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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - PUBLIC UTILITIES COMMISSION

Introduced By: Representatives Regunberg, Handy, Palangio, Diaz, and Barros

Date Introduced: February 10, 2016

Referred To: House Corporations

It is enacted by the General Assembly as follows:

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

3 **39-1-1. Declaration of policy -- Purposes. --** (a) The general assembly finds and
4 therefore declares that:

5 (1) The businesses of distributing electrical energy, producing and transporting
6 manufactured and natural gas, operating water works and furnishing supplies of water for
7 domestic, industrial, and commercial use, offering to the public transportation of persons and
8 property, furnishing and servicing telephonic and wireless audio and visual communication
9 systems, and operation of community antenna television systems are affected with a public
10 interest;

11 (2) Supervision and reasonable regulation by the state of the manner in which such
12 businesses construct their systems and carry on their operations within the state are necessary to
13 protect and promote the convenience, health, comfort, safety, accommodation, and welfare of the
14 people, and are a proper exercise of the police power of the state;

15 (3) Preservation of the state's resources, commerce, and industry requires the assurance
16 of adequate public transportation and communication facilities, water supplies, and an abundance
17 of energy, all supplied to the people with reliability, at economical cost, and with due regard for
18 the preservation and enhancement of the environment, the conservation of natural resources,
19 including scenic, historic, and recreational assets, and the strengthening of long-range, land-use

1 planning- :

2 (b) It is hereby declared to be the policy of the state to provide fair regulation of public
3 utilities and carriers in the interest of the public, to promote availability of adequate, efficient and
4 economical energy, communication, and transportation services and water supplies to the
5 inhabitants of the state, to provide just and reasonable rates and charges for such services and
6 supplies, without unjust discrimination, undue preferences or advantages, or unfair or destructive
7 competitive practices, and to co-operate with other states and agencies of the federal government
8 in promoting and coordinating efforts to achieve realization of this policy.

9 (c) To this end, there is hereby vested in the public utilities commission and the division
10 of public utilities and carriers the exclusive power and authority to supervise, regulate, and make
11 orders governing the conduct of companies offering to the public in intrastate commerce energy,
12 communication, and transportation services and water supplies for the purpose of increasing and
13 maintaining the efficiency of the companies, according desirable safeguards and convenience to
14 their employees and to the public, and protecting them and the public against improper and
15 unreasonable rates, tolls and charges by providing full, fair, and adequate administrative
16 procedures and remedies, and by securing a judicial review to any party aggrieved by such an
17 administrative proceeding or ruling.

18 (d) The legislature also finds and declares, as of 1996, the following:

19 (1) That lower retail electricity rates would promote the state's economy and the health
20 and general welfare of the citizens of Rhode Island;

21 (2) That current research and experience indicates that greater competition in the
22 electricity industry would result in a decrease in electricity rates over time;

23 (3) That greater competition in the electricity industry would stimulate economic growth;

24 (4) That it is in the public interest to promote competition in the electricity industry and
25 to establish performance based ratemaking for regulated utilities;

26 (5) That in connection with the transition to a more competitive electric utility industry,
27 public utilities should have a reasonable opportunity to recover transitional costs associated with
28 commitments prudently incurred in the past pursuant to their legal obligations to provide reliable
29 electric service at reasonable costs;

30 (6) That it shall be the policy of the state to encourage, through all feasible means and
31 measures, states where fossil-fueled electric generating units producing air emissions affecting
32 Rhode Island air quality are located to reduce such emissions over time to levels that enable cost
33 effective attainment of environmental standards within Rhode Island;

34 (7) That in a restructured electrical industry the same protections currently afforded to

1 low income customers shall continue.

2 (e) The legislature further finds and declares as of 2006:

3 (1) That prices of energy, including especially fossil-fuels and electricity, are rising
4 faster than the cost of living and are subject to sharp fluctuations, which conditions create
5 hardships for many households, institutions, organizations, and businesses in the state;

6 (2) That while utility restructuring has brought some benefits, notably in transmission
7 and distribution costs and more efficient use of generating capacities, it has not resulted in
8 competitive markets for residential and small commercial industrial customers, lower overall
9 prices, or greater diversification of energy resources used for electrical generation;

10 (3) That the state's economy and the health and general welfare of the people of Rhode
11 Island benefit when energy supplies are reliable and least-cost; and

12 (4) That it is a necessary move beyond basic utility restructuring in order to secure for
13 Rhode Island, to the maximum extent reasonably feasible, the benefits of reasonable and stable
14 rates, least-cost procurement, and system reliability that includes energy resource diversification,
15 distributed generation, and load management.

