned and/or managed by the state;

29 (3) Is a rooftop of a public, municipal or state-owned building;

30 (4) Is state property adjacent to a highway or major road; or

31 (5) Is owned by the electric distribution company and subject to the environmental response
32 fund.

33 (b) The list shall exclude properties where the owner has begun the process of permitting
34 or developing a renewable energy generation project or any other development.

1 (c) The list shall:

2 (1) Include a reasonable estimate of the renewable energy production capacity of the
3 locations;

4 (2) Identify the current owner of the property and provide their contact information, if
5 available;

6 (3) Include a reasonable estimate of any utility interconnection costs that would be required
7 to connect the project to the existing electricity transmission and distribution system; provided that:

8 (i) Any available impact study shall be conclusive evidence of estimated costs;

9 (ii) Any variables that the office or department relied upon in the creation of the estimate
10 shall be included and described;

11 (iii) The electric distribution company shall provide estimated interconnection costs to the
12 office as sites are identified;

13 (iv) The cost of an interconnection study shall not be included in the estimation of
14 interconnection costs; and

15 (4) Prioritize locations based upon surrounding infrastructure that can support the
16 development of distributed generation resources.

17 **42-140.5-4. Establishment of the renewable ready fund.**

18 (a) There is hereby established a renewable ready fund within the Rhode Island
19 infrastructure bank.

20 (b) The purpose of the fund is to provide financial assistance to eligible entities to reduce
21 the site preparation and interconnection costs for renewable energy development projects on current
22 or formerly contaminated sites to support and encourage the development of these locations.

23 (c) The infrastructure bank is hereby authorized and directed to seek all available federal
24 resources, in consultation with the office and any electric distribution company, to fulfill the
25 purpose of the fund. In pursuing federal funding sources, efforts shall include, but not be limited
26 to, funding programs and other financing mechanisms established through the federal Infrastructure
27 Investment and Jobs Act, the Inflation Reduction Act, and any applicable federal statute.

28 (d) The fund shall consist of:

29 (1) Money appropriated in the state budget to the fund or otherwise made available to the
30 infrastructure bank;

31 (2) Money made available to the fund through federal programs or private contributions;

32 (3) Repayments of principal and interest from loans made from the fund;

33 (4) Proceeds from the sale, disposition, lease, or rental of collateral related to financial
34 assistance provided under this chapter;

1 (5) Application or other fees paid to the infrastructure bank to process applications for
2 financial assistance; and

3 (6) Any other money made available to the fund.

4 **42-140.5-5. Powers of the infrastructure bank and the office.**

5 (a) The infrastructure bank, in consultation with the office, shall review and approve
6 applications for financial assistance from the fund, subject to the availability of funds, upon the
7 submission of a complete application from eligible entities to receive funds for a purpose consistent
8 with this chapter.

9 (b) The office, in consultation with the infrastructure bank, shall create a standard
10 application and annual application deadlines to be used in the management of fund requests.

11 (c) The office, upon a determination that an application is incomplete, may direct applicants
12 to revise their application or deny the application after a reasonable opportunity for the applicant
13 to provide additional information.

14 (d) The infrastructure bank, in the event that there are insufficient funds to cover the costs
15 of all projects that meet the criteria to be approved, shall follow the prioritized list prepared by the
16 office in accordance with this chapter.

17 (e) Approval of an application shall only occur if funds are currently available in the fund,
18 or if the infrastructure bank reasonably expects that funds will be available in the six (6) months
19 following the approval of an application.

20 (f) The infrastructure bank, in consultation with the office, shall set an application fee, due
21 upon submission, to cover the reasonable costs to the bank for the investigation and review of the
22 application.

23 **42-140.5-6. Use of funds.**

24 (a) Funds shall be used to cover the costs of connecting a renewable energy generation
25 project to the electric distribution system on sites identified by the office and department and
26 published on the list of eligible sites, and shall include, but not be limited to, the following activities:

27 (1) Installation of transformers and substations;

28 (2) Transmission facilitation;

29 (3) Grid flexibility; and

30 (4) Electrification planning for sites and facilities.

