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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- PUBLIC UTILITIES COMMISSION

Introduced By: Senators Tikoian, Ciccone, Patalano, Thompson, Raptakis, Dimitri,
Burke, and Felag

Date Introduced: February 27, 2026

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 39-1-27 and 39-1-27.3 of the General Laws in Chapter 39-1 entitled
2 "Public Utilities Commission" are hereby amended to read as follows:

3 **39-1-27. Electric distribution companies required to file restructuring plans.**

4 (a) Each electric distribution company shall file with the commission a plan for transferring
5 ownership of generation facilities into a separate affiliate of the electric distribution company. The
6 transmission facilities owned by the electric distribution company also may be transferred to an
7 affiliated electric transmission company at a price that shall equal the book value of the
8 transmission facilities on the electric distribution company's accounts net of depreciation and
9 deferred taxes as the date of transfer, but such a transfer is not required. The generation plant,
10 equipment, and facilities owned by an electric distribution company shall be transferred to an
11 affiliate that is a nonregulated power producer at a price that shall equal the book value of the
12 generation plant, equipment, and facilities on the electric distribution company's accounts net of
13 depreciation and deferred taxes as of the date of the transfer. Consistent with the schedule for
14 implementing retail access in § 39-1-27.3, each electric transmission company shall file tariffs with
15 the Federal Energy Regulatory Commission (FERC) and electric-distribution companies shall file
16 tariffs with the commission. The tariffs will provide the terms, conditions, and rates for
17 nondiscriminatory access to transmission and distribution facilities to wholesale and retail
18 customers and to nonregulated power producers. The tariffs shall: (1) Conform to the standards,
19 policies, and requirements of the Federal Energy Regulatory Commission or the commission as

1 appropriate with respect to nondiscriminatory access to transmission and distribution services; (2)
2 Fulfill such standards with respect to both transmission and distribution services for the benefit of
3 both wholesale and retail customers and their suppliers; and (3) Provide retail access in accordance
4 with the schedule set forth in § 39-1-27.3. For purposes of this section, “nondiscriminatory access”
5 means access to transmission and distribution services on rates, terms, and conditions found to be
6 reasonable by the FERC or the commission as appropriate and applied consistently to all customers
7 in a rate class regardless of their supplier. When establishing terms and conditions for distribution
8 service, the commission shall implement standards, policies, and requirements consistent with
9 those established by the Federal Energy Regulatory Commission for transmission service unless it
10 determines that alternative terms and conditions are in the public interest.

11 (b) The commission shall review the plan within six (6) months of filing and if the plan is
12 in compliance with chapter 3 of this title, shall authorize the property transfers, securities issuances,
13 and affiliate transactions pursuant to this title and shall grant all necessary regulatory approvals.
14 All existing state and local rights, authorizations, and approvals, including but not limited to,
15 permits, licenses, locations, indentures, leases, orders, or similar rights associated with the
16 ownership and operation of plant and equipment, shall be deemed transferred with the associated
17 plant and equipment upon the commission’s authorization of the transfer effective as of the date of
18 transfer. Notwithstanding any provisions of this section, if the electric distribution company’s
19 wholesale power supplier chooses to transfer its generation assets to a nonaffiliate of the electric
20 distribution company for purposes of carrying out the market valuation required by § 39-1-27.4(g),
21 and such transfer to a nonaffiliate is specified in the electric distribution company’s restructuring
22 plan filed with the commission pursuant to subsection (a) of this section, the transfer of the electric
23 distribution company’s interest in the generation facilities may be made directly to the nonaffiliate.
24 In the case of such a transfer directly to a nonaffiliate, all of the state and local rights, authorizations,
25 and approvals, including those enumerated above, shall be deemed transferred with the associated
26 plant and equipment upon the commission’s authorization of the transfer effective as of the date of
27 the transfer.

