

2014 -- H 7991

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LC005162
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS

Introduced By: Representatives Kennedy, Serpa, Marshall, San Bento, and Lally

Date Introduced: March 27, 2014

Referred To: House Corporations

(Governor)

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 39-2 of the general laws entitled, "Duties of Utilities and Carriers"
2 is hereby amended by adding thereto following section:

3 **39-2-1.5. Regional energy procurement and construction.** -- (a) The general assembly
4 finds and declares that it is the policy of the state to:

5 (1) Secure the future of the New England economy and environment by making strategic
6 investments in the region's energy resources and infrastructure and that this security must help the
7 region to be more competitive by reducing energy costs; to attract more investment to the region;
8 and to protect the quality of life and environment for all residences and businesses;

9 (2) Ensure a reliable, affordable and diverse energy system, and to invest in additional
10 energy efficiency, clean energy generation, natural gas pipelines, and electric transmission;

11 (3) Collaborate with other New England states to advance a regional energy system that
12 diversifies the energy supply portfolio of the region while ensuring that the benefits and costs of
13 transmission and pipeline investments are shared appropriately among the New England states;
14 and

15 (4) Encourage a multi-state or regional approach to the energy policy that advances the
16 objectives of achieving a clean energy future at reasonable cost to ratepayers.

17 (b) Consistent with this policy the public utility company that provides electric
18 distribution as defined in § 39-1-2(12) as well as natural gas shall work in consultation with the
19 division of public utilities and carriers, and the office of energy resources to:

1 (1) Advance the development and construction of multi-state electric transmission that
2 would allow for the reliable transmission to load centers in New England of large scale
3 hydroelectric power from Canadian resources;

4 (2) Advance the development and construction of multi-state electric transmission that
5 would allow for the reliable transmission to load centers in New England of on-shore and off-
6 shore wind resources;

7 (3) Promote the multi-state or regional procurement of large scale hydroelectric power
8 from Canadian resources and eligible wind resources as defined by § 39-26-5(a) provided
9 however that large scale hydroelectric power shall not be eligible under the renewable energy
10 standard established by chapter 39-26;

11 (4) Advance the development and construction of incremental natural gas transmission
12 pipeline capacity that would lower wholesale electricity prices in New England; and

13 (5) Pursue a multi-state or regional approach to the allocation of the costs of such new
14 electric transmission and gas transmission pipeline capacity through ISO New England tariffs or
15 other appropriate tariff or cost recovery mechanisms as proposed by the distribution utility, office
16 of energy resources or the division of public utilities and carriers that spread the costs among the
17 participating states in an equitable manner.

18 (6) Advance the objectives identified above with appropriate competitive processes and
19 compliance with applicable federal and state laws.

20 (c) The public utility company that provides electric distribution as defined in § 39-1-
21 2(12) and public utilities that distribute natural gas as defined by § 39-1-2(20) are authorized to
22 file proposals with the public utilities commission to implement these policies and achieve the
23 goals enumerated in subsection (b) of this section. The company's proposals may include but are
24 not limited to the following authorizations:

25 (1) To enter into long-term contracts through an appropriate competitive process for large
26 scale hydroelectric power, wind resources that are eligible under the renewable energy standard
27 established by chapter 39-26 and incremental gas pipeline capacity; provided, however, that large
28 scale hydroelectric power shall not be eligible under the renewable energy standard established
29 by chapter 39-26; and

30 (2) To participate in a multi-state or regional sharing of costs through ISO New England
31 tariffs for the incremental costs of electric transmission and pipeline capacity.

32 (d) The public utilities commission may approve any proposals made by the electric and
33 gas distribution company that advance the goals enumerated in subsections (b) and (c) above. The
34 Commission's authority shall include, without limitation the authority to:

1 (1) Approve the electric and gas distribution company long-term contracts for large scale
2 hydroelectric power, wind resources that are eligible under the renewable energy standard
3 established by chapter 39-26, and incremental gas pipeline capacity provided however that large
4 scale hydroelectric power shall not be eligible under the renewable energy standard established
5 by chapter 39-26;

6 (2) Approve the participation in a multi-state or regional sharing of costs through ISO
7 New England tariffs or other appropriate tariff or cost recovery mechanisms for the incremental
8 costs of electric transmission and pipeline capacity;

9 (3) Address any proposed changes to standard offer procurements, standard offer pricing,
10 and retail choice rules;

11 (4) Provide for the recovery of reasonable costs from all distribution customers; and

12 (5) Approve any other proposed regulatory or ratemaking changes that reasonably
13 advance the goals set forth herein.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO PUBLIC UTILITIES AND CARRIERS

1 This act would declare that it is the policy of the state to secure the future of the New
2 England economy by making strategic investments in the region's energy resources and
3 infrastructure. This act would authorize the Public Utilities Commission to approve proposals
4 which would advance the policy.

5 This act would take effect upon passage.

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