

**2016 -- S 2260 SUBSTITUTE A AS AMENDED**

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LC003888/SUB A  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2016**

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A N A C T

RELATING TO PUBLIC UTILITIES -- PUBLIC UTILITIES COMMISSION

Introduced By: Senators Walaska, Ciccone, Lombardi, McCaffrey, and Lynch Prata

Date Introduced: February 09, 2016

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 39-1-27.1 of the General Laws in Chapter 39-1 entitled "Public  
2 Utilities Commission" is hereby amended to read as follows:

3           **39-1-27.1. Retail electric licensing commission plan requirements and nonregulated**  
4 **power producer registration requirements.** -- (a) The retail electric licensing commission shall  
5 by January 1, 1997 submit a plan to the legislature which shall include, but not be limited to, the  
6 following:

7           (1) A recommendation for taxing and/or assessing electric distribution companies,  
8 electric transmission companies and nonregulated power producers;

9           (2) Recommendations regarding changes to the regional power pool that would facilitate  
10 the creation of an independent system operator and voluntary power exchange; and

11           (3) Proposals for consumer protections, access to books and records, and other  
12 requirements the retail electric licensing commission determines to be reasonable, necessary and  
13 in the public interest.

14           (b) (1) On or before January 1, 1997, the public utilities commission shall establish  
15 regulations applicable to nonregulated power producers that are selling electricity in this state that  
16 are necessary to meet (directly or through contract) the operating and reliability standards of the  
17 regional power pool.

18           (2) In addition, the public utilities commission shall participate in all proceedings before  
19 the federal energy regulatory commission with respect to the modification and/or termination of

1 wholesale all requirements contracts in place as of January 1, 1996, between electric distribution  
2 companies operating in this state and their affiliated power suppliers. The purpose of such  
3 participation is to ensure that termination fees payable by ultimate customers in this state are  
4 determined in accordance with the provisions of § 39-1-27.4. To facilitate such participation, the  
5 public utilities commission is authorized to assess electric distribution companies under its  
6 jurisdiction for its reasonable expenses incurred in connection with its participation in those  
7 proceedings, up to a maximum of one hundred thousand dollars (\$100,000) per year, which  
8 assessments shall be in addition to all other assessments authorized by this title.

9 (3) On January 1, 1998, and annually for the next four (4) years thereafter, the public  
10 utilities commission shall transmit to the governor, the speaker of the house and the president of  
11 the senate, a report detailing: developments in the competitive power supply market in this state;  
12 estimated savings realized by customers as a result of the introduction of retail competition in the  
13 power supply market; progress towards implementation of a regional transmission agreement for  
14 New England and other reforms implemented by the regional power pool; and the status of  
15 electric industry restructuring activities in the other New England states and any  
16 recommendations for statutory changes.

17 (c) All nonregulated power producers seeking to do business in this state must file with  
18 the division of public utilities and carriers a notarized registration application that includes the  
19 information identified below and any additional information required by the division of public  
20 utilities and carriers pursuant to regulations issued to protect the public interest in connection with  
21 the registration of entities seeking to sell electricity at retail:

22 (1) Legal name;

23 (2) Business address;

24 (3) The name of the state where organized; the date of organization; a copy of the  
25 articles of incorporation, association, partnership agreement, or other similar document regarding  
26 legal organization;

27 (4) Name and business address of all officers and directors, partners; or other similar  
28 officials;

29 (5) Name, title, and telephone number of customer service contact person;

30 (6) Name, title, and telephone number of regulatory contact person;

31 (7) Name, title and address of registered agent for service of process;

32 (8) Brief description of the nature of business being conducted; and

33 (9) Evidence of financial soundness except those nonregulated power producers who  
34 may be obligated entities under §39-26-2(16) shall provide security such as a surety bond ~~bonds~~;

1 ~~a recent financial statement,~~ or other financial instrument showing evidence of liquid funds, such  
2 as a certificate of deposit, an irrevocable letter of credit, a line of credit, a loan or guarantees or  
3 ~~other mechanism as~~ in an amount specified by the division, pursuant to rules and regulations  
4 promulgated by the division on or before February 1, 2017, provided that the amount be not less  
5 than twenty-five thousand dollars (\$25,000), nor more than five hundred thousand dollars  
6 (\$500,000). The financial instrument shall name the public utilities commission and division of  
7 public utilities and carriers as obligees. Financial security shall be reviewed each year at the time  
8 a nonregulated power producer makes its annual filing. The financial security shall be available to  
9 satisfy penalties assessed by the division for violations of any consumer protection rules or laws  
10 related to nonregulated power producers, refunds ordered by the division, or failure to comply  
11 with the provisions of chapter 26 of title 39, as determined by the public utilities commission.  
12 Payments made pursuant to this subsection for violation of the provisions of §39-26-4 shall be  
13 forfeited, and shall be remitted to the renewable energy development fund established in §39-26-  
14 7, or any successor funds, and all other forfeitures will be remitted to the state's general fund.

15 (d) Copies of all filings pursuant to subsection (c), shall be served upon the commission  
16 and all electric distribution companies. Updated information shall be filed within ten (10) days of  
17 any change to the information included in a registration application, as filed or previously  
18 updated. Registration applications filed pursuant to subsection (c), shall become effective thirty  
19 (30) days after filing with the division, unless rejected during the thirty (30) day period. If the  
20 division should reject a registration application, it shall specify the applicable reasons in writing  
21 and, if practicable, identify alternative ways to overcome any deficiencies. After an opportunity  
22 of a hearing, the division may rescind a nonregulated power producer's registration for cause.  
23 Nonregulated power producers shall be authorized to do business in this state after their  
24 registration becomes effective and while it remains in good standing.

25 (e) A filing fee of one hundred dollars (\$100) shall accompany all registration  
26 applications filed pursuant to subsection (c). Nonregulated power producers shall thereafter renew  
27 their registrations with the division on an annual basis. Applications for renewal shall be filed  
28 before the close of business on December 31 of each calendar year. Applications for renewal shall  
29 specify any changes in previously filed registration information. A filing fee of one hundred  
30 dollars (\$100) shall accompany all applications for renewal of nonregulated power producer  
31 status.

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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RELATING TO PUBLIC UTILITIES -- PUBLIC UTILITIES COMMISSION

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1           This act would require certain nonregulated power producers which are defined as  
2 "obligated entities" under chapter 26 of title 39 and are seeking to sell electricity at retail to show  
3 evidence of financial security by way of a financial instrument in an amount of not less than  
4 \$25,000 or more than \$500,000.

5           This act would take effect upon passage.

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