

1 **ARTICLE 11**

2 RELATING TO ENERGY

3 SECTION 1. Sections 37-24-3 and 37-24-5 of the General Laws in Chapter 37-24 entitled
4 "The Green Buildings Act" are hereby amended to read as follows:

5 **37-24-3. Definitions.**

6 For purposes of this chapter, the following definitions shall apply:

7 (1) "Construction" means the process of building, altering, repairing, improving, or
8 demolishing forty percent (40%) or more of any public structures, public buildings, public real
9 property or other public improvements of any kind to any public structures, public buildings or
10 public real property.

11 (2) "Department" means the ~~department of administration~~ [the office of the state building](#)
12 [code commissioner](#).

13 (3) "Equivalent standard" means a high-performance green building standard, other than
14 LEED, LEED for Neighborhood Development, and SITES, that provides an independent, third-
15 party verification and certification of a rating system or measurement tool, that, when used, leads
16 to outcomes equivalent to, LEED, LEED for Neighborhood Development, and SITES outcomes,
17 in terms of green building, green infrastructure, and green site performance; current accepted
18 equivalent standards include green globes, Northeast collaborative high-performance schools
19 protocol; or other equivalent high-performance green building, green infrastructure, and green site
20 standards accepted by the department.

21 (4) "LEED" also, "LEED for Neighborhood Development, and SITES certified standard"
22 means the current version of the U.S. Green Building Council Leadership in Energy and
23 Environmental Design (LEED) green building rating standard referred to as LEED, LEED for
24 Neighborhood Development, and SITES certified. SITES means the U.S. Green Building Council's
25 SITES — The Sustainable SITES Initiative.

26 (5) "Public agency" means every state or municipal office, board, commission, committee,
27 bureau, department, or public institution of education, or any political subdivision thereof.

28 (6) "Public facility" means any public institution, public facility, public equipment, or any
29 physical asset owned, including its public real-property site, leased or controlled in whole or in part
30 by this state, a public agency, a municipality or a political subdivision, that is for public or

1 government use.

2 (7) “Public major facility project” means:

3 (i) A public facility building construction project larger than ten thousand (10,000) gross
4 square feet of occupied or conditioned space, and its public real-property site; or

5 (ii) A public facility building renovation project larger than ten thousand (10,000) gross
6 square feet of occupied or conditioned space, and its public real-property site.

7 **37-24-5. Administration and reports — Green buildings advisory committee.**

8 (a) The department shall promulgate such regulations as are necessary to enforce this
9 section ~~by January 1, 2023.~~ Effective July 1, 2026, the office of the state building code
10 commissioner will assume responsibility for promulgating the rules and regulations regarding the
11 green buildings advisory committee. The rules and regulations promulgated under title 220, chapter
12 70, subchapter 00, part 1 of the Rhode Island code of regulations will remain in full force and effect
13 and shall be enforced by the department of administration until such a time as the rules and
14 regulations are properly transferred to and promulgated by the office of the state building code
15 commissioner title within the Rhode Island code of regulations.

16 Those regulations shall include how the department will determine whether a project
17 qualifies for an exception from the LEED, LEED for Neighborhood Development, and SITES
18 certified or equivalent high-performance green building standard, and the green building standards
19 that may be imposed on projects that are granted exceptions.

20 (b) The department shall monitor and document ongoing operating savings that result from
21 major facility projects designed, constructed, and certified as meeting the LEED, LEED for
22 Neighborhood Development, and SITES certified standard annually publish a public report of
23 findings and recommended changes in policy. The report shall also include a description of projects
24 that were granted exceptions from the LEED, LEED for Neighborhood Development, and SITES
25 certified standard, the reasons for exception, and the lesser green building standards imposed.

26 (c) — (f) [Deleted by P.L. 2022, ch. 204, § 1 and P.L. 2022, ch. 205, § 1.]

27 (g) A green buildings advisory committee shall be created composed of nineteen (19)
28 members. The advisory committee shall have eleven (11) public members and eight (8) public
29 agency members. Five (5) of the public members shall be appointed by the governor; three (3) of
30 the public members shall be appointed by the president of the senate; and, three (3) of the public
31 members shall be appointed by the speaker of the house of representatives.

32 (1) The eleven (11) public members of the advisory committee shall be composed of nine
33 (9) representatives one from each of the following fields: architecture, engineering, landscape
34 architecture, energy, labor through the Rhode Island AFL-CIO, general construction contracting,

1 building product and building materials industries who are involved in, and have recognized
2 knowledge and accomplishment in their respective professions, of high-performance green
3 building standards, relating to the standards set forth in § 37-24-4; in addition to two (2) public
4 members, one representing an urban municipality from Providence, Cranston, Warwick,
5 Pawtucket, Woonsocket, or Newport, and one public member representing the other thirty-two (32)
6 municipalities in the state in order to ensure geographic diversity.

7 (2) The advisory committee shall have eight (8) public agency members representing
8 personnel from affected public agencies, and cities and towns, that oversee public works projects
9 and workforce development, who shall be appointed by the directors or chief executive officers of
10 the respective public agencies which shall include the department of administration; the department
11 of environmental management; the department of education; the department of transportation; the
12 department of labor and training; the office of the state building code commissioner; the Rhode
13 Island infrastructure bank, and the Rhode Island League of Cities and Towns.

14 (3) The chairperson of the green buildings advisory committee shall be a public member
15 chosen by the green buildings advisory committee.

16 (4) Of the initial eleven (11) public members, six (6) shall serve three-year (3) terms and
17 five (5) shall have two-year (2) terms. Each appointing authority shall appoint two (2) public
18 members to three-year (3) terms with the remainder of the public member appointments serving
19 two-year terms. Thereafter, all public members shall be appointed to three-year (3) terms.

20 (h) The green buildings advisory committee shall:

21 (1) Make recommendations regarding an ongoing evaluation process of the green buildings
22 act to help the department and the executive climate change coordinating council implement this
23 chapter;

24 (2) Identify the needs, actions, and funding required to implement the requirements set
25 forth in this chapter, in achieving high-performance green building projects for our public
26 buildings, public structures, and our public real properties;

27 (3) Establish clear, measurable targets for implementing the standards, defined in this
28 chapter, for all public major facility projects including timeline, workforce needs, anticipated costs
29 and other measures identified by the green buildings advisory committee and required by chapter
30 6.2 of title 42 (“2021 act on climate”); and

31 (4) Identify ways to monitor and document ongoing operating savings and greenhouse gas
32 emission reductions that result from public major facility projects designed, constructed and
33 certified as meeting the LEED, LEED for Neighborhood Development, SITES certified standard,
34 Green Globes, Northeast Collaborative for High-Performance Schools Protocol, Version 1.1 or

1 above and annually publish a report to the general assembly and the executive climate change
2 coordinating council of findings and recommended changes in policy.

3 (i) All requests for proposals, requests for information, requests for bids, requests for
4 design/build, requests for construction managers, and any requests relating to obtaining the
5 professional services, pricing, and construction for major facility projects by a public agency for a
6 public facility, shall include the notice of the statutory requirements of this chapter (“the green
7 buildings act”).

8 (j) The green buildings advisory committee shall have no responsibility for, and shall not
9 develop requests for proposals, requests for information, requests for bids, requests for
10 design/build, requests for construction managers, and any requests relating to obtaining the
11 professional services, pricing, and construction for major facility projects by a public agency for a
12 public facility; and the green buildings advisory committee shall have no responsibility for, and
13 shall not select any vendors for any requests for proposals, requests for information, requests for
14 bids, requests for design/build, requests for construction managers, and any requests relating to
15 obtaining the professional services, pricing, and construction for major facility projects by a public
16 agency for a public facility. Nothing shall prohibit public members of the green buildings advisory
17 committee from responding to, and being involved with, any submittals of requests for proposals,
18 requests for information, requests for bids, requests for design/build, requests for construction
19 managers, and any requests relating to obtaining the professional services, pricing, and construction
20 for major facility projects by a public agency for a public facility.

21 (k) The department of administration shall commission a report to analyze the costs and/or
22 benefits of LEED certification compared to equivalent standards. This includes, but is not limited
23 to, the impact of obtaining formal LEED certification on project budget and timeline.

24 SECTION 2. Section 39-2.2-2 of the General Laws in Chapter 39-2.2 entitled "Rhode
25 Island Utility Fair Share Roadway Repair Act" is hereby amended to read as follows:

26 **39-2.2-2. Road repair by public utility or utility facility.**

27 (a) Any public utility as defined by § 39-1-2 or any utility facility as defined by chapter 8.1
28 of title 24 that shall alter, excavate, disrupt, or disturb a roadway shall be responsible for ~~complete~~
29 ~~repaving and repair of the roadway from curbline to curbline~~ complete repaving and repair or
30 restoration of the full width of the affected travel lane for the entire length of the excavation or as
31 required in accordance with the state or municipal utility permit requirements.

32 (b) Any public utility as defined by § 39-1-2 or any utility facility as defined by chapter
33 8.1 of title 24 shall recover all costs required of this chapter in accordance with generally accepted
34 accounting principles.

