

**2026 -- S 2764 SUBSTITUTE A**

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LC005662/SUB A  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2026**

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- RENEWABLE ENERGY  
STANDARD

Introduced By: Senators Tikoian, Burke, Raptakis, Ciccone, Patalano, Famiglietti, Gallo,  
Thompson, Dimitri, and Appollonio

Date Introduced: March 04, 2026

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

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

3           **39-26-1. Legislative findings.**

4           The General Assembly finds that:

5           (1) The people and energy users of Rhode Island have an interest in having electricity  
6 supplied in the state come from a diversity of energy sources including renewable [and other zero-](#)  
7 [emission](#) resources;

8           (2) Increased use of renewable energy [and other zero-emission resources](#) may have the  
9 potential to lower and stabilize future energy costs;

10          (3) Increased use of renewable energy [and other zero-emission resources](#) can reduce air  
11 pollutants, including carbon dioxide emissions, that adversely affect public health and contribute  
12 to global warming;

13          (4) Massachusetts, Connecticut, and other states have established renewable energy  
14 standard programs to encourage the development of renewable energy sources;

15          (5) It is in the interest of the people, in order to protect public health and the environment  
16 and to promote the general welfare, to establish a renewable energy standard program to increase  
17 levels of electrical energy supplied in the state from renewable [and other zero-emission](#) resources.

18          **39-26-2. Definitions.**

1           (a) When used in this chapter:

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

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

7           (3) “Compliance year” means a calendar year beginning January 1 and ending December  
8 31, for which an obligated entity must demonstrate that it has met the requirements of this statute.

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

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

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

21           (7) “Eligible renewable energy resource” means resources as defined in § 39-26-5.

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

24           (9) “Existing renewable energy resources” means generation units using eligible renewable  
25 energy resources and first going into commercial operation before December 31, 1997.

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

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

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

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

34           (ii) Generates electricity from the combustion of fuel derived from the gasification or

1 pyrolysis of regulated medical waste; or

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

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

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

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

11 (16) “New renewable energy resources” means generation units using eligible renewable  
12 energy resources and first going into commercial operation after December 31, 1997; or the  
13 incremental output of generation units using eligible renewable energy resources that have  
14 demonstrably increased generation in excess of ten percent (10%) using eligible renewable energy  
15 resources through capital investments made after December 31, 1997; but in no case involve any  
16 new impoundment or diversion of water with an average salinity of twenty (20) parts per thousand  
17 or less.

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

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

25 (19) “Renewable energy resource” means any one or more of the renewable energy  
26 resources described in § 39-26-5(a).

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

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

33 (22) “Self-generator” means an end-use customer in Rhode Island that displaces all or part  
34 of its retail electricity consumption, as metered by the distribution utility to which it interconnects,

1 through the use of a customer-sited generation facility, and the ownership of any such facility shall  
2 not be considered an obligated entity as a result of any such ownership arrangement.

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

8 (24) Zero-emission resource means:

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

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

17 (b) For the purposes of the regulations promulgated under this chapter, eligible zero-  
18 emission energy resources are generation units in the NEPOOL control area using zero-emission  
19 energy resources as defined in this section that may be used to meet a separate clean energy  
20 compliance requirement, but shall not count towards the renewable energy standard unless  
21 expressly authorized.

22 (c) A generation unit located in an adjacent control area outside of the NEPOOL may  
23 qualify as an eligible zero-emission energy resource, but the associated generation attributes shall  
24 be applied to any zero-emission standard established under this chapter only to the extent that the  
25 energy produced by the generation unit is actually delivered into NEPOOL for consumption by  
26 New England customers. The delivery of the energy from the generation unit into NEPOOL must  
27 be demonstrated by:

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

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

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

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

34 (d) NE-GIS certificates associated with energy production from off-grid generation and

1 [customer-sited generation facilities certified by the commission as eligible zero-emission energy](#)  
2 [resources may also be used to demonstrate compliance with any zero-emission standard.](#)

3 **39-26-4. Renewable energy standard.**

4 (a) Starting in compliance year 2007, all obligated entities shall obtain at least three percent  
5 (3%) of the electricity they sell at retail to Rhode Island end-use customers, adjusted for electric  
6 line losses, from eligible renewable energy resources, [and zero-emission resources](#) escalating,  
7 according to the following schedule:

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

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

11 (3) An additional one percent (1%) of retail electricity sales in each of the following  
12 compliance years 2011, 2012, 2013, 2014, provided that the commission has determined the  
13 adequacy, or potential adequacy, of renewable energy supplies to meet these percentage  
14 requirements;

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

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

18 (6) An additional four percent (4%) of retail electricity sales in 2023;

19 (7) An additional five percent (5%) of retail electricity sales in 2024;

20 (8) An additional six percent (6%) of retail electricity sales in 2025;

21 (9) An additional seven percent (7%) of retail electricity sales in 2026 and 2027;

22 (10) An additional seven and one-half percent (7.5%) of retail electricity sales in 2028;

23 (11) An additional eight percent (8%) of retail electricity sales in 2029;

24 (12) An additional eight and one-half percent (8.5%) of retail electricity sales in 2030;

25 (13) An additional nine percent (9%) of retail electricity sales in 2031; and

26 (14) An additional nine and one-half percent (9.5%) of retail electricity sales in 2032 and  
27 2033 to achieve the goal that one hundred percent (100%) of Rhode Island's electricity demand is  
28 from renewable energy by 2033 and each year thereafter.

29 (b) For each obligated entity and in each compliance year, the amount of retail electricity  
30 sales used to meet obligations under this statute that are derived from existing renewable energy  
31 resources shall not exceed two percent (2%) of total retail electricity sales. [Starting in compliance](#)  
32 [year 2027, for each obligated entity and in each compliance year following, eighty percent \(80%\)](#)  
33 [of the amount of retail electricity sales used to meet obligations under this statute shall be derived](#)  
34 [from new renewable energy resources and up to twenty percent \(20%\) may be derived from existing](#)

1 [renewable energy resources and/or zero-emission resources.](#)

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

13 (d) To the extent consistent with the requirements of this chapter, compliance with the  
14 renewable energy standard may be demonstrated through procurement of NE-GIS certificates  
15 relating to generating units certified by the commission as using eligible renewable energy sources  
16 [or zero-emission resources](#), as evidenced by reports issued by the NE-GIS administrator.  
17 Procurement of NE-GIS certificates from off-grid and customer-sited generation facilities, verified  
18 by the commission as eligible renewable energy resources, may also be used to demonstrate  
19 compliance. With the exception of contracts for generation supply entered into prior to 2002, initial  
20 title to NE-GIS certificates from off-grid and customer-sited generation facilities and from all other  
21 eligible renewable energy resources, shall accrue to the owner of such a generation facility, unless  
22 such title has been explicitly deemed transferred pursuant to contract or regulatory order.

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

27 (f) Retail electricity sales pursuant to a nonregulated power producer's supply contract that  
28 was executed prior to July 1, 2022, shall be required to obtain an additional one and one-half percent  
29 (1.5%) of retail electricity sales each year and are exempted from the requirements of subsections  
30 (a)(6) through (a)(14) of this section until the end date of the term of the nonregulated power  
31 producer's supply contract.

32 [\(g\) Nothing in this section shall be construed to reduce or delay the annual procurement of](#)  
33 [renewable energy resources required under this chapter. Provided, further, zero-emission resources](#)  
34 [shall supplement, but not supplant, renewable energy procurement necessary to meet the](#)

1 [requirements of this chapter.](#)

2 **39-26-6. Duties of the commission.**

3 (a) The commission shall:

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

6 (i) Verifying the eligibility of renewable energy generators and the production of energy  
7 from such generators, including requirements to notify the commission in the event of a change in  
8 a generator's eligibility status;

9 (ii) Standards for contracts and procurement plans for renewable energy resources to  
10 achieve the purposes of this chapter;

11 (iii) Flexibility mechanisms for the purposes of easing compliance burdens; facilitating  
12 bringing new renewable resources on-line; and avoiding and/or mitigating conflicts with state-level  
13 source disclosure requirements and green marketing claims throughout the region; which flexibility  
14 mechanisms shall allow obligated entities to: (A) Demonstrate compliance over a compliance year;  
15 and (B) Bank excess compliance for ~~two (2) subsequent compliance years, capped at thirty percent~~  
16 ~~(30%) of~~ [up to three \(3\) subsequent compliance years, without limitation on the percentage of](#) the  
17 current year's obligation; and

