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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO HEALTH AND SAFETY - IMPLEMENTATION OF THE REGIONAL
GREENHOUSE GAS INITIATIVE ACT

Introduced By: Senator V. Susan Sosnowski

Date Introduced: March 06, 2013

Referred To: Senate Environment & Agriculture

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 23-82-6 of the General Laws in Chapter 23-82 entitled
2 "Implementation of the Regional Greenhouse Gas Initiative Act" is hereby amended to read as
3 follows:

4 **23-82-6. Use of auction or sale proceeds.** -- (a) The proceeds from the auction or sale of
5 the allowances shall be used for the benefit of energy consumers through investment in the most
6 cost-effective available projects that can reduce long-term consumer energy demands and costs.
7 Such proceeds may be used only for the following purposes, in a proportion to be determined
8 annually by the office in consultation with the council and the board:

9 (1) Promotion of cost-effective energy efficiency and conservation in order to achieve
10 the purposes of section 39-1-27.7;

11 (2) Promotion of cost-effective renewable non-carbon emitting energy technologies in
12 Rhode Island as defined in section 39-26-5 and to achieve the purposes of chapter 39-26 entitled
13 "Renewable Energy Standard";

14 (3) Cost-effective direct rate relief for consumers;

15 (4) Direct rate relief for low-income consumers;

16 (5) Reasonable compensation to an entity selected to administer the auction or sale; and

17 (6) Reasonable costs of the department of environmental management and office of
18 energy resources in administering this program, as well as other climate change, energy

1 efficiency, and renewable energy program efforts of the department of environmental
2 management and office of energy resources, which shall ~~not in any year exceed~~ annually be equal
3 to three hundred thousand dollars (\$300,000) or five percent (5%) of the proceeds from sale or
4 auction of the allowances, whichever is ~~less~~ greater. Administrative funds not expended in any
5 fiscal year shall remain in the administrative account to be used as needed in subsequent years.
6 The office of energy resources shall have the ability to apply administrative funds not used in a
7 fiscal year to achieve the purpose of this section. The funds deposited into the administrative
8 funds account shall be exempt from the indirect cost recovery provisions of section 35-4-27.

9 (b) Any interest earned on the funds so generated must be credited to the fund. Funds not
10 spent in any fiscal year shall remain in the fund to be used for future energy efficiency and carbon
11 reduction programs.

12 (c) Annually, the office, in consultation with council and board, shall prepare a draft
13 proposal on how the proceeds from the allowances shall be allocated. The draft proposal shall be
14 designed to augment and coordinate with existing energy efficiency and renewable energy
15 programs, and shall not propose use of auction proceeds for projects already funded under other
16 programs. The proposal for allocation of proceeds in subsections 23-82-6(1), (2) and (3) shall be
17 one that best achieves the purposes of the law, namely, lowering carbon emissions and
18 minimizing costs to consumers over the long term. The office shall hold a public hearing and
19 accept public comment on the draft proposal in accordance with chapter 42-35 (the
20 "Administrative Procedure Act"). Once the proposal is final, the office shall authorize the
21 disbursement of funds in accordance with the final plan.

22 (d) The office shall prepare, in consultation with council and board, a report by April
23 15th of each year describing the implementation and operation of RGGI, the revenues collected
24 and the expenditures, including funds that were allocated to the energy efficiency and renewable
25 energy programs, and the individuals, businesses and vendors that received funding, made under
26 this section, the statewide energy efficiency and carbon reduction programs, and any
27 recommendations for changes to law relating to the state's energy conservation or carbon
28 reduction efforts. The report shall be made public and be posted electronically on the website of
29 the office of energy resources and shall also be submitted to the general assembly.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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1 This act would provide for the payment of costs incurred by the department of
2 environmental management and office of energy resources of the greater of three hundred
3 thousand dollars (\$300,000) or five percent (5%) of the proceeds of any sale or auction of
4 allowances.

5 This act would take effect upon passage.

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