1 SECTION 3. Chapter 39-2 of the General Laws entitled "Duties of Utilities and Carriers"
2 is hereby amended by adding thereto the following section:

3 **39-2-29. In-state transmission owner required to participate in the regional**
4 **independent system operator.**

5 On and after the effective date of this section, no electric distribution company, as defined
6 in § 39-1-2, shall own, operate, or control a transmission facility, as defined in § 39-1-2, located in
7 the state unless such company joins or is a member of ISO New England, Inc. or its successor
8 organization as approved by the federal energy regulatory commission.

9 SECTION 4. Section 39-26.1-4 of the General Laws in Chapter 39-26.1 entitled "Long-
10 Term Contracting Standard for Renewable Energy" is hereby repealed.

11 **~~39-26.1-4. Financial remuneration and incentives.~~**

12 ~~In order to achieve the purposes of this chapter, electric distribution companies shall be~~
13 ~~entitled to financial remuneration and incentives for long term contracts for newly developed~~
14 ~~renewable energy resources, which are over and above the base rate revenue requirement~~
15 ~~established in its cost of service for distribution ratemaking. Such remuneration and incentives shall~~
16 ~~compensate the electric distribution company for accepting the financial obligation of the long-~~
17 ~~term contracts. The financial remuneration and incentives described in this section shall apply only~~
18 ~~to long term contracts for newly developed renewable energy resources. For long term contracts~~
19 ~~approved pursuant to this chapter before January 1, 2022, the financial remuneration and incentives~~
20 ~~shall be in the form of annual compensation, equal to two and three quarters percent (2.75%) of the~~
21 ~~actual annual payments made under the contracts for those projects that are commercially~~
22 ~~operating, unless determined otherwise by the commission at the time of approval. For long term~~
23 ~~contracts approved pursuant to this chapter on or after January 1, 2022, including contracts above~~
24 ~~the minimum long term contract capacity, the financial remuneration and incentives shall be in the~~
25 ~~form of annual compensation up to one percent (1.0%) of the actual annual payments made under~~
26 ~~the contracts through December 31, 2026, for those projects that are commercially operating. For~~
27 ~~all long term contracts approved pursuant to this chapter on or after January 1, 2027, financial~~
28 ~~remuneration and incentives shall not be applied, unless otherwise granted by the commission. For~~
29 ~~any calendar year in which the electric distribution company's actual return on equity exceeds the~~
30 ~~return on equity allowed by the commission in the electric distribution company's last general rate~~
31 ~~case, the commission shall have the authority to adjust any or all remuneration paid to the electric~~
32 ~~distribution company pursuant to this section in order to assure that such remuneration does not~~
33 ~~result in or contribute toward the electric distribution company earning above its allowed return for~~
34 ~~such calendar year.~~

1 SECTION 5. Sections 39-26.4-2 and 39-26.4-3 of the General Laws in Chapter 39-26.4
2 entitled "Net Metering" are hereby amended to read as follows:

3 **39-26.4-2. Definitions.**

4 Terms not defined in this section herein shall have the same meaning as contained in
5 chapter 26 of this title. When used in this chapter:

6 (1) "Community remote net-metering system" means a facility generating electricity using
7 an eligible net-metering resource that allocates net-metering credits to a minimum of one account
8 for a system associated with low- or moderate-income housing eligible credit recipients, or three
9 (3) eligible credit-recipient customer accounts, provided that no more than fifty percent (50%) of
10 the credits produced by the system are allocated to one eligible credit recipient, and provided further
11 at least fifty percent (50%) of the credits produced by the system are allocated to the remaining
12 eligible credit recipients in an amount not to exceed that which is produced annually by twenty-
13 five kilowatt (25 KW) AC capacity. The community remote net-metering system may transfer
14 credits to eligible credit recipients in an amount that is equal to or less than the sum of the usage of
15 the eligible credit recipient accounts measured by the three-year (3) average annual consumption
16 of energy over the previous three (3) years. A projected annual consumption of energy may be used
17 until the actual three-year (3) average annual consumption of energy over the previous three (3)
18 years at the eligible credit recipient accounts becomes available for use in determining eligibility
19 of the generating system. The community remote net-metering system may be owned by the same
20 entity that is the customer of record on the net-metered account or may be owned by a third party.

21 (2) "Core forest" refers to unfragmented forest blocks of single or multiple parcels totaling
22 two hundred fifty (250) acres or greater unbroken by development and at least twenty-five (25)
23 yards from mapped roads, with eligibility questions to be resolved by the director of the department
24 of environmental management. Such determination shall constitute a contested case as defined in
25 § 42-35-1.

26 (3) "Electric distribution company" shall have the same meaning as § 39-1-2, but shall not
27 include Block Island Power Company or Pascoag Utility District, each of whom shall be required
28 to offer net metering to customers through a tariff approved by the public utilities commission after
29 a public hearing. Any tariff or policy on file with the public utilities commission on the date of
30 passage of this chapter shall remain in effect until the commission approves a new tariff.

31 (4) "Eligible credit recipient" means one of the following eligible recipients in the electric
32 distribution company's service territory whose electric service account or accounts may receive
33 net-metering credits from a community remote net-metering system. Eligible credit recipients
34 include the following definitions:

1 (i) Residential accounts in good standing.

2 (ii) “Low- or moderate-income housing eligible credit recipient” means an electric service
3 account or accounts in good standing associated with any housing development or developments
4 owned or operated by a public agency, nonprofit organization, limited-equity housing cooperative,
5 or private developer that receives assistance under any federal, state, or municipal government
6 program to assist the construction or rehabilitation of housing affordable to low- or moderate-
7 income households, as defined in the applicable federal or state statute, or local ordinance,
8 encumbered by a deed restriction or other covenant recorded in the land records of the municipality
9 in which the housing is located, that:

10 (A) Restricts occupancy of no less than fifty percent (50%) of the housing to households
11 with a gross, annual income that does not exceed eighty percent (80%) of the area median income
12 as defined annually by the United States Department of Housing and Urban Development (HUD);

13 (B) Restricts the monthly rent, including a utility allowance, that may be charged to
14 residents, to an amount that does not exceed thirty percent (30%) of the gross, monthly income of
15 a household earning eighty percent (80%) of the area median income as defined annually by HUD;

16 (C) Has an original term of not less than thirty (30) years from initial occupancy.

17 Electric service account or accounts in good standing associated with housing
18 developments that are under common ownership or control may be considered a single low- or
19 moderate-income housing eligible credit recipient for purposes of this section. The value of the
20 credits shall be used to provide benefits to tenants.

21 (iii) “Educational institutions” means public and private schools at the primary, secondary,
22 and postsecondary levels.

23 (iv) “Commercial or industrial customers” means any nonresidential customer of the
24 electric distribution company.

25 (5) “Eligible net-metering resource” means eligible renewable energy resource, as defined
26 in § 39-26-5 including biogas created as a result of anaerobic digestion, but, specifically excluding
27 all other listed eligible biomass fuels.

28 (6) “Eligible net-metering system” means a facility generating electricity using an eligible
29 net-metering resource that, for any system with a nameplate capacity in excess of twenty-five
30 kilowatts (25 KW), is reasonably designed and sized to annually produce electricity in an amount
31 that is equal to, or less than, the renewable self-generator’s usage at the eligible net-metering system
32 site measured by the three-year (3) average annual consumption of energy over the previous three
33 (3) years at the electric distribution account(s) located at the eligible net-metering system site. A
34 projected annual consumption of energy may be used until the actual three-year (3) average annual

1 consumption of energy over the previous three (3) years at the electric distribution account(s)
2 located at the eligible net-metering system site becomes available for use in determining eligibility
3 of the generating system. For any system with a nameplate capacity equal to or less than twenty-
4 five kilowatts (25 KW), eligibility shall not be restricted based on prior consumption. The eligible
5 net-metering system may be owned by the same entity that is the customer of record on the net-
6 metered accounts or may be owned by a third party that is not the customer of record at the eligible
7 net-metering system site and which may offer a third-party, net-metering financing arrangement or
8 net-metering financing arrangement, as applicable. Notwithstanding any other provisions of this
9 chapter, any eligible net-metering resource: (i) Owned by a public entity, educational institution,
10 hospital, nonprofit, or multi-municipal collaborative; or (ii) Owned and operated by a renewable-
11 generation developer on behalf of a public entity, educational institution, hospital, nonprofit, or
12 multi-municipal collaborative through a net-metering financing arrangement shall be treated as an
13 eligible net-metering system and all accounts designated by the public entity, educational
14 institution, hospital, nonprofit, or multi-municipal collaborative for net metering shall be treated as
15 accounts eligible for net metering within an eligible net-metering system site; or (iii) Owned and
16 operated by a renewable-generation developer on behalf of one or more commercial or industrial
17 customer(s) through net-metering financing arrangement(s) shall be treated as an eligible net-
18 metering system within an eligible net-metering system site. Notwithstanding any other provision
19 to the contrary, effective July 1, 2060, an eligible net-metering system means a facility generating
20 electricity using an eligible net-metering resource that is interconnected behind the same meter as
21 the net-metering customer's load.