31 (b) Funds shall not be used to conduct any interconnection study or other preliminary work
32 as may be required by the electric distribution company or the public utilities commission.

33 (c) Funds shall not be distributed to applicants, or an entity to whom the applicant must
34 pay to make the interconnection, until the following criteria are met:

- 1 (1) The project site is listed on the list of eligible sites prepared by the office;
2 (2) The application is approved by the office;
3 (3) Certification is provided demonstrating that funds are available in the fund; and
4 (4) The applicant's project is approved by the public utilities commission, if such approval
5 is required.

6 (d) Should an application be approved but funds are not disbursed within twelve (12)
7 months from the application's approval by the office, then the approval may be considered void
8 and funds allocated to the project shall be made available for other applications.

9 (e) Should a recipient of funds receive reimbursement under § 39-26.3-4.1 or as the result
10 of a refund from the final accounting of costs, the amount so reimbursed shall be remitted to the
11 infrastructure bank for deposit into the renewable ready fund.

12 **42-140.5-7. Property owned by the electric or gas distribution company.**

13 (a) Real properties owned by the electric or gas distribution company may be eligible to be
14 included on the eligible site list described in § 42-140.5-3(a) at their sole discretion.

15 (b) The electric or gas distribution company is encouraged to lease these properties,
16 following successful remediation, to developers through a competitive bidding process.

17 **42-140.5-8. Adoption of rules and regulations.**

18 The infrastructure bank, in consultation with the office, shall have the authority to adopt,
19 amend, and implement such rules and regulations as may be necessary and desirable to effectuate
20 the purposes of this chapter.

21 SECTION 2. Section 46-12.2-4.3 of the General Laws in Chapter 46-12.2 entitled "Rhode
22 Island Infrastructure Bank" is hereby amended to read as follows:

23 **46-12.2-4.3. Establishment of the clean energy fund.**

24 (a)(1) There is hereby authorized and created within the Rhode Island infrastructure bank
25 a clean energy fund for the purpose of providing technical, administrative, and financial assistance
26 to a local governmental unit, corporation, or person, and for projects which receive technical,
27 administrative and financial assistance from the renewable ready program established pursuant to
28 chapter 140.5 of title 42, shall include the state and its agencies, for projects that include, but are
29 not limited to, those related to greenhouse gas reduction or elimination, zero-emission technology,
30 clean transportation, clean heating, energy storage, energy efficiency, renewable energy, and
31 demand-side management. The Rhode Island infrastructure bank shall review and approve all
32 applications for projects to be financed through the clean energy fund.

33 (2) The Rhode Island infrastructure bank shall promulgate rules and regulations to
34 effectuate the provisions of this section, which may include, without limitation, forms for financial

1 assistance applications, loan agreements, and other instruments and establishing the process
2 through which a local governmental unit, corporation, or person, and for projects which receive
3 technical, administrative and financial assistance from the renewable ready program established
4 pursuant to chapter 140.5 of title 42, shall include the state and its agencies, may submit an
5 application for financial assistance from the clean energy fund. All rules and regulations
6 promulgated pursuant to this chapter shall be promulgated in accordance with the provisions of
7 chapter 35 of title 42.

8 (3) The Rhode Island infrastructure bank shall include in its annual report pursuant to § 46-
9 12.2-24.1 a description of the utilization of funds from the clean energy fund.

