

2016 -- S 2747

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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 AND CARRIERS-GREEN ENERGY REVOLVING  
FUND

Introduced By: Senators Lynch Prata, Walaska, Doyle, and Gallo

Date Introduced: March 10, 2016

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 39 of the General Laws entitled "PUBLIC UTILITIES AND  
2 CARRIERS" is hereby amended by adding thereto the following chapter:

3 CHAPTER 39-26.7

4 GREEN ENERGY REVOLVING FUND

5 **39-26.7-1. Definitions.** – As used in this chapter, the following terms, unless the context  
6 requires a different interpretation, shall have the following meanings:

7 (1) "Agency" means the Rhode Island infrastructure bank as set forth in chapter 12.2 of  
8 title 46;

9 (2) "Approved project" means any project approved by the agency for financial  
10 assistance;

11 (3) "Corporation" means any corporate person, including, but not limited to, bodies  
12 politic and corporate, corporations, societies, associations, partnerships, limited liability  
13 companies, sole proprietorships, and subordinate instrumentalities of any one or more political  
14 subdivisions of the state;

15 (4) "Department" means, the department of environmental management;

16 (5) "Eligible borrower" or "borrower" means a person, corporation, city, town, or other  
17 political subdivision or instrumentality of the state;

18 (6) "Energy efficiency projects" means those projects that are eligible under §39-1-27.7

1 or projects that have been defined as eligible in the Property-Assessed Clean Energy or "PACE"  
2 rules and regulations established pursuant to chapter 26.5 of title 39;

3 (7) "Financial assistance" means any form of financial assistance provided by the agency  
4 to an eligible borrower in accordance with this chapter for all or any part of the cost of an  
5 approved project, including, without limitation, temporary and permanent loans, with or without  
6 interest, grants, guarantees, insurance, subsidies for the payment of debt service on loans, lines of  
7 credit, and similar forms of financial assistance;

8 (8) "Green energy project" means a project proposed by a city, town, person or  
9 corporation that would provide for the replacement of inefficient heating and cooling systems,  
10 appliances, and windows with energy star products, energy efficiency projects that are eligible  
11 and meet the requirements set forth in §39-1-27.7, and projects that provide for the installation of  
12 solar panels and other renewable energy systems within the state of Rhode Island.

13 (9) "Person" means any natural person;

14 (10) "Project evaluation criteria" means the criteria used by the department to evaluate  
15 and rank eligible projects and shall include the extent to which the project generates economic  
16 benefits, the extent to which the project would be able to proceed, and the cost effectiveness of  
17 the project; and

18 (11) "Revolving fund" means the green energy revolving fund established under this  
19 chapter.

20 **39-26.7-2. Establishment of the green energy revolving fund.** – (a) There is hereby  
21 established a green energy revolving fund. The agency shall establish the green energy revolving  
22 fund, to be held in trust and to be administered by the agency solely as provided in this chapter  
23 and in any trust agreement securing bonds of the agency. The agency shall deposit the following  
24 monies into the fund:

25 (1) Amounts appropriated, transferred, or designated to the agency by the state or federal  
26 government or any political subdivision thereof for the purposes of this chapter;

27 (2) Loan repayments and other payments received by the agency pursuant to loan  
28 agreements with eligible borrowers executed in accordance with this chapter;

29 (3) Investment earnings on amounts credited to the fund;

30 (4) Proceeds of bonds of the agency to the extent required by any trust agreement for  
31 such bonds;

32 (5) Administrative fees levied by the agency;

33 (6) Other amounts required by provisions of this chapter or agreement, or any other law  
34 or any trust agreement pertaining to bonds to be credited to the revolving fund; and

1           (7) Any other funds permitted by law which the agency in its discretion shall determine  
2 to credit thereto.

3           (b) The agency shall establish and maintain fiscal controls and accounting procedures  
4 conforming to generally accepted government accounting standards sufficient to ensure proper  
5 accounting for receipts in and disbursements from the green energy revolving fund.

6           (c) The state shall provide for a referendum for the approval of a bond issue providing up  
7 to sixty million dollars (\$60,000,000) in funds for the purposes of this chapter.

8           **39-26.7-3. Loans issued from revolving fund. --** (a) The agency is authorized to issue  
9 loans from the revolving fund to eligible borrowers as follows:

10           (1) The agency shall evaluate all proposed green energy project applications in  
11 accordance with a project evaluation criteria stabled by the department pursuant to the purposes  
12 of this chapter;

13           (2) The agency shall issue loans from the revolving fund based upon an applicant's  
14 results after applying the project evaluation criteria to the proposed project;

15           (3) Loans in the amounts from two thousand five hundred dollars (\$2,500) to ten  
16 thousand dollars (\$10,000) may be made to individual homeowners for green energy projects  
17 with qualifying scores under the project evaluation criteria; and

18           (4) Loans in the amounts from two thousand five hundred dollars (\$2,500) to forty  
19 thousand dollars (\$40,000) may be made to other eligible borrowers, for green energy projects  
20 with qualifying scores under the project evaluation criteria.

21           (b) The agency shall promulgate rules and regulations to implement the provisions of  
22 this chapter. Such rules and regulations shall include:

23           (1) A methodology for potential borrowers to apply to the agency for financial assistance  
24 for a green energy project;

25           (2) A methodology for the agency to evaluate applications for such financial assistance,  
26 which shall include a project evaluation criteria, and thus to approve or deny borrowers;

27           (3) A mechanism to review and insure that eligible borrowers are utilizing any financial  
28 assistance received from the agency in the manner approved by the agency, including meeting the  
29 specifications contained in an approved green energy project. In making such determinations, the  
30 agency shall evaluate the extent the borrower is meeting the project evaluation criteria stabled for  
31 the green energy project.

32           **39-26.7-4. Annual reporting. --** (a) Commencing on March 1, 2017, and annually on  
33 March 1 thereafter, the agency shall file a report with the general assembly and the governor on  
34 the status of the fund. Such report shall include:

- 1           (1) The amount of money currently in the revolving fund;
- 2           (2) The number and amounts of loans currently issued by the agency;
- 3           (3) A general description of the success of the program, in terms of the number of  
4 projects meeting their project evaluation criteria;
- 5           (4) An estimate of the amount of energy savings, if any, being realized by the program;
- 6 and
- 7           (5) Such other information as the agency deems pertinent to include.

8           SECTION 2. 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-GREEN ENERGY REVOLVING  
FUND

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- 1           This act would establish the green energy revolving fund for the purpose of providing
- 2 loans for green energy projects.
- 3           This act would take effect upon passage.

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