28 (c) The electric distribution company shall implement the corporate reorganizations and
29 property transfers specified in such restructuring plan; terminate its all-requirements contract with
30 its wholesale power supplier on the terms set forth in § 39-1-27.4; and provide retail access for all
31 customers in Rhode Island with a standard offer, as set forth in § 39-1-27.3, no later than three (3)
32 months after retail access is available to forty percent (40%) or more of the kilowatt-hour sales in
33 New England. The commission may extend this time if it determines that additional time is
34 necessary to implement the transactions on reasonable terms and in accordance with a reasonable

1 schedule; provided, however, that nothing in this section shall be construed to limit the effect of §
2 39-1-27.3 or permit the commission to unduly discriminate in providing retail access among or
3 within rate classes.

4 (d) Following the complete implementation of the restructuring plans and other than as
5 authorized by § 39-20-3, electric distribution companies shall be prohibited from selling electricity
6 at retail and from owning, operating, or controlling generating facilities, although such facilities
7 may be owned by affiliates of electric distribution companies. For purposes of this subsection,
8 providing the standard-offer service and last-resort power supply in accordance with subsections
9 (d) and (f) of § 39-1-27.3 shall not be construed as selling electricity at retail; and provided that,
10 owning, operating, and constructing generating facilities constructed or acquired after January 1,
11 2025 and/or energy storage systems (as such term is defined in § 39-33-1), shall not be a violation
12 of this section.

13 (e) Following the termination of the electric distribution company's contracts with its
14 wholesale power supplier, the wholesale power supplier shall become a nonregulated power
15 producer, and shall be free, subject to the requirements of the standard offer set forth in § 39-1-
16 27.3(e) and retail electric licensing commission plan requirements pursuant to § 39-1-27.1, to sell
17 electricity generated from each of its facilities on either the wholesale or retail markets at market
18 prices, either directly or through an affiliate, which shall also become a nonregulated power
19 producer. The former wholesale power supplier and its affiliates shall be free to apply to become
20 exempt wholesale generators pursuant to § 32 of the Public Utility Holding Company Act of 1935,
21 15 U.S.C. § 79z-5a [repealed], and other federal law, rules, and regulations, and each and every
22 generating facility of the former wholesale power supplier shall become an eligible facility pursuant
23 to that statute. Accordingly, the legislature hereby finds and declares that the division has sufficient
24 regulatory authority, resources, access to books and records to exercise its duties; and that the full
25 participation of former wholesale power suppliers and affiliated nonregulated power producers in
26 the market and the designation of each of the former wholesale power supplier's facilities as eligible
27 facilities will benefit consumers; is consistent with state law; will not provide any unfair
28 competitive advantage by virtue of their status as a former wholesale power supplier or as affiliates
29 of electric distribution companies; and is in the public interest.

30 (f) Although reducing air emissions from power plants is a goal of electricity industry
31 restructuring, power plants in Rhode Island already have low emissions relative to their
32 counterparts in other states. For this reason, it is unnecessary for the restructuring plans required
33 by this section to address in-state air emission reductions. However, to the extent a wholesale power
34 supplier receiving contract termination fees pursuant to § 39-1-27.4(b)(4) owns and operates as of

1 December 31, 1995, fossil-fired generation in another state that does not meet air emission
2 standards applicable as of that date to new electric-generating facilities in that state, the wholesale
3 power suppliers shall cooperate with the appropriate environmental officials in the state or states
4 where the generating facilities are located to develop a plan for reducing the emissions of nitrogen
5 oxides, sulfur dioxide, and particulate matter from the plants on an overall basis through
6 retirements, replacements, controls, or offsets, or any combination of the above, toward the air
7 emissions standards applicable to new electric-generating facilities in effect in the state or states
8 where the plants are located as of January 1, 1996. The plans shall be implemented in connection
9 with electric-industry restructuring in the state or states where the generating facilities are located.

