

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

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: April 25, 2017

Referred To: Senate Environment & Agriculture

(Dept. of Administration)

It is enacted by the General Assembly as follows:

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

**23-82-6. Use of auction or sale proceeds.**

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

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

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

[\(3\) Promotion of cost-effective energy efficiency and renewable energy technologies to  
reduce thermal greenhouse gas emissions;](#)

[\(4\) Promotion of zero emission vehicles and charging stations to reduce greenhouse gas  
emissions;](#)

1           ~~(3)~~(5) Cost-effective direct rate relief for consumers;  
2           ~~(4)~~(6) Direct rate relief for low-income consumers;  
3           ~~(5)~~(7) Reasonable compensation to an entity selected to administer the auction or sale;  
4    and

5           ~~(6)~~(8) Reasonable costs of the department of environmental management and office of  
6    energy resources in administering this program, as well as other climate change, energy  
7    efficiency, and renewable program efforts of the department of environmental management and  
8    office of energy resources, which shall not in any year exceed three hundred thousand dollars  
9    (\$300,000) or ten percent (10%) of the proceeds from sale or auction of the allowances,  
10   whichever is greater. Administrative funds not expended in any fiscal year shall remain in the  
11   administrative account to be used as needed in subsequent years. The office of energy resources  
12   shall have the ability to apply administrative funds not used in a fiscal year to achieve the purpose  
13   of this section. The funds deposited into the administrative funds account shall be exempt from  
14   the indirect cost recovery provisions of section 35-4-27.

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

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

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

- 1 the office of energy resources and shall also be submitted to the general assembly.
- 2 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 HEALTH AND SAFETY -- IMPLEMENTATION OF THE REGIONAL  
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1           This act would provide that proceeds from the auction or sale of allowances to emit a  
2   fixed amount of carbon dioxide may be used to promote cost-effective energy efficiency and  
3   renewable energy technologies, zero emission vehicles and charging stations, with the goal of  
4   reducing thermal greenhouse gas emissions.

5           This act would take effect upon passage.

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