10 (b) The Rhode Island infrastructure bank shall have all the powers necessary and
11 convenient to carry out and effectuate the purposes and provisions of this section including, without
12 limiting the generality of the preceding statement, the authority:

13 (1) To receive and disburse funds as may be available for the purpose of the fund subject
14 to the provisions of this section;

15 (2) To make and enter into binding commitments to provide financial assistance to eligible
16 borrowers from amounts on deposit in the fund;

17 (3) To levy administrative fees on eligible borrowers as necessary to effectuate the
18 provisions of this section, provided the fees have been previously authorized by an agreement
19 between the Rhode Island infrastructure bank and the eligible borrower;

20 (4) To engage the services of third-party vendors to provide professional services;

21 (5) To establish one or more accounts within the fund; and

22 (6) Such other authority as granted to the Rhode Island infrastructure bank under this
23 chapter.

24 (c) Subject to the provisions of this section and to any agreements with the holders of any
25 bonds of the Rhode Island infrastructure bank or any trustee therefor, amounts held by the Rhode
26 Island infrastructure bank for the account of the fund shall be applied by the Rhode Island
27 infrastructure bank, either by direct expenditure, disbursement, or transfer to one or more other
28 funds and accounts held by the Rhode Island infrastructure bank or maintained under any trust
29 agreement pertaining to bonds, either alone or with other funds of the Rhode Island infrastructure
30 bank, to the following purposes:

31 (1) To provide financial assistance to local governmental units, corporations, or persons
32 and for projects which receive technical, administrative and financial assistance from the renewable
33 ready program established pursuant to chapter 140.5 of title 42, shall include the state and its
34 agencies, to finance costs of approved projects, as set forth in subsection (a) of this section, and to

1 refinance the costs of the projects, subject to terms and conditions, if any, as are determined by the
2 Rhode Island infrastructure bank;

3 (2) To fund reserves for bonds of the Rhode Island infrastructure bank and to purchase
4 insurance and pay the premiums therefor, and pay fees and expenses of letters or lines of credit and
5 costs of reimbursement to the issuers thereof for any payments made thereon or on any insurance,
6 and to otherwise provide security for, and a source of payment for, obligations of the Rhode Island
7 infrastructure bank, by pledge, lien, assignment, or otherwise as provided in this chapter;

8 (3) To pay expenses of the Rhode Island infrastructure bank in administering the clean
9 energy fund;

10 (4) To provide a reserve for, or to otherwise secure, amounts payable by borrowers on loans
11 and obligations outstanding in the event of default thereof; amounts in any account in the fund may
12 be applied to defaults on loans outstanding to the borrower for which the account was established
13 and, on a parity basis with all other accounts, to defaults on any loans or obligations outstanding;
14 and

15 (5) To provide a reserve for, or to otherwise secure, by pledge, lien, assignment, or
16 otherwise as provided in this chapter, any bonds of the Rhode Island infrastructure bank.

17 (d) In addition to other remedies of the Rhode Island infrastructure bank under any loan
18 agreement or otherwise provided by law, the Rhode Island infrastructure bank may also recover
19 from a borrower, in an action in superior court, any amount due the Rhode Island infrastructure
20 bank together with any other actual damages the Rhode Island infrastructure bank shall have
21 sustained from the failure or refusal of the borrower to make the payments or abide by the terms of
22 the loan agreement.

23 (e) The Rhode Island infrastructure bank may create one or more loan loss reserve funds
24 to serve as further security for any loans made by the Rhode Island infrastructure bank or any bonds
25 of the Rhode Island infrastructure bank issued to fund projects in accordance with this section.

26 (f) To the extent possible, and in accordance with law, the Rhode Island infrastructure bank
27 shall encourage the use of project labor agreements for projects by local governmental units over
28 ten million dollars (\$10,000,000) and local hiring on projects funded under this section.

29 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 STATE AFFAIRS AND GOVERNMENT -- RENEWABLE READY
PROGRAM

1 This act would establish the renewable ready program and fund to promote the responsible
2 siting and development of renewable energy generating resources in locations where it would be
3 an ancillary beneficial use to the redevelopment of previously contaminated property and other
4 locations funded through the Rhode Island infrastructure bank.

5 This act would take effect upon passage.

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