10 (g) An electric distribution company, whether public, quasi-municipal, or investor owned,
11 that as of January 1, 1996, did not purchase power at wholesale from a wholesale power supplier
12 under an all-requirements contract, shall include proposals for recovering transition costs consistent
13 with the elements that would be comparable in nature to the elements included in termination fees
14 pursuant to § 39-1-27.4(b) through (g) and for providing a standard offer consistent with
15 requirements of § 39-1-27.3(d) in its plan filed with the commission pursuant to this section. The
16 filing by an electric distribution company that is a quasi-municipal corporation shall also address
17 any unique circumstances affecting the electric distribution company, including special contract
18 requirements or charter restrictions and the conditions that the quasi-municipal corporation must
19 satisfy in order to participate in retail competition. In reviewing the filing and determining the
20 appropriate level of transition cost recovery, the commission shall apply standards consistent with
21 those contained in § 39-1-27.4(b) through (g) and with this subsection. The commission shall be
22 authorized to take any action or to grant any approval necessary to maintain hydroelectric power
23 purchases from the Niagara and St. Lawrence power projects by quasi-municipal corporations.
24 Notwithstanding any other provision of this section, quasi-municipal electric distribution
25 companies that purchase hydroelectric power from the Niagara and St. Lawrence power projects
26 shall be authorized to continue to resell that power to residential customers within their service
27 territories. After notice and public hearing, the commission may exempt electric distribution
28 companies subject to this subsection from: (1) The requirement to transfer ownership of generation
29 and transmission facilities to affiliated companies pursuant to subsection (a) of this section; and (2)
30 The prohibition against selling electricity at retail pursuant to subsection (d) of this section with
31 respect to sales within the service territory of the electric distribution company, if it determines that
32 the exemptions are in the public interest.

33 (h) With the exception of the requirements of the standard offer set forth in § 39-1-27.3(e)
34 and (f) and retail electric licensing commission plan requirements pursuant to § 39-1-27.1, nothing

1 in this section shall be construed or interpreted to constrain the application of antitrust laws to
2 nonregulated power producers, whether affiliated or not with an electric distribution company.

3 **39-1-27.3. Electric distribution companies required to provide retail access, standard**
4 **offer and last-resort service.**

5 (a) To promote economic development and the creation and preservation of employment
6 opportunities within the state, each electric distribution company, except Pascoag Utility District
7 and the Block Island Utility District, a quasi-municipal corporation, district, and subdivision of the
8 state (“electric distribution company”), shall offer retail access from nonregulated power producers
9 to all customers.

10 (b) Through year 2009, and effective July 1, 2007, through year 2020, each electric
11 distribution company shall arrange for a standard power-supply offer (“standard offer”) to
12 customers that have not elected to enter into power-supply arrangements with other nonregulated
13 power suppliers. The rates that are charged by the electric distribution company to customers for
14 standard-offer service shall be approved by the commission and shall be designed to recover the
15 electric distribution company’s costs and no more than the electric distribution company’s costs;
16 provided, that the commission may establish and/or implement a rate that averages the costs over
17 periods of time. The electric distribution company shall not be entitled to recover any profit margin
18 on the sale of standard-offer power, except with approval of the commission as may be necessary
19 to implement, fairly and effectively, system reliability and least-cost procurement. The electric
20 distribution company will be entitled to recover its costs incurred from providing the standard offer
21 arising out of: (1) Wholesale standard-offer supply agreements with power suppliers in effect prior
22 to January 1, 2002; (2) Power-supply arrangements that are approved by the commission after
23 January 1, 2002; (3) Power-supply arrangements made pursuant to §§ 39-1-27.3.1 and 39-1-27.8;
24 and (4) Any other power-supply-related arrangements prudently made after January 1, 2002, to
25 provide standard-offer supply or to mitigate standard-offer supply costs, including costs for system
26 reliability, procurement, and least-cost procurement, as provided for in § 39-1-27.7. Subject to
27 commission approval, the electric distribution company may enter into financial contracts designed
28 to hedge fuel-related or other variable costs associated with power-supply arrangements and the
29 costs of any such financial contracts shall be recoverable in standard-offer rates. The electric
30 distribution company’s standard-offer revenues and its standard-offer costs shall be accounted for
31 and reconciled with interest at least annually. Except as otherwise may be directed by the
32 commission in order to accomplish purposes established by law, any over recoveries shall be
33 refunded to customers in a manner directed by the commission, and any under recoveries shall be
34 recovered by the electric distribution company through a uniform adjustment factor approved by