22 (7) "Eligible net-metering system site" means the site where the eligible net-metering
23 system or community remote net-metering system is located or is part of the same campus or
24 complex of sites contiguous to one another and the site where the eligible net-metering system or
25 community remote net-metering system is located or a farm on which the eligible net-metering
26 system or community remote net-metering system is located. Except for an eligible net-metering
27 system owned by or operated on behalf of a public entity, educational institution, hospital,
28 nonprofit, or multi-municipal collaborative or for a commercial or industrial customer through a
29 net-metering financing arrangement, the purpose of this definition is to reasonably assure that
30 energy generated by the eligible net-metering system is consumed by net-metered electric service
31 account(s) that are actually located in the same geographical location as the eligible net-metering
32 system. All energy generated from any eligible net-metering system is, and will be considered,
33 consumed at the meter where the renewable energy resource is interconnected for valuation
34 purposes. Except for an eligible net-metering system owned by, or operated on behalf of, a public

1 entity, educational institution, hospital, nonprofit, or multi-municipal collaborative, or for a
2 commercial or industrial customer through a net-metering financing arrangement, or except for a
3 community remote net-metering system, all of the net-metered accounts at the eligible net-metering
4 system site must be the accounts of the same customer of record and customers are not permitted
5 to enter into agreements or arrangements to change the name on accounts for the purpose of
6 artificially expanding the eligible net-metering system site to contiguous sites in an attempt to avoid
7 this restriction. However, a property owner may change the nature of the metered service at the
8 accounts at the site to be master metered in the owner's name, or become the customer of record
9 for each of the accounts, provided that the owner becoming the customer of record actually owns
10 the property at which the account is located. As long as the net-metered accounts meet the
11 requirements set forth in this definition, there is no limit on the number of accounts that may be net
12 metered within the eligible net-metering system site.

13 (8) "Excess renewable net-metering credit" means a credit that applies to an eligible net-
14 metering system or community remote net-metering system for that portion of the production of
15 electrical energy beyond one hundred percent (100%) and no greater than one hundred twenty-five
16 percent (125%), except for any system with a nameplate capacity equal to or less than twenty-five
17 kilowatts (25 KW) for which excess renewable net-metering credit applies to all production of
18 electrical energy beyond one hundred percent (100%) of the renewable self-generator's own
19 consumption at the eligible net-metering system site or the sum of the usage of the eligible credit
20 recipient accounts associated with the community remote net-metering system during the
21 applicable billing period.

22 For electrical energy produced greater than one hundred percent (100%) of the renewable
23 self-generator's own electricity consumption at the eligible net-metering system site or the sum of
24 the usage of the eligible credit recipient accounts associated with the community remote net-
25 metering system during the applicable billing period, excess renewable net-metering credits shall
26 be equal to the wholesale electricity rate, which is hereby declared to be the ISO-New England
27 energy clearing price. When applying the ISO-New England energy clearing price to calculate the
28 value of excess renewable net-metering credits, the electric distribution company, subject to
29 commission approval and subject to amendment from time to time, may use an annual average,
30 monthly average, or other time increment and may use Rhode Island zone pricing or other
31 applicable locational pricing. The commission shall have the authority to make determinations as
32 to the applicability of this credit to specific generation facilities to the extent there is any uncertainty
33 or disagreement.

34 (9) "Farm" shall be defined in accordance with § 44-27-2, except that all buildings

1 associated with the farm shall be eligible for net-metering credits as long as: (i) The buildings are
2 owned by the same entity operating the farm or persons associated with operating the farm; and (ii)
3 The buildings are on the same farmland as the project on either a tract of land contiguous with, or
4 reasonably proximate to, such farmland or across a public way from such farmland.

5 (10) "Hospital" means and shall be defined and established as set forth in chapter 17 of
6 title 23.

7 (11) "Multi-municipal collaborative" means a group of towns and/or cities that enter into
8 an agreement for the purpose of co-owning a renewable-generation facility or entering into a
9 financing arrangement pursuant to subsection (15).

10 (12) "Municipality" means any Rhode Island town or city, including any agency or
11 instrumentality thereof, with the powers set forth in title 45.

12 (13) "Net metering" means using electrical energy generated by an eligible net-metering
13 system for the purpose of self-supplying electrical energy and power at the eligible net-metering
14 system site, or with respect to a community remote net-metering system, for the purpose of
15 generating net-metering credits to be applied to the electric bills of the eligible credit recipients
16 associated with the community net-metering system. The amount so generated will thereby offset
17 consumption at the eligible net-metering system site through the netting process established in this
18 chapter, or with respect to a community remote net-metering system, the amounts generated in
19 excess of that amount will result in credits being applied to the eligible credit-recipient accounts
20 associated with the community remote net-metering system.

21 (14) "Net-metering customer" means a customer of the electric distribution company
22 receiving and being billed for distribution service whose distribution account(s) are being net
23 metered.

24 (15) "Net-metering financing arrangement" means arrangements entered into by a public
25 entity, educational institution, hospital, nonprofit, multi-municipal collaborative, or a commercial
26 or industrial customer with a private entity to facilitate the financing and operation of a net-metering
27 resource, in which the private entity owns and operates an eligible net-metering resource on behalf
28 of a public entity, educational institution, hospital, nonprofit, multi-municipal collaborative, or
29 commercial or industrial customer, where: (i) The eligible net-metering resource is located on
30 property owned or controlled by the public entity, educational institution, hospital, municipality,
31 multi-municipal collaborative, or commercial or industrial customer as applicable; and (ii) The
32 production from the eligible net-metering resource and primary compensation paid by the public
33 entity, educational institution, hospital, nonprofit, multi-municipal collaborative, or commercial or
34 industrial customer to the private entity for such production is directly tied to the consumption of

1 electricity occurring at the designated net-metered accounts.

2 (16) “Nonprofit” means a nonprofit corporation as defined and established through chapter
3 6 of title 7, and shall include religious organizations that are tax exempt pursuant to 26 U.S.C. §
4 501(d).

5 (17) “Person” means an individual, firm, corporation, association, partnership, farm, town
6 or city of the state of Rhode Island, multi-municipal collaborative, or the state of Rhode Island or
7 any department of the state government, governmental agency, or public instrumentality of the
8 state.

9 (18) “Preferred site” means a location for a renewable energy system that has had prior
10 development, including, but not limited to: landfills, gravel pits and quarries, highway and major
11 road median strips, brownfields, superfund sites, parking lots or sites that are designated
12 appropriate for carports, and all rooftops including, but not limited to, residential, commercial,
13 industrial, and municipal buildings.

14 (19) “Project” means a distinct installation of an eligible net-metering system or a
15 community remote net-metering system. An installation will be considered distinct if it is installed
16 in a different location, or at a different time, or involves a different type of renewable energy.
17 Subject to the safe-harbor provisions in § 39-26.4-3(a)(1), new and distinct projects cannot be
18 located on adjoining parcels of land within core forests, except for preferred sites.

19 (20) “Public entity” means the federal government, the state of Rhode Island,
20 municipalities, wastewater treatment facilities, public transit agencies, or any water distributing
21 plant or system employed for the distribution of water to the consuming public within this state
22 including the water supply board of the city of Providence.

23 (21) “Public entity net-metering system” means a system generating renewable energy at
24 a property owned or controlled by the public entity that is participating in a net-metering financing
25 arrangement where the public entity has designated accounts in its name to receive net-metering
26 credits.

27 (22) “Renewable net-metering credit” means a credit that applies to an eligible net-
28 metering system or a community remote net-metering system up to one hundred percent (100%) of
29 either the renewable self-generator’s usage at the eligible net-metering system site or the sum of
30 the usage of the eligible credit-recipient accounts associated with the community remote net-
31 metering system over the applicable billing period. This credit shall be equal to the total kilowatt
32 hours of electrical energy generated up to the amount consumed on-site, and/or generated up to the
33 sum of the eligible credit-recipient account usage during the billing period multiplied by the sum
34 of the distribution company’s:

1 (i) Last resort service kilowatt-hour charge for the rate class applicable to the net-metering
2 customer, except that for remote public entity and multi-municipality collaborative net-metering
3 systems that submit an application for an interconnection study on or after July 1, 2017, and
4 community remote net-metering systems, the last resort service kilowatt-hour charge shall be net
5 of the renewable energy standard charge or credit;

6 (ii) Distribution kilowatt-hour charge;

7 (iii) Transmission kilowatt-hour charge; and

8 (iv) Transition kilowatt-hour charge.

9 For projects after April 15, 2023 [that have not elected to receive the fixed renewable net-](#)
10 [metering credit pursuant to § 39-26.4-3\(f\)](#), subject to the allowable be ~~two hundred seventy-five~~
11 [one hundred seventy-five](#) megawatts, alternating current (~~275~~ [175](#) MWac), under § 39-26.4-
12 3(a)(1)(vi), the credit shall be reduced by twenty percent (20%).

