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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- RENEWABLE ENERGY
STANDARD

Introduced By: Senators Paolino, Rogers, de la Cruz, E Morgan, and Appollonio

Date Introduced: February 26, 2025

Referred To: Senate Environment & Agriculture

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 39-26-6 of the General Laws in Chapter 39-26 entitled "Renewable
2 Energy Standard" is hereby amended to read as follows:

3 **39-26-6. Duties of the commission.**

4 (a) The commission shall:

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

7 (i) Verifying the eligibility of renewable energy generators and the production of energy
8 from such generators, including requirements to notify the commission in the event of a change in
9 a generator's eligibility status or if the generator ceases to produce energy, provided, the
10 commission shall make public notification of any changes in eligibility or production of energy as
11 defined herein, and the commission shall promulgate rules and regulations to allow and facilitate
12 the prompt public disclosure of this information;

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

15 (iii) Flexibility mechanisms for the purposes of easing compliance burdens; facilitating
16 bringing new renewable resources on-line; and avoiding and/or mitigating conflicts with state-level
17 source disclosure requirements and green marketing claims throughout the region; which flexibility
18 mechanisms shall allow obligated entities to: (A) Demonstrate compliance over a compliance year;

1 and (B) Bank excess compliance for two (2) subsequent compliance years, capped at thirty percent
2 (30%) of the current year's obligation; and

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

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

12 (3) Certify eligible renewable energy resources by issuing statements of qualification
13 within ninety (90) days of application. The commission shall provide prospective reviews for
14 applicants seeking to determine whether a facility would be eligible.

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

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

25 (6) Report, by February 15, 2006, and by February 15 each year thereafter, to the governor,
26 the speaker of the house, and the president of the senate on the status of the implementation of the
27 renewable energy standards in Rhode Island and other states, and which report shall include in
28 2009, and each year thereafter, the level of use of renewable energy certificates by eligible
29 renewable energy resources and the portion of renewable energy standards met through alternative
30 compliance payments, and the amount of rate increases authorized pursuant to subsection (a)(2) of
31 this section.

32 (7) Determine, on or before January 1, 2026, and every fifth year thereafter, the adequacy
33 of renewable energy supplies to meet the increase in the percentage requirement of energy from
34 renewable energy resources to go into effect the following year. In the event that the commission

1 determines an inadequacy of supplies for scheduled percentage increases, the commission shall
2 delay all or a part of the implementation of the scheduled percentage increase, until such time that
3 the commission determines that the supplies are adequate to achieve the purposes of this chapter.

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

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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1 This act would require the public utilities commission (PUC) to make public notification
2 of any changes in eligibility or production of energy, and would direct the commission to
3 promulgate rules and regulations to allow and facilitate the prompt public disclosure of this
4 information.

5 This act would take effect upon passage.

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