1 the commission. The commission shall have the discretion to apply such adjustment factor in any
2 given instance to all customers or to such specific class of customers that the commission deems
3 equitable under the circumstances provided that the distribution company recovers any under
4 recovery in its entirety. Once a customer has elected to enter into a power-supply arrangement with
5 a nonregulated power producer, the electric distribution company shall not be required to arrange
6 for the standard offer to such customer except as provided in § 39-1-27.3.1. No customer who
7 initially elects the standard offer and then chooses an alternative supplier shall be required to pay
8 any withdrawal fee or penalty to the provider of the standard offer unless such a penalty or
9 withdrawal fee was agreed to as part of a contract; however, no residential customer shall be
10 required to pay a penalty or withdrawal fee for choosing an alternative supplier. Nothing in this
11 subsection shall be construed to restrict the right of any nonregulated power producer to offer to
12 sell power to customers at a price comparable to that of the standard offer specified pursuant to this
13 subsection. The electric distribution company may not terminate an existing standard-offer
14 wholesale supply agreement without the written consent of the division.

15 (c) In recognition that electricity is an essential service, each electric distribution company
16 shall arrange for a last-resort power supply for customers who have left the standard offer for any
17 reason and are not otherwise receiving electric service from nonregulated power producers. The
18 electric distribution company shall procure last-resort service supply from wholesale power
19 suppliers [or from itself if it owns an electric generating facility pursuant to chapter 20 of title 39.](#)
20 Prior to acquiring last-resort supply, the electric distribution company will file with the commission
21 a supply acquisition plan or plans that include the acquisition procedure, the pricing options being
22 sought, and a proposed term of service for which last-resort service will be acquired, [including](#)
23 [from any electric generating facility owned or operated by the electric distribution company.](#) The
24 term of service may be short- or long-term and acquisitions may occur from time to time and for
25 more than one supplier for segments of last-resort service load over different terms, if appropriate.
26 All the components of the acquisition plans, however, shall be subject to commission review and
27 approval. Once an acquisition plan is approved by the commission, the electric distribution
28 company shall be authorized to acquire last-resort service supply consistent with the approved
29 acquisition plan and recover its costs incurred from providing last-resort service pursuant to the
30 approved acquisition plan. The commission may periodically review the acquisition plan to
31 determine whether it should be prospectively modified due to changed market conditions. The
32 commission shall have the authority and discretion to approve special tariff conditions and rates
33 proposed by the electric distribution company that the commission finds are in the public interest,
34 including without limitation: (1) Short- or long-term optional service at different rates; (2) Term

1 commitments or notice provisions before individual customers leave last-resort service; (3) Last-
2 resort service rates for residential or any other special class of customers that are different than the
3 rates for other last-resort customers; and/or (4) Last-resort service rates that are designed to
4 encourage any class of customers to return to the market. The electric distribution company's last-
5 resort service revenues and its last-resort service costs shall be accounted for and reconciled with
6 interest at least annually. Any over recoveries shall be refunded and any under recoveries shall be
7 recovered by the electric distribution company through a uniform adjustment factor approved by
8 the commission. The commission shall have the discretion to apply such adjustment factor in any
9 given instance to all customers or to such specific class of customers that the commission deems
10 equitable under the circumstances provided that the distribution company recovers any under
11 recovery in its entirety. Nothing in this section shall be construed to prohibit an electric distribution
12 company from terminating service provided hereunder in accordance with commission rules and
13 regulations in the event of nonpayment of this service. The commission may promulgate
14 regulations to implement this section including the terms and conditions upon which last-resort
15 service is offered and provided to customers.

16 (d) If a customer being served by a nonregulated power producer pays any taxes assessed
17 for electric service to the electric distribution company and the electric distribution company
18 forwards such tax payment for the power portion of the bill to a nonregulated power producer for
19 payment by the nonregulated power producer to the state, neither the customer nor the electric
20 distribution company shall be liable for such taxes forwarded if the nonregulated power producer
21 fails to remit such taxes to the state for any reason.