13 Notwithstanding the foregoing, except for systems that have requested an interconnection
14 study for which payment has been received by the distribution company, or if an interconnection
15 study is not required, a completed and paid interconnection application, by December 31, 2018, the
16 renewable net-metering credit for all remote public entity and multi-municipal collaborative net-
17 metering systems shall not include the distribution kilowatt-hour charge commencing on January
18 1, 2060.

19 (23) “Renewable self-generator” means an electric distribution service customer of record
20 for the eligible net-metering system or community remote net-metering system at the eligible net-
21 metering system site which system is primarily designed to produce electrical energy for
22 consumption by that same customer at its distribution service account(s), and/or, with respect to
23 community remote net-metering systems, electrical energy which generates net-metering credits to
24 be applied to offset the eligible credit-recipient account usage.

25 (24) “Third party” means and includes any person or entity, other than the renewable self-
26 generator, who or that owns or operates the eligible net-metering system or community remote net-
27 metering system on the eligible net-metering system site for the benefit of the renewable self-
28 generator.

29 (25) “Third-party, net-metering financing arrangement” means the financing of eligible
30 net-metering systems or community remote net-metering systems through lease arrangements or
31 power/credit purchase agreements between a third party and renewable self-generator, except for
32 those entities under a public entity net-metering financing arrangement. A third party engaged in
33 providing financing arrangements related to such net-metering systems with a public or private
34 entity is not a public utility as defined in § 39-1-2.

1 **39-26.4-3. Net metering.**

2 (a) The following policies regarding net metering of electricity from eligible net-metering
3 systems and community remote net-metering systems and regarding any person that is a renewable
4 self-generator shall apply:

5 (1)(i) The maximum allowable capacity for eligible net-metering systems, based on
6 nameplate capacity, shall be ten megawatts (10 MW).

7 (ii) Eligible net-metering systems shall be sited outside of core forests with the exception
8 of development on preferred sites in the core forest and the exception of systems that, as of April
9 15, 2023, (A) Have submitted a complete application to the appropriate municipality for any
10 required permits and/or zoning changes, or (B) Have requested an interconnection study for which
11 payment has been received by the distribution company, or (C) If an interconnection study is not
12 required, systems that have a completed and paid interconnection application.

13 (iii) For systems developed in core forests on preferred sites, no more than one hundred
14 thousand square feet (100,000 sq. ft) of core forest shall be removed, except for work required for
15 utility interconnection or development of a brownfield, in which case no more core forest than
16 necessary for interconnection or brownfield development shall be removed.

17 (iv) The aggregate amount of net metering in the Block Island Utility District doing
18 business as Block Island Power Company and the Pascoag Utility District shall not exceed a
19 maximum percentage of peak load for each utility district as set by the utility district based on its
20 operational characteristics, subject to commission approval.

21 (v) Through December 31, 2018, the maximum aggregate amount of community remote
22 net-metering systems built shall be thirty megawatts (30 MW). Any of the unused MW amount
23 after December 31, 2018, shall remain available to community remote net-metering systems until
24 the MW aggregate amount is interconnected.

25 (vi) The maximum aggregate capacity of remote net metering allowable for ground-
26 mounted eligible net-metering systems, as defined by § 39-26.4-2(6), with the exception of systems
27 [under § 39-26.4-3\(e\) and systems](#) that have, as of April 15, 2023, submitted a complete application
28 to the appropriate municipality for any required permits and/or zoning changes or have requested
29 an interconnection study for which payment has been received by the distribution company, or if
30 an interconnection study is not required, a completed and paid interconnection application by the
31 distribution company as of June 24, 2023, shall be ~~two hundred seventy-five~~ [one hundred seventy-](#)
32 [five](#) megawatts, alternating current (~~275~~ [175](#) MWac), excluding off-shore wind. None of the
33 systems to which this cap applies shall be in core forests unless on a preferred site located within
34 the core forest. A project counts against this maximum if it is in operation or under construction by

1 ~~July 1, 2030~~ December 31, 2032, as determined by the local distribution company. All eligible
2 ground-mounted net-metering systems must be under construction or in operation by ~~July 1, 2030~~
3 December 31, 2032. This restriction shall not apply to the following: (A) The eligible net-metering
4 system is interconnected behind the same meter as the net-metering customer's load; and/or (B)
5 The energy generated by the eligible net-metering system is consumed by net-metered electric
6 service account(s) of the same owner of record that are actually located on the same or contiguous
7 parcels as the eligible net-metering system.

8 (2) For ease of administering net-metered accounts and stabilizing net-metered account
9 bills, the electric distribution company may elect (but is not required) to estimate for any twelve-
10 month (12) period:

11 (i) The production from the eligible net-metering system or community remote net-
12 metering system; and

13 (ii) Aggregate consumption of the net-metered accounts at the eligible net-metering system
14 site or the sum of the consumption of the eligible credit-recipient accounts associated with the
15 community remote net-metering system, and establish a monthly billing plan that reflects the
16 expected credits that would be applied to the net-metered accounts over twelve (12) months. The
17 billing plan would be designed to even out monthly billings over twelve (12) months, regardless of
18 actual production and usage. If such election is made by the electric distribution company, the
19 electric distribution company would reconcile payments and credits under the billing plan to actual
20 production and consumption at the end of the twelve-month (12) period and apply any credits or
21 charges to the net-metered accounts for any positive or negative difference, as applicable. Should
22 there be a material change in circumstances at the eligible net-metering system site or associated
23 accounts during the twelve-month (12) period, the estimates and credits may be adjusted by the
24 electric distribution company during the reconciliation period. The electric distribution company
25 also may elect (but is not required) to issue checks to any net-metering customer in lieu of billing
26 credits or carry-forward credits or charges to the next billing period. For residential-eligible net-
27 metering systems and community remote net-metering systems twenty-five kilowatts (25 KW) or
28 smaller, the electric distribution company, at its option, may administer renewable net-metering
29 credits month to month allowing unused credits to carry forward into the following billing period.

30 (3) If the electricity generated by an eligible net-metering system or community remote
31 net-metering system during a billing period is equal to, or less than, the net-metering customer's
32 usage at the eligible net-metering system site or the sum of the usage of the eligible credit-recipient
33 accounts associated with the community remote net-metering system during the billing period, the
34 customer shall receive renewable net-metering credits, that shall be applied to offset the net-

1 metering customer's usage on accounts at the eligible net-metering system site, or shall be used to
2 credit the eligible credit-recipient's electric account.

3 (4) If the electricity generated by an eligible net-metering system or community remote
4 net-metering system during a billing period is greater than the net-metering customer's usage on
5 accounts at the eligible net-metering system site or the sum of the usage of the eligible credit-
6 recipient accounts associated with the community remote net-metering system during the billing
7 period, the customer shall be paid by excess renewable net-metering credits for the excess
8 electricity generated; provided that, for any excess electricity generated by a system with a
9 nameplate capacity in excess of twenty-five kilowatts (25 KW), excess renewable net-metering
10 credits shall be limited to excess up to an additional twenty-five percent (25%) beyond the net-
11 metering customer's usage at the eligible net-metering system site, or the sum of the usage of the
12 eligible credit-recipient accounts associated with the community remote net-metering system
13 during the billing period; unless the electric distribution company and net-metering customer have
14 agreed to a billing plan pursuant to subsection (a)(2). Subject to the completion of any applicable
15 annual reconciliation of renewable net-metering credits and excess renewable net metering credits,
16 customers shall have the option to cash out any credit balance remaining provided that the amount
17 of the cash out shall be the lower of:

- 18 (i) The credit balance shown from the annual reconciliation of the applicable account; or
19 (ii) The credit balance on the applicable account on the date the electric distribution
20 company processes the cash out.

21 (5) The rates applicable to any net-metered account shall be the same as those that apply
22 to the rate classification that would be applicable to such account in the absence of net metering,
23 including customer and demand charges, and no other charges may be imposed to offset net-
24 metering credits.

25 (b) The commission shall exempt electric distribution company customer accounts
26 associated with an eligible net-metering system from back-up or standby rates commensurate with
27 the size of the eligible net-metering system, provided that any revenue shortfall caused by any such
28 exemption shall be fully recovered by the electric distribution company through rates.

29 (c) Any prudent and reasonable costs incurred by the electric distribution company
30 pursuant to achieving compliance with subsection (a) and the annual amount of any renewable net-
31 metering credits or excess renewable net-metering credits provided to accounts associated with
32 eligible net-metering systems or community remote net-metering systems, shall be aggregated by
33 the distribution company and billed to all distribution customers on an annual basis through a
34 uniform, per-kilowatt-hour (KWh) surcharge embedded in the distribution component of the rates

1 reflected on customer bills.

2 (d) The billing process set out in this section shall be applicable to electric distribution
3 companies thirty (30) days after the enactment of this chapter.