16 (f) The legislature further finds and declares as of 2016:

17 (1) That energy generation and distribution have a significant impact on the health and
18 general welfare of the people of Rhode Island as well as the state's economic outlook;

19 (2) That energy decisions made today will have consequences and impacts for the state
20 for decades to come;

21 (3) That energy resource diversification, distributed generation, load management and
22 grid modernization are urgent and necessary priorities to bring about long-term reasonable and
23 stable rates for Rhode Island consumers;

24 (4) That because of the threat of climate change Rhode Island should pursue an
25 aggressive effort to address climate change in all areas of state action; and

26 (5) That in order to minimize the threat of climate change to Rhode Island, all feasible
27 efforts should be taken to prevent a global temperature rise of one and one-half (1.5) degrees, and
28 that a core element of Rhode Island's efforts should be accomplishing an energy mix of one
29 hundred percent (100%) clean renewable energy by 2050.

30 SECTION 2. Chapter 39-1 of the General Laws entitled "Public Utilities Commission" is
31 hereby amended by adding thereto the following section:

32 **39-1-63. Application of certain factors to decisions of division and commission. -- (a)**

33 When evaluating possible or proposed regulatory action, including electric resource
34 acquisitions (including generation and demand-side management resources), infrastructure

1 improvements and upgrades, transmission upgrades or new transmission lines, the commission
2 and the division of public utilities and carriers shall include in its evaluations, but are not limited
3 to, the benefits of:

4 (1) The avoided generation, transmission, distribution, capacity and energy costs of the
5 proposed project;

6 (2) The fair valuation of avoided emissions, including emissions of carbon, nitrogen
7 oxides, sulfur oxides, particulate matter 2.5, and particulate matter 10; and

8 (3) The elimination of climate and health impacting emissions by achieving a one
9 hundred percent (100%) clean renewable energy mix by 2050.

10 (b) In all proceedings, the commission and the division shall consider, on a qualitative
11 basis, factors that affect employment and the long-term economic viability of Rhode Island
12 communities. To this end, the commission shall require utilities to request the following
13 information regarding "best value" employment metrics: The availability of training programs,
14 including training through apprenticeship programs registered with the United States Department
15 of Labor, Office of Apprenticeship and Training; employment of Rhode Island workers as
16 compared to importation of out-of-state workers; long-term career opportunities; and industry-
17 standard wages, health care, and pension benefits. When a utility proposes to construct new
18 facilities of its own, the utility shall supply similar information to the commission.

19 (c) In order to ensure that commission decisions create good jobs and maximum
20 economic benefits, all future projects should be:

21 (1) Subject to prevailing wage with prevailing wage required for all projects receiving
22 funding from, or mandated by the commission including jobs in construction, maintenance, and
23 operations; and

24 (2) Coordination of the division with the Rhode Island department of labor and training in
25 the development of a plan for local hiring to ensure that communities where projects are sited
26 have access to a portion of the work.

27 (d) In order to meet the threat of climate change, the commission shall consider the
28 impact of its decisions, in all areas of their authority, on:

29 (1) Climate impacting emissions;

30 (2) Resiliency and vulnerability to extreme weather;

31 (3) Health and safety of community members, particularly in the area projects are
32 located; and

33 (4) The local economy, particularly in the area projects are located.

34 (e) In order to inform the decision making process, the division shall evaluate and report

1 to the commission, the governor, and the legislature every five (5) years commencing January 1,
2 2017, on how Rhode Island can:

3 (1) Provide sufficient reliable cost-effective clean renewable energy sufficient to meet all
4 energy demands by 2050;

5 (2) Reduce emissions to meet a goal of an eighty percent (80%) reduction in climate
6 impacting emissions and co-pollutants from current levels by 2050; and

7 (3) Track economic and health impacts, and reduce environmental burdens on
8 communities that host energy infrastructure while ensuring the transition to clean renewable
9 energy creates jobs and economic opportunity.

10 SECTION 3. 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 AND CARRIERS - PUBLIC UTILITIES COMMISSION

1 This act would require the division of public utilities and carriers and the public utilities
2 commission to include climate, environmental, employment, health and consumer concerns in all
3 their proceedings and decisions. The act would direct that an emphasis be placed by the division
4 and the commission on reducing pollutants, reducing toxic emissions, and promoting the use of
5 clean renewable energy sources.

6 This act would take effect upon passage.

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