22 SECTION 2. Sections 39-20-2 and 39-20-3 of the General Laws in Chapter 39-20 entitled
23 "Ownership of Electric-Generating Facilities" are hereby amended to read as follows:

24 **39-20-2. Definitions.**

25 In this chapter, unless the context otherwise requires, the following words shall have the
26 following meanings:

27 (1) "Commission" means the public utilities commission.

28 (2) "Division" means the division of public utilities and carriers.

29 (3) "Domestic electric utility" means an electric utility organized under the laws of, or
30 having its principal place of business in, this state.

31 (4) "Electric-generating facilities" means electric-generating units ~~rated five hundred~~
32 ~~megawatts (500 MW) or above, and generating stations in commercial generation on or before~~
33 ~~January 1, 1990, that are subsequently altered or modified to increase the rating of these stations~~
34 ~~by at least two hundred megawatts (200 MW)~~ that are owned or operated by a nonregulated power

1 [producer, or by a domestic electric utility or an affiliate thereof and that are generating electricity](#)
2 [on or after January 1, 2025](#), and related facilities including those for the transmission of the capacity
3 and related energy from these units or stations.

4 (5) “Electric utility” means [any electric distribution company as defined in § 39-1-2](#) or any
5 individual, partnership, corporation, association, or entity, or subdivision thereof, private,
6 governmental, or other, wherever resident or organized, primarily engaged in the generation and
7 sale or purchase and sale of electricity, or the transmission thereof, for ultimate consumption by
8 the public.

9 (6) “Foreign electric utility” means any electric utility other than a domestic electric utility.

10 **39-20-3. Powers of domestic electric utilities.**

11 Notwithstanding any contrary provisions of any general or special law relating to the
12 powers and authorities of domestic electric utilities or any limitation imposed by their charters
13 (which are hereby amended), but subject to the provisions of this title and this chapter, a domestic
14 electric utility shall have the following additional powers:

15 (1) Jointly or separately to plan, finance, construct, purchase, operate, maintain, use, share
16 costs of, own, mortgage, lease, sell, provide services for, dispose of, or otherwise participate in
17 electric-generating facilities, or portions thereof, within or without the state, or the product or
18 service therefrom, or securities issued in connection with the financing of electric-generating
19 facilities or portions thereof;

20 (2) To enter into and perform contracts for joint or separate planning, financing,
21 construction, purchase, operation, maintenance, use, sharing costs of, ownership, mortgaging,
22 leasing, sale, providing services for, disposal of, or other participation in electric-generating
23 facilities, or portions thereof, within or without the state, or the product or service therefrom, or
24 securities issued in connection with the financing of electric-generating facilities or portions
25 thereof, including, without limitation, contracts for the payment of obligations imposed without
26 regard to the operational status of a facility or facilities and contracts with domestic or foreign
27 electric utilities for the sale or purchase of electricity from an electric-generating facility or facilities
28 for long or short periods of time or for the life of a specific electric-generating unit or units; and

29 (3) To enter into and perform contracts for the transmission both within or without the state
30 of the capacity and related energy from a specifically identified electric-generating facility,
31 wherever located, to its own retail service territory, or to any purchaser of such capacity and related
32 energy; provided, however, that nothing in this section shall be construed to authorize a domestic
33 electric utility to sell electricity at wholesale or retail within or without this state unless:

34 (i) The sale is authorized under its charter or the general or special laws of this state other

1 than this chapter including, but not limited to, § 39-1-27.3; ~~or~~

2 (ii) The sale constitutes a sale of capacity and related energy from a specifically identified
3 electric-generating facility or a sale of economy, backup, and other energy therefrom; or

4 (iii) The sale is made through a regional marketplace operated by a regional transmission
5 organization.