4 (e) The Rhode Island office of energy resources shall redesign the community solar remote
5 net metering program to reflect the provisions of this chapter and to include a commercial or
6 industrial anchor tenant up to but not to exceed fifty percent (50%) of the project. The remaining
7 fifty percent (50%) must be allocated or subscribed to low- and moderate-income (LMI) residents
8 and/or those living in areas defined as disadvantaged and environmental justice communities. The
9 Rhode Island office of energy resources shall design the net metering credit rate and factor in
10 federal energy funding and tax credits to develop the most cost-effective rate for community solar
11 projects. It is expected that these projects will be operational for a twenty-year (20) period. The
12 Rhode Island office of energy resources shall file a benefit and cost analysis with any program
13 proposal filed to the Rhode Island public utilities commission. Once the Rhode Island office of
14 energy resources files a program proposal to the Rhode Island public utilities commission, a docket
15 shall be established, and the Rhode Island public utilities commission shall issue a ruling on the
16 program no later than one hundred and fifty (150) days. If a program is approved, it will be subject
17 to no greater than twenty megawatts (20 MW) per year for two years until the forty megawatts (40
18 MW) cap is met. Eligible net-metering systems shall be sited outside of core forests with the
19 exception of development on preferred sites in the core forest.

20 (f)(1) An eligible net-metering system owned by, or operated on behalf of, a public entity,
21 educational institution, hospital, nonprofit, or multi-municipal collaborative, or for a commercial
22 or industrial customer through a net-metering financing arrangement, or an eligible community
23 remote net-metering system may make a one-time, irrevocable election by the later of: (i) the date
24 that is ninety (90) days after the commission approves a tariff pursuant to § 39-26.4-3(f)(2); or (ii)
25 the date that is sixty (60) days after execution of an interconnection agreement, to receive a fixed
26 renewable net-metering credit rate of nineteen cents (\$0.19) per kilowatt-hour. Such fixed credit
27 rate shall be increased by 2.75% on a compound annual basis beginning January 1, 2028, and on
28 January 1 of each year thereafter. The fixed credit rate elected pursuant to this subsection shall
29 apply for a term of twenty-five (25) years from the date of such election and shall be governed by
30 § 39-26.4-3(f)(4). Eligible net-metering systems making an election under this subsection shall
31 remain subject to the requirements of § 39-26.4-3(a)(4).

32 (2) No later than August 15, 2026, the electric distribution company shall file a tariff with
33 the commission to implement the fixed renewable net-metering credit for eligible net metering
34 systems that elect such credit, under terms and conditions set forth in the tariff. The tariff shall set

1 forth, at a minimum, the rights and obligations of the eligible net-metering systems and the electric
2 distribution company, including the conditions governing the calculation and payment of credits
3 by the electric distribution company. The commission shall approve a tariff no later than December
4 1, 2026.

5 (3) The commission shall have the authority to determine the final terms and conditions in
6 the tariff that is filed with the commission pursuant to this section. Once approved, the commission
7 shall retain exclusive jurisdiction over all payments, terms, conditions, rights, enforcement, and
8 implementation of the tariff, subject to appeals pursuant to chapter 5 of this title.

9 (4) It is the intention of the general assembly in enacting this provision that the developers,
10 owners, investors, customers, and lenders of eligible net-metering systems receiving credits under
11 the tariff be able to rely on the tariff for the entire term of the tariff for purposes of obtaining
12 financing. Consistent with that intention and expectation, the terms under the tariff, once approved
13 by the commission, shall not be altered in any way that would undermine such reliance on those
14 tariffs during the applicable terms of the tariff; and in no circumstance will the credit rate paid to
15 an eligible net-metering system be reduced during the term of the tariff once a project has elected
16 to receive a tariff under the terms of this chapter.

17 SECTION 6. Chapter 39-26 of the General Laws entitled "Renewable Energy Standard" is
18 hereby amended by adding thereto the following section:

19 **39-26-5.1. Zero-emission resources.**

20 (a) Zero-emission resources are:

21 (1) Nuclear energy resources, meaning electricity generated by a nuclear fission or nuclear
22 fusion facility that is licensed by the United States Regulatory Commission or its successor, and
23 that produces no direct emissions of greenhouse gases or criteria air pollutants at the point of
24 generation.

25 (2) Large-scale hydroelectric facilities, meaning hydroelectric generation units that are not
26 “small hydro facilities” as defined in § 39-26-2, that generate electricity through the conversion of
27 the energy of flowing or falling water and that produce no direct emissions of greenhouse gases or
28 criteria air pollutants at the point of generation.

29 (b) For the purposes of the regulations promulgated under this chapter, eligible zero-
30 emission energy resources are generation units in the NEPOOL control area using zero-emission
31 energy resources as defined in this section.

32 (c) A generation unit located in an adjacent control area outside of the NEPOOL may
33 qualify as an eligible zero-emission energy resource, but the associated generation attributes shall
34 be applied to any zero-emission standard established under this chapter only to the extent that the

1 energy produced by the generation unit is actually delivered into NEPOOL for consumption by
2 New England customers. The delivery of the energy from the generation unit into NEPOOL shall
3 be demonstrated by:

4 (1) A unit-specific bilateral contract for the sale and delivery of such energy into NEPOOL;

5 (2) Confirmation from ISO-New England that the zero-emission energy was actually
6 settled in the NEPOOL system; and

7 (3) Confirmation through the North American Electric Reliability Corporation tagging
8 system, or its successor, that the import of the energy into NEPOOL actually occurred; or

9 (4) Any such other requirements as the commission deems appropriate.

10 (d) NE-GIS certificates associated with the energy production from off-grid generation and
11 customer-sited generation facilities certified by the commission as eligible zero-emission energy
12 resources may also be used to demonstrate compliance with any zero-emission standard.

13 SECTION 7. Sections 39-26-1, 39-26-2, 39-26-4 and 39-26-6 of the General Laws in
14 Chapter 39-26 entitled "Renewable Energy Standard" are hereby amended to read as follows:

15 **39-26-1. Legislative findings.**

16 The General Assembly finds that:

17 (1) The people and energy users of Rhode Island have an interest in having electricity
18 supplied in the state come from a diversity of energy sources including renewable and zero-
19 emission resources;

20 (2) Increased use of renewable and zero-emission energy may have the potential to lower
21 and stabilize future energy costs and protect ratepayers from the volatility of regional energy
22 markets;

23 (3) Increased use of renewable and zero-emission energy can reduce air pollutants,
24 including carbon dioxide emissions, that adversely affect public health and contribute to global
25 warming;

26 (4) Massachusetts, Connecticut, and other states have established renewable and zero-
27 emission energy standard programs to encourage the development of renewable energy sources;

28 (5) It is in the interest of the people, in order to protect public health and the environment
29 and to promote the general welfare and to ensure affordability and reliability, to establish a
30 renewable and zero-emission energy standard program to increase levels of electrical energy
31 supplied in the state from renewable resources in a manner that prioritizes efficiency and cost-
32 effectiveness.

33 **39-26-2. Definitions.**

34 When used in this chapter:

1 ~~(1) “Alternative compliance payment” means a payment to the renewable energy~~
2 ~~development fund of fifty dollars (\$50.00) per megawatt-hour of renewable energy obligation, in~~
3 ~~2003 dollars, adjusted annually up or down by the consumer price index, which may be made in~~
4 ~~lieu of standard means of compliance with this statute.~~

5 (1) “Alternative compliance payment” means a payment made in lieu of standard means of
6 compliance with this statute, as follows:

7 (i) For new renewable energy and zero-emission resources, an alternative compliance
8 payment of forty dollars (\$40.00) per megawatt-hour of renewable energy obligation;

9 (ii) For existing renewable energy and zero-emission resources, an alternative compliance
10 payment of eleven dollars (\$11.00) per megawatt-hour of renewable energy obligation;

11 (iii) All such payments shall be deposited into the renewable energy development fund and
12 distributed in accordance with § 39-26-7.

13 (2) “Commission” means the Rhode Island public utilities commission.

14 (3) “Compliance year” means a calendar year beginning January 1 and ending December
15 31, for which an obligated entity must demonstrate that it has met the requirements of this statute.

16 (4) “Customer-sited generation facility” means a generation unit that is interconnected on
17 the end-use customer’s side of the retail electricity meter in such a manner that it displaces all or
18 part of the metered consumption of the end-use customer.

19 (5) “Electrical energy product” means an electrical energy offering, including, but not
20 limited to, last-resort and standard-offer service, that can be distinguished by its generation
21 attributes or other characteristics, and that is offered for sale by an obligated entity to end-use
22 customers.

23 (6) “Eligible biomass fuel” means fuel sources including brush, stumps, lumber ends and
24 trimmings, wood pallets, bark, wood chips, shavings, slash, and other clean wood that is not mixed
25 with other solid wastes; agricultural waste, food, and vegetative material; energy crops; landfill
26 methane; biogas; or neat biodiesel and other neat liquid fuels that are derived from such fuel
27 sources.

28 (7) “Eligible renewable energy resource” means resources as defined in § 39-26-5 and
29 "zero-emission energy resource" means resources as defined in § 39-26-5.1.

30 (8) “End-use customer” means a person or entity in Rhode Island that purchases electrical
31 energy at retail from an obligated entity.