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

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

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

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

32 (5) Establish sanctions for those obligated entities that, after investigation, have been found  
33 to fail to reasonably comply with the commission's regulations. No sanction or penalty shall relieve  
34 or diminish an obligated entity from liability for fulfilling any shortfall in its compliance obligation;

1 provided, however, that no sanction shall be imposed if compliance is achieved through alternative  
2 compliance payments. The commission may suspend or revoke the certification of generation units,  
3 certified in accordance with subsection (a)(3) of this section, that are found to provide false  
4 information or that fail to notify the commission in the event of a change in eligibility status or  
5 otherwise comply with its rules. Financial penalties resulting from sanctions from obligated entities  
6 shall not be recoverable in rates.

7 (6) Report, by February 15, 2006, and by February 15 each year thereafter, to the governor,  
8 the speaker of the house, and the president of the senate on the status of the implementation of the  
9 renewable energy standards in Rhode Island and other states, and which report shall include in  
10 2009, and each year thereafter, the level of use of renewable energy certificates by eligible  
11 renewable energy resources [and zero-emission resources](#), and the portion of renewable energy  
12 standards met through alternative compliance payments, and the amount of rate increases  
13 authorized pursuant to subsection (a)(2) of this section.

14 (b) Consistent with the public policy objective of developing renewable generation as an  
15 option in Rhode Island, and subject to the review and approval of the commission, the electric  
16 distribution company is authorized to propose and implement pilot programs to own and operate  
17 no more than fifteen megawatts (15 MW) of renewable-generation demonstration projects in Rhode  
18 Island and may include the costs and benefits in rates to distribution customers. At least two (2)  
19 demonstration projects shall include renewable generation installed at, or in the vicinity of  
20 nonprofit, affordable-housing projects where energy savings benefits are provided to reduce  
21 electric bills of the customers at the nonprofit, affordable-housing projects. Any renewable-  
22 generation proposals shall be subject to the review and approval of the commission. The  
23 commission shall annually make an adjustment to the minimum amounts required under the  
24 renewable energy standard under this chapter in an amount equal to the kilowatt hours generated  
25 by such units owned by the electric distribution company. The electric and gas distribution  
26 company shall also be authorized to propose and implement smart-metering and smart-grid  
27 demonstration projects in Rhode Island, subject to the review and approval of the commission, in  
28 order to determine the effectiveness of such new technologies for reducing and managing energy  
29 consumption, and may include the costs of such demonstration projects in distribution rates to  
30 electric customers to the extent the project pertains to electricity usage and in distribution rates to  
31 gas customers to the extent the project pertains to gas usage.

32 SECTION 2. Chapter 39-26 of the General Laws entitled "Renewable Energy Standard" is  
33 hereby amended by adding thereto the following section:

34 **39-26-4.1. Legislative reporting.**

1           (a) On or before January 1, 2030, the Rhode Island office of energy resources and the public  
2 utilities commission shall conduct a comprehensive review of:

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

4           (2) The status of the state’s progress toward meeting the greenhouse gas emissions  
5 reduction requirements; and

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

8           (b) On or before December 31, 2030, the office of energy resources and the public utilities  
9 commission shall submit a report of their findings, and recommendation of actions required  
10 pursuant to this section, to the governor, the speaker of the house, the president of the senate, and  
11 the chairs of the house and senate committees on environment and natural resources, finance, and  
12 commerce. The report shall detail the following:

13           (1) Renewable and other clean energy resources used for compliance;

14           (2) Emissions impacts; and

15           (3) Any statutory changes needed to reach the 2033 targets established pursuant to this  
16 chapter.

17           SECTION 3. This act shall take effect on July 1, 2026.

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LC005662/SUB A  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T  
RELATING TO PUBLIC UTILITIES AND CARRIERS -- RENEWABLE ENERGY  
STANDARD

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1           This act would freeze obligated entities' annual requirements regarding percentages of  
2 retail sales of electricity obtained from renewable energy sources for the years 2027, 2028, and  
3 2029. This act would further permit the use of nuclear energy obtained outside the state for use  
4 within the state to achieve the state's renewable energy standard.

5           This act would take effect on July 1, 2026.

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