6 SECTION 3. Chapter 39-20 of the General Laws entitled "Ownership of Electric-
7 Generating Facilities" is hereby amended by adding thereto the following section:

8 **39-20-13. Labor standards for construction of electric-generating facilities.**

9 (a) In connection with the construction of an electric-generating facility by an electric
10 distribution company, said electric distribution company shall:

11 (1) For the construction of projects of one thousand dollars (\$1,000) or greater, the electric
12 distribution company, and each contractor or subcontractor who performs work on those projects
13 shall:

14 (i) Pay each construction employee wages and benefits that are not less than the prevailing
15 wage and fringe benefit rates in compliance with chapter 13 of title 37 for the corresponding
16 classification in which the employee is employed; and

17 (ii) Be subject to all reporting and compliance requirements of chapter 13 of title 37;

18 (2) For the construction of projects of one million dollars (\$1,000,000) or greater, the
19 electric distribution company, and each contractor or subcontractor who performs work on those
20 projects shall ensure that, no less than fifteen percent (15%) of the labor hours worked on the project
21 shall be performed by registered apprentices for all crafts or trades with approved apprenticeship
22 programs, as defined in § 39-26.9-2, that will be employed on the project;

23 (i) For purposes of this section, a Class A Apprenticeship Program is an apprenticeship
24 program currently registered with the U.S. Department of Labor or a state apprenticeship agency
25 and has graduated apprentices to journeyman status for at least three (3) of the past five (5) years.
26 This may be a program subject to the Employee Retirement Income Security Act of 1974, 29 U.S.C.
27 § 1001 et seq. ("ERISA"), or a non-ERISA program.

28 (ii) To demonstrate compliance with this section, the electric distribution company,
29 contractor, or subcontractor, as applicable, shall provide, with this certification, a list of all trades
30 or classifications of craft employees it will employ on the project and documentation verifying it
31 participates in a Class A Apprenticeship Program for each trade or classification listed. If the
32 electric distribution company, contractor, or subcontractor is unable to meet the fifteen percent
33 (15%) requirement due to the unavailability of apprentices meeting the requirements of this section,
34 said party may comply with this section by submitting the certification along with evidence of the

1 efforts taken to comply herewith, including but not limited to the bidding and responsive documents
2 for the relevant scopes of work and evidence that:

3 (A) A trade or field does not have an apprenticeship program or cannot produce members
4 from its program capable of performing the scope of work within the contract; or

5 (B) The size and scope of the work will not allow for the contractor to comply with the
6 apprenticeship ratio requirements for the craft affected; or

7 (C) For any other non-economic justifiable reason that demonstrates good cause.

8 (3) Contractors and subcontractors that violate subsections (a)(1)(i) and (a)(2) of this
9 section shall be subject to penalties and sanctions in accordance with chapter 13 of title 37.

10 (4) Electric distribution companies shall ensure that all contracts require contractors and
11 subcontractors to comply with the provisions of this section in connection with their own
12 employees, provided that, in connection with said contracts, the administrative reporting
13 obligations herein shall be solely the responsibility of said contractors and subcontractors. This
14 subsection shall not limit the electric distribution company's obligations in connection with its own
15 employees.

16 (b) Any Electric-generating facility constructed under this section shall demonstrate that
17 the electric distribution company has entered into a labor peace agreement, as defined in § 39-26.9-
18 2, with a bona fide labor organization, as defined in § 39-26.9-2, of jurisdiction that is actively
19 engaged in representing gas and electric company employees for the operations and maintenance
20 of such electric-generating facility. Nothing in this subsection shall be construed to supersede or
21 invalidate an existing collective bargaining agreement. Where employees performing operations
22 and maintenance work are already covered by a collective bargaining agreement, such agreement
23 shall satisfy the requirements of this subsection.

24 (c) Notwithstanding the other provisions to the contrary, the provisions of this section shall
25 not apply to:

26 (1) Work performed by employees or contractors of a relevant electric distribution
27 company and/or subcontractors thereof, who already are subject to the terms of an existing
28 collective bargaining agreement, in which case the terms of the existing collective bargaining
29 agreement shall control; or

30 (2) Work performed by employees or contractors of a relevant electric distribution
31 company and/or subcontractor thereof who are ineligible to bargain collectively under the National
32 Labor Relations Act.

1 SECTION 4. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- PUBLIC UTILITIES COMMISSION

1 This act would apply to electric-generating facilities owned or operated by non-regulated
2 power producers, a domestic electric utility or its affiliates generating electricity on or after January
3 1, 2025, regarding the sale and transmission of electricity, restructuring of the facility, and
4 provisions of last-resort service.

5 This act would take effect upon passage.

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