32 (9) “Existing renewable and zero-emission energy resources” means generation units using
33 eligible renewable energy resources and zero-emission resources and first going into commercial
34 operation before December 31, 1997.

1 (10) “Generation attributes” means the nonprice characteristics of the electrical energy
2 output of a generation unit including, but not limited to, the unit’s fuel type, emissions, vintage,
3 and policy eligibility.

4 (11) “Generation unit” means a facility that converts a fuel or an energy resource into
5 electrical energy.

6 (12) “High-heat medical waste processing facility” means a facility that:

7 (i) Generates electricity from the combustion, gasification, or pyrolysis of regulated
8 medical waste;

9 (ii) Generates electricity from the combustion of fuel derived from the gasification or
10 pyrolysis of regulated medical waste; or

11 (iii) Disposes of, processes, or treats regulated medical waste through combustion,
12 gasification, pyrolysis, or any process that exposes waste to temperatures above four hundred
13 degrees Fahrenheit (400°F).

14 (13) “NE-GIS” means the generation information system operated by NEPOOL, its
15 designee or successor entity, that includes a generation information database and certificate system,
16 and that accounts for the generation attributes of electrical energy consumed within NEPOOL.

17 (14) “NE-GIS certificate” means an electronic record produced by the NE-GIS that
18 identifies the relevant generation attributes of each megawatt-hour accounted for in the NE-GIS.

19 (15) “NEPOOL” means the New England Power Pool or its successor.

20 (16) “New renewable energy [and zero-emission](#) resources” means generation units using
21 eligible renewable energy [and zero-emission](#) resources and first going into commercial operation
22 after December 31, 1997; or the incremental output of generation units using eligible renewable
23 energy [and zero-emission](#) resources that have demonstrably increased generation in excess of ten
24 percent (10%) using eligible renewable energy [and zero-emission](#) resources through capital
25 investments made after December 31, 1997; but in no case involve any new impoundment or
26 diversion of water with an average salinity of twenty (20) parts per thousand or less.

27 (17) “Obligated entity” means a person or entity who or that sells electrical energy to end-
28 use customers in Rhode Island, including, but not limited to: nonregulated power producers and
29 electric utility distribution companies, as defined in § 39-1-2, supplying standard-offer service, last-
30 resort service, or any successor service to end-use customers, including Narragansett Electric, but
31 not to include Block Island Power Company as described in § 39-26-7 or Pascoag Utility District.

32 (18) “Off-grid generation facility” means a generation unit that is not connected to a utility
33 transmission or distribution system.

34 (19) “Renewable energy [and zero-emission](#) resource” means any one or more of the

1 renewable energy [and zero-emission](#) resources described in ~~§~~ §§ 39-26-5(a) [and 39-26-5.1](#).

2 (20) “Reserved certificate” means a NE-GIS certificate sold independent of a transaction
3 involving electrical energy, pursuant to Rule 3.4 or a successor rule of the operating rules of the
4 NE-GIS.

5 (21) “Reserved certificate account” means a specially designated account established by
6 an obligated entity, pursuant to Rule 3.4 or a successor rule of the operating rules of the NE-GIS,
7 for transfer and retirement of reserved certificates from the NE-GIS.

8 (22) “Self-generator” means an end-use customer in Rhode Island that displaces all or part
9 of its retail electricity consumption, as metered by the distribution utility to which it interconnects,
10 through the use of a customer-sited generation facility, and the ownership of any such facility shall
11 not be considered an obligated entity as a result of any such ownership arrangement.

12 (23) “Small hydro facility” means a facility employing one or more hydroelectric turbine
13 generators and with an aggregate capacity not exceeding thirty megawatts (30 MW). For purposes
14 of this definition, “facility” shall be defined in a manner consistent with Title 18 of the Code of
15 Federal Regulations, section 292.204; provided, however, that the size of the facility is limited to
16 thirty megawatts (30 MW), rather than eighty megawatts (80 MW).

17 **39-26-4. Renewable energy standard.**

18 (a) Starting in compliance year 2007, all obligated entities shall obtain at least three percent
19 (3%) of the electricity they sell at retail to Rhode Island end-use customers, adjusted for electric
20 line losses, from eligible renewable energy resources [and zero-emission resources](#), escalating,
21 according to the following schedule:

22 (1) At least three percent (3%) of retail electricity sales in compliance year 2007;

23 (2) An additional one-half of one percent (0.5%) of retail electricity sales in each of the
24 following compliance years 2008, 2009, 2010;

25 (3) An additional one percent (1%) of retail electricity sales in each of the following
26 compliance years 2011, 2012, 2013, 2014, provided that the commission has determined the
27 adequacy, or potential adequacy, of renewable energy [and zero-emission](#) supplies to meet these
28 percentage requirements;

29 [\(4\) There shall be no increase to the renewable energy standard for compliance year 2015,](#)
30 [and the incremental increases shall resume in the subsequent compliance years as provided in](#)
31 [subsections \(a\)\(5\) through \(a\)\(12\) of this section;](#)

32 ~~(4)(5)~~ An additional one and one-half percent (1.5%) of retail electricity sales in each of
33 the following compliance years ~~2015~~, 2016, 2017, 2018, 2019, 2020, 2021, and 2022;

34 ~~(5)(6)~~ [Deleted by P.L. 2016, ch. 144, § 1 and P.L. 2016, ch. 155, § 1.]

1 ~~(6)~~(7) An additional four percent (4%) of retail electricity sales in 2023;
2 ~~(7)~~(8) An additional five percent (5%) of retail electricity sales in 2024;
3 ~~(8)~~(9) An additional six percent (6%) of retail electricity sales in 2025;
4 ~~(9)~~(10) An additional seven percent (7%) of retail electricity sales in 2026 and 2027;
5 ~~(10)~~(11) An additional seven and one-half percent (7.5%) of retail electricity sales in 2028;
6 ~~(11)~~(12) An additional eight percent (8%) of retail electricity sales in 2029;
7 ~~(12)~~(13) An additional eight and one-half percent (8.5%) of retail electricity sales in 2030;
8 ~~(13)~~(14) An additional nine percent (9%) of retail electricity sales in 2031; and
9 ~~(14)~~(15) An additional nine and one-half percent (9.5%) of retail electricity sales in 2032
10 and 2033 to achieve the goal that one hundred percent (100%) of Rhode Island’s retail electricity
11 ~~demand~~ sales is from renewable energy and zero-emission resources by 2033 and each year
12 thereafter.

13 (b) For each obligated entity and in each compliance year, the amount of retail electricity
14 sales used to meet obligations under this statute that are derived from existing renewable energy
15 and zero-emission resources shall not exceed two percent (2%) of total retail electricity sales for
16 compliance year 2026, fourteen percent (14%) for compliance year 2027, an additional one percent
17 (1%) of total retail electricity sales for compliance years, 2028, 2029, 2030, 2031, 2032, and for
18 compliance year 2033 and each compliance year thereafter, shall not exceed twenty percent (20%).

19 (c) The minimum renewable energy percentages set forth in subsection (a) shall be met for
20 each electrical energy product offered to end-use customers, in a manner that ensures that the
21 amount of renewable energy of end-use customers voluntarily purchasing renewable energy is not
22 counted toward meeting such percentages. Notwithstanding the foregoing, municipalities engaged
23 in aggregation pursuant to § 39-3-1.2 may include in their aggregation plan terms that would allow
24 voluntary renewable energy products to be counted toward meeting such percentages. ~~In 2024, the~~
25 ~~commission, with input from the office of energy resources, division of public utilities and carriers,~~
26 ~~obligated entities, other market participants, and the public, shall assess the impact of allowing~~
27 ~~voluntary renewable energy purchases to be counted toward meeting the annual percentages. The~~
28 ~~commission shall submit a report of its findings and recommendations to the governor, speaker of~~
29 ~~the house, and senate president no later than September 1, 2024.~~

30 (d) To the extent consistent with the requirements of this chapter, compliance with the
31 renewable energy standard may be demonstrated through procurement of NE-GIS certificates
32 relating to generating units certified by the commission as using eligible renewable energy sources
33 and zero-emission resources, as evidenced by reports issued by the NE-GIS administrator.
34 Procurement of NE-GIS certificates from off-grid and customer-sited generation facilities, verified

1 by the commission as eligible renewable energy resources [and zero-emission resources](#), may also
2 be used to demonstrate compliance. With the exception of contracts for generation supply entered
3 into prior to 2002, initial title to NE-GIS certificates from off-grid and customer-sited generation
4 facilities and from all other eligible renewable energy [and zero-emission](#) resources, shall accrue to
5 the owner of such a generation facility, unless such title has been explicitly deemed transferred
6 pursuant to contract or regulatory order.

7 (e) In lieu of providing NE-GIS certificates pursuant to subsection (d) of this section, an
8 obligated entity may also discharge all or any portion of its compliance obligations by making an
9 alternative compliance payment to the renewable energy development fund established pursuant to
10 § 39-26-7.

11 (f) Retail electricity sales pursuant to a nonregulated power producer's supply contract that
12 was executed prior to July 1, 2022, shall be required to obtain an additional one and one-half percent
13 (1.5%) of retail electricity sales each year and are exempted from the requirements of subsections
14 (a)(6) through (a)(14) of this section until the end date of the term of the nonregulated power
15 producer's supply contract.

16 **39-26-6. Duties of the commission.**

17 (a) The commission shall:

18 (1) Develop and adopt regulations on or before December 31, 2005, for implementing a
19 renewable energy standard, which regulations shall include, but be limited to, provisions for:

20 (i) Verifying the eligibility of renewable energy [and zero-emission](#) generators and the
21 production of energy from such generators, including requirements to notify the commission in the
22 event of a change in a generator's eligibility status;

23 (ii) Standards for contracts and procurement plans for renewable energy [and zero-emission](#)
24 resources to achieve the purposes of this chapter;

25 (iii) Flexibility mechanisms for the purposes of easing compliance burdens; facilitating
26 bringing new renewable resources on-line; and avoiding and/or mitigating conflicts with state-level
27 source disclosure requirements and green marketing claims throughout the region; which flexibility
28 mechanisms shall allow obligated entities to: (A) Demonstrate compliance over a compliance year;
29 and (B) Bank excess compliance [for new and existing renewable and zero-emissions resources](#) for
30 ~~two (2) subsequent compliance years, capped at thirty percent (30%) of the current year's obligation~~
31 [up to three \(3\) subsequent compliance years with no limitation on quantity](#); and

32 (iv) Annual compliance filings to be made by all obligated entities within one month after
33 NE-GIS reports are available for the fourth (4th) quarter of each calendar year. All electric-utility-
34 distribution companies shall cooperate with the commission in providing data necessary to assess

1 the magnitude of obligation and verify the compliance of all obligated entities.

2 (2) Authorize rate recovery by electric-utility-distribution companies of all prudent
3 incremental costs arising from the implementation of this chapter, including, without limitation:
4 the purchase of NE-GIS certificates [including certificates from zero-emission resources](#); the
5 payment of alternative compliance payments; required payments to support the NE-GIS;
6 assessments made pursuant to § 39-26-7(c); and the incremental costs of complying with energy
7 source disclosure requirements.

8 (3) Certify eligible renewable energy [and zero-emission](#) resources by issuing statements of
9 qualification within ninety (90) days of application. The commission shall provide prospective
10 reviews for applicants seeking to determine whether a facility would be eligible.

11 (4) [Deleted by P.L. 2022, ch. 218, § 1 and P.L. 2022, ch. 226, § 1.]

12 (5) Establish sanctions for those obligated entities that, after investigation, have been found
13 to fail to reasonably comply with the commission's regulations. No sanction or penalty shall relieve
14 or diminish an obligated entity from liability for fulfilling any shortfall in its compliance obligation;
15 provided, however, that no sanction shall be imposed if compliance is achieved through alternative
16 compliance payments. The commission may suspend or revoke the certification of generation units,
17 certified in accordance with subsection (a)(3) of this section, that are found to provide false
18 information or that fail to notify the commission in the event of a change in eligibility status or
19 otherwise comply with its rules. Financial penalties resulting from sanctions from obligated entities
20 shall not be recoverable in rates.

21 (6) Report, by February 15, 2006, and by February 15 each year thereafter, to the governor,
22 the speaker of the house, and the president of the senate on the status of the implementation of the
23 renewable energy standards in Rhode Island and other states, and which report shall include in
24 2009, and each year thereafter, the level of use of renewable energy certificates by eligible
25 renewable energy [and zero-emission](#) resources and the portion of renewable energy standards met
26 through alternative compliance payments, and the amount of rate increases authorized pursuant to
27 subsection (a)(2) of this section.

28 (b) Consistent with the public policy objective of developing renewable generation as an
29 option in Rhode Island, and subject to the review and approval of the commission, the electric
30 distribution company is authorized to propose and implement pilot programs to own and operate
31 no more than fifteen megawatts (15 MW) of renewable-generation demonstration projects in Rhode
32 Island and may include the costs and benefits in rates to distribution customers. At least two (2)
33 demonstration projects shall include renewable generation installed at, or in the vicinity of
34 nonprofit, affordable-housing projects where energy savings benefits are provided to reduce

1 electric bills of the customers at the nonprofit, affordable-housing projects. Any renewable-
2 generation proposals shall be subject to the review and approval of the commission. The
3 commission shall annually make an adjustment to the minimum amounts required under the
4 renewable energy standard under this chapter in an amount equal to the kilowatt hours generated
5 by such units owned by the electric distribution company. The electric and gas distribution
6 company shall also be authorized to propose and implement smart-metering and smart-grid
7 demonstration projects in Rhode Island, subject to the review and approval of the commission, in
8 order to determine the effectiveness of such new technologies for reducing and managing energy
9 consumption, and may include the costs of such demonstration projects in distribution rates to
10 electric customers to the extent the project pertains to electricity usage and in distribution rates to
11 gas customers to the extent the project pertains to gas usage.

12 SECTION 8. Chapter 39-26 of the General Laws entitled "Renewable Energy Standard" is
13 hereby amended by adding thereto the following section:

14 **39-26-4.1. Legislative reporting.**

15 (a) On or before January 1, 2027, the public utilities commission shall conduct a
16 comprehensive review of:

17 (1) The status of the state's progress toward meeting the renewable energy standard;

18 (2) The status of the state's progress toward meeting the greenhouse gas emissions
19 reduction requirements;

20 (3) The extent to which renewable energy procurement and development within the state
21 is sufficient to ensure long-term compliance with such requirements;

22 (4) The impact on meeting mandated carbon reduction goals in § 42-6.2-9;

23 (5) Estimated cost of compliance of the renewable energy standard; and

24 (6) Recommendations for creation of an intervenor compensation program to provide
25 compensation in the form of a grant for legal fees, expert witness fees and other reasonable costs
26 to an intervenor in public utility commission proceedings.

27 (b) On or before December 31, 2027, public utilities commission shall submit a report of
28 their findings, and recommendation of actions required pursuant to this section, to the governor,
29 the speaker of the house, the president of the senate, and the chairs of the house committees on
30 environment and natural resources, finance, and corporations and the senate committees on finance,
31 environment and agriculture, and commerce. The report shall detail the following:

32 (1) Renewable and zero-emission resources used for compliance;

33 (2) Estimated cost of compliance of the renewable energy standard;

34 (3) Impact on meeting mandated carbon reduction goals in § 42-6.2-9; and

1 (4) Any statutory changes needed to reach the 2033 targets established pursuant to this
2 chapter.

3 SECTION 9. Section 39-31-11 of the General Laws in Chapter 39-31 entitled "Affordable
4 Clean Energy Security Act" is hereby repealed.

5 **39-31-11. Financial remuneration and incentives.**

6 ~~In order to achieve the purposes of this chapter, electric distribution companies shall be~~
7 ~~entitled to financial remuneration and incentives for long term contracts for newly developed~~
8 ~~renewable energy resources, which are over and above the base rate revenue requirement~~
9 ~~established in its cost of service for distribution ratemaking. Such remuneration and incentives shall~~
10 ~~compensate the electric distribution company for accepting the financial obligation of the long-~~
11 ~~term contracts. For long term contracts approved pursuant to this chapter on or after January 1,~~
12 ~~2022, the financial remuneration and incentives shall be in the form of annual compensation up to~~
13 ~~one percent (1.0%) of the actual annual payments made under the contracts through December 31,~~
14 ~~2026, for those projects that are commercially operating. For long term contracts approved~~
15 ~~pursuant to this chapter on or after January 1, 2027, financial remuneration and incentives shall not~~
16 ~~be applied, unless otherwise granted by the commission. For any calendar year in which the electric~~
17 ~~distribution company's actual return on equity exceeds the return on equity allowed by the~~
18 ~~commission in the electric distribution company's last general rate case, the commission shall have~~
19 ~~the authority to adjust any or all remuneration paid to the electric distribution company pursuant to~~
20 ~~this section in order to assure that such remuneration does not result in or contribute toward the~~
21 ~~electric distribution company earning above its allowed return for such calendar year.~~

22 SECTION 10. Chapter 42-12 of the General Laws entitled "Department of Human
23 Services" is hereby amended by adding thereto the following section:

24 **42-12-1.6. Transfer of functions to the office of energy resources.**

25 (a) There is hereby transferred from the department of human services to the office of
26 energy resources the administration, management, all functions and resources associated with:

27 (1) The weatherization assistance program which offers weatherization grants and heating
28 system upgrades using funds from the federal department of energy and the federal low-income
29 home energy assistance program, and any state funded or privately funded weatherization
30 assistance program of a similar nature assigned to it;

31 (b) The department is authorized to offer advisory assistance to the office of energy
32 resources in order to maintain continuity to eligible households.

33 SECTION 11. Section 42-12-1.5 of the General Laws in Chapter 42-12 entitled
34 "Department of Human Services" is hereby amended to read as follows:

1 **42-12-1.5. Transfer of functions from the office of energy resources.**

2 (a) There is hereby transferred from the office of energy resources to the department of
3 human services the administration, management, all functions and resources associated with:

4 (1) The federal low-income home energy assistance program (LIHEAP), which provides
5 heating assistance to eligible low-income persons and any state funded or privately funded heating
6 assistance program of a similar nature assigned to it for administration;

7 ~~(2) The weatherization assistance program, which offers home weatherization grants and~~
8 ~~heating system upgrades to LIHEAP eligible households;~~ and,

9 ~~(3)~~(2) The emergency fuel program, which provides oil deliveries to families experiencing
10 a heating emergency.

11 (b) The department is authorized to request advisory assistance from the office of energy
12 resources in order to maintain continuity of assistance provided to LIHEAP eligible households
13 pursuant to § 39-2-1(d).

14 SECTION 12. Section 42-140-3 of the General Laws in Chapter 42-140 entitled "Rhode
15 Island Energy Resources Act" is hereby amended to read as follows:

16 **42-140-3. Purposes.**

17 The purposes of the office shall be to:

18 (1) Develop and put into effect plans and programs to promote, encourage, and assist the
19 provision of energy resources for Rhode Island in a manner that enhances economic well-being,
20 social equity, and environmental quality;

21 (2) Monitor, forecast, and report on energy use, energy prices, and energy demand and
22 supply forecasts, and make findings and recommendations with regard to energy supply diversity,
23 reliability, and procurement, including least-cost procurement;

24 (3) Develop and to put into effect plans and programs to promote, encourage, and assist
25 the efficient and productive use of energy resources in Rhode Island, and to coordinate energy
26 programs for natural gas, electricity, and heating oil to maximize the aggregate benefits of
27 conservation and efficiency of investments;

28 (4) Monitor and report technological developments that may result in new and/or improved
29 sources of energy supply, increased energy efficiency, and reduced environmental impacts from
30 energy supply, transmission, and distribution;

31 (5) Administer the programs, duties, and responsibilities heretofore exercised by the state
32 energy office, except as these may be assigned by executive order or the general laws to other
33 departments and agencies of state government;

34 (6) Develop, recommend, and, as appropriate, implement integrated and/or comprehensive

1 strategies, including at regional and federal levels, to secure Rhode Island’s interest in energy
2 resources, their supply and efficient use, and as necessary to interact with persons, private sector,
3 nonprofit, regional, federal entities and departments and agencies of other states to effectuate this
4 purpose;

5 (7) Cooperate with agencies, departments, corporations, and entities of the state and of
6 political subdivisions of the state in achieving its purposes;

7 (8) Cooperate with and assist the state planning council and the division of state planning
8 in developing, maintaining, and implementing state guide plan elements pertaining to energy and
9 renewable energy;

10 (9) Coordinate the energy efficiency, least-cost procurement, and systems reliability plans
11 and programs with the energy efficiency and resources management council;

12 (10) Participate in, monitor implementation of, and provide technical assistance for the
13 low-income home energy assistance program enhancement plan established pursuant to § 39-1-
14 27.12;

15 ~~(11) Participate in and monitor the distributed generation standard contracts program~~
16 ~~pursuant to chapter 26.2 of title 39;~~

17 ~~(12)~~(11) Coordinate opportunities with and enter into contracts and/or agreements with the
18 commerce corporation associated with the energy efficiency, least-cost procurement, system
19 reliability, and renewable energy fund programs;

20 ~~(13)~~(12) Provide support and information to the division of planning and the state planning
21 council in the development of a ten-year (10) Rhode Island Energy Guide Plan, which shall be
22 reviewed and amended if necessary every five (5) years;

23 (13) Administer the federal Weatherization Assistance Program and any state or privately
24 funded weatherization program;

25 (14) Advise and provide technical assistance to state and federally funded energy programs
26 to support:

27 (i) The federal low-income home energy assistance program which provides heating
28 assistance to eligible low-income persons and any state funded or privately funded heating
29 assistance program of a similar nature assigned to it for administration;

30 (ii) The weatherization assistance program which offers home weatherization grants and
31 heating system upgrades to eligible persons of low-income;

32 (iii) The emergency fuel program which provides oil deliveries to families experiencing a
33 heating emergency;

34 (iv) The energy conservation program, which offers service and programs to all sectors;

1 (v) [Deleted by P.L. 2008, ch. 228, § 2, and P.L. 2008, ch. 422, § 2.]

2 (15) Advise the commerce corporation in the development of standards and rules for the
3 solicitation and award of renewable energy program investment funds in accordance with § 42-64-
4 13.2;

5 (16) Develop, recommend, and evaluate energy programs for state facilities and operations
6 in order to achieve and demonstrate the benefits of energy-efficiency, diversification of energy
7 supplies, energy conservation, and demand management; and

8 (17) Advise the governor and the general assembly with regard to energy resources and all
9 matters relevant to achieving the purposes of the office.

10 SECTION 13. Chapter 42-140 of the General Laws entitled "Rhode Island Energy
11 Resources Act" is hereby amended by adding thereto the following section:

12 **42-140-13. Energy Benchmarking And Performance Standards Program.**

13 (a) Definitions. For the purposes of this section:

14 (1) "Department" means all state departments whose directors are enumerated in § 42-6-3
15 and shall additionally include the executive office of health and human services, the executive
16 office of commerce, and the executive office of housing.

17 (2) "Public buildings" for the purpose of this section means all municipal and school
18 buildings owned by a municipality that are at least twenty-five thousand gross square feet (25,000
19 GSF).

20 (3) "State-owned, state-occupied facilities" means buildings owned by the state that
21 primarily contain offices or other administrative work space for state employees and are at least
22 twenty-five thousand gross square feet (25,000 GSF).

23 (b) State facilities energy usage reporting

24 (1) State departments, coordinated and supported by the office of energy resources, shall
25 be required to measure and report monthly energy usage by energy source for their respective state-
26 owned, state-occupied facilities, as well as the gross square footage for each building.

27 (2) Beginning March 31, 2029, and recurring annually thereafter, departments, coordinated
28 and supported by the office of energy resources, shall report to the office energy use data by source
29 for state-owned, state-occupied facilities for the preceding calendar year. No later than one hundred
30 eighty (180) days from the March 31 reporting deadline each year, the office shall compile, publish
31 and post on its website each facility's energy use data by fuel and total emissions.

32 (c) State facilities benchmarking and performance standards program

33 (1) Utilizing the data due March 31, 2029, in subsection (b)(2), the office of energy
34 resources shall, with consultation from departments, develop and publish performance standards

1 for state-owned, state-occupied facilities by March 31, 2030 and may update the performance
2 standards and any revision to the standards thereafter. The performance standards published must
3 include:

4 (i) An annualized emissions standard based on energy usage for each state-owned, state-
5 occupied facility as necessary, to achieve by specified dates;

6 (ii) A schedule for compliance terminating in 2050; and

7 (iii) The cost-benefit analysis used to determine which state-owned, state-occupied
8 facilities are assigned performance standards, as set forth in subsection (c)(2) below.

9 (2) The performance standards shall be determined by evaluating:

10 (i) The total amount of emissions reductions that could be achieved while maintaining state
11 operations;

12 (ii) The relative contribution of the emissions reductions to decadal targets established by
13 § 42-6.2-2 compared to other strategies, programs, and actions established by the executive climate
14 change coordinating council in its plan due December 31, 2025, in accordance with § 42-6.2-
15 2(2)(i); and

16 (iii) The fiscal impacts of achieving the performance standards.

17 (3) The departments shall meet the performance standards set in accordance with
18 subsection (c)(2). No later than ninety (90) days after each specified compliance date established
19 in accordance with subsection (c)(1), the office of energy resources shall publish a performance
20 standards compliance report demonstrating the status of each state-owned, state-occupied facility
21 subject to a performance standard and post on its website. In the event that a state-owned, state-
22 occupied facility fails to meet a performance standard, the office of energy resources shall provide
23 a corrective action plan with which the state-owned, state-occupied facility shall comply within
24 ninety (90) days of the compliance deadline.

25 (4) Subsections (c)(1), (c)(2), and (c)(3) shall not apply to state-owned, state-occupied
26 facilities which the office and department of administration determine are not suitable candidates
27 for achieving greenhouse gas emission reductions due to economic infeasibility or unique
28 operational or physical limitations. Any such determinations shall be published in addition to the
29 standards required in subsection (c)(2) and posted on the office's website.

30 (d) Voluntary energy benchmarking program for public buildings

31 (i) The office of energy resources shall provide technical and financial assistance to
32 municipalities for a voluntary public buildings energy benchmarking program of public buildings
33 on municipal properties in which buildings are greater than twenty-five thousand square feet
34 (25,000 ft²).

1 (ii) The office of energy resources shall maintain a website that tracks its implementation
2 of the voluntary public buildings energy benchmarking program. The office shall submit to the
3 governor and general assembly by May 1, 2028, and annually thereafter a progress report on the
4 voluntary public buildings energy benchmarking program.

5 SECTION 14. This article shall take effect upon passage.