

2018 -- S 2176

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - THE RHODE ISLAND PUBLIC
POWER UTILITY COUNCIL ACT

Introduced By: Senators Satchell, Seveney, Calkin, Goldin, and Euer

Date Introduced: February 01, 2018

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND
2 GOVERNMENT" is hereby amended by adding thereto the following chapter:

3 CHAPTER 140.5

4 THE RHODE ISLAND PUBLIC POWER UTILITY COUNCIL ACT

5 **42-140.5-1. Short title.**

6 This chapter shall be known as "The Rhode Island Public Power Utility Council Act".

7 **42-140.5-2. Legislative findings.**

8 It is hereby found and declared:

9 (1) Rhode Island continues to experience an energy cost crisis and faces the prospect of
10 ever-increasing energy prices in the future as well as failures of customer service and continuity
11 of operations in emergency circumstances for utility customers.

12 (2) Public power utilities are not-for-profit community-owned utility companies typically
13 governed by elected or appointed boards made up of municipal officials and community citizens.
14 This is contrasted to for-profit investor-owned utility companies such as National Grid which are
15 governed by private boards and operate to benefit shareholders rather than the consumer public.

16 (3) Fifteen percent (15%) of all electricity consumers in the United States (49 million
17 consumers in 49 states) are currently served by public not-for-profit power utilities, including the
18 customers of the Pascoag Utility District in Rhode Island and nationwide public power customers

1 pay rates that are on average thirteen percent (13%) less than the rates paid by customers of for-
2 profit investor owned utility companies.

3 (4) Locally-owned not-for-profit public power utilities are economic development
4 engines for their local communities. Public power utilities employ ninety three thousand (93,000)
5 people nationally and provide consumer service and response at the local level.

6 **42-140.5-3. Establishment of council - Purposes.**

7 (a) There is hereby authorized, created and established a council to be known as "The
8 Rhode Island Public Power Utility Council" with the powers and duties set forth in this chapter.

9 (b) The purposes of this council are to:

10 (1) Evaluate and make recommendations for the most appropriate and effective form of
11 public not-for-profit power utility enabling legislation to best serve the needs of power consumers
12 in Rhode Island including consideration of lowest cost for the utility consumer, local control and
13 effective response to local consumer needs in terms of economics, customer service, emergency
14 response and continuation of operations.

15 (2) Develop and implement a process for comprehensive stakeholder involvement in the
16 design and implementation of a new statutory model for public not-for-profit power utilities in
17 Rhode Island.

18 (3) Promote public understanding of the benefits of municipal level or regional public
19 not-for-profit power utilities.

20 (4) After passage of public not-for-profit power utilities enabling legislation suitable to
21 the conditions in Rhode Island continue to provide public stakeholder involvement in the
22 establishment and implementation of public not-for-profit power utilities in Rhode Island at the
23 municipal level.

24 **42-140.5-4. Composition and appointment.**

25 (a) The council shall consist of fifteen (15) members appointed by the governor, with the
26 advice and consent of the senate; eleven (11) members shall be voting members, and the governor
27 shall give due consideration to appointment of persons with knowledge of:

28 (1) Public not-for-profit power utilities establishment and operation;

29 (2) Energy generation, distribution and regulation;

30 (3) The needs of residential users, large commercial/industrial users, small
31 commercial/industrial users, large nonprofit institutional users, small nonprofit institutional users,
32 and municipal users;

33 (4) Specific knowledge of the needs of low-income utility customers. Four (4) members
34 shall be ex officio, non-voting members, including three (3) municipal officials and the

1 commissioner of the office of energy resources. From the eleven (11) voting members, the
2 governor shall appoint one person to be chairperson of the council and one person to be vice
3 chairperson of the council; the commissioner of the office of energy resources shall be the
4 executive secretary and executive director of the council.

5 (b) With the exception of the commissioner of the office of energy resources; of the
6 initial appointments; three (3) members shall be appointed for a term of one year; three (3)
7 members shall be appointed for a term of two (2) years, and four (4) members shall be appointed
8 for a term of three (3) years; thereafter members shall be appointed for a term of three (3) years
9 and may be reappointed.

10 (c) A simple majority of the total number of voting members shall constitute a quorum.

11 (d) A vacancy other than by expiration shall be filled in the manner of the original
12 appointment but only for the unexpired portion of the term. The appointing authority shall have
13 the power to remove an appointee for just cause.

14 (e) The members of the council shall not be compensated for their service but shall be
15 reimbursed for their actual expenses necessarily incurred in the performance of their duties. The
16 provisions of this subsection shall not apply to the executive secretary/executive director.

17 **42-140.5-5. Power and duties.**

18 The council shall have the power to:

19 (1) Develop and recommend the optimal statutory form for public not-for-profit power
20 utilities to meet the needs of Rhode Island utility consumers;

21 (2) Monitor and evaluate implementation of public not-for-profit power utilities in Rhode
22 Island including making findings and recommendations with regard to changes, modifications or
23 continuation of any statutory framework for public power in Rhode Island;

24 (3) Submit to the joint committee on energy an annual report on/or before April 15 of
25 each year, commencing in 2019, regarding public power establishment and implementation in
26 Rhode Island including recommendations regarding any improvements to the statutory structure
27 for public power which might be necessary or desirable;

28 (4) Participate in proceedings of the public utilities commission that pertain to the
29 purposes of the council; and

30 (5) Consider such other matters as it may deem appropriate to the fulfillment of its
31 purposes, and may advise the governor, the general assembly, other parties, and the public with
32 regard to matters pertaining to its purposes and duties, which advice may include findings and
33 recommendations.

34 **42-140.5-6. Additional general powers.**

1 In order to effectuate its powers and duties the council has the following powers:

2 (1) To make any studies of conditions, activities, or problems related to the state's
3 adoption and implementation of public not-for-profit power utilities;

4 (2) To adopt and amend bylaws, to establish committees, to elect and/or appoint officers
5 and agents, and to engage consultants and professional services as necessary and appropriate to
6 fulfill its purposes;

7 (3) To accept and administer grants from the federal government and from other sources,
8 public or private, for the carrying out of any of its functions, which loans or grants shall not be
9 expended for other than the purposes for which provided;

10 (4) To work with the appropriate federal, regional, state and municipal agencies and
11 authorities and private entities;

12 (5) To apply for, accept and expend allocations, grants and bequests of funds, for the
13 purpose of carrying out the lawful responsibilities of the council.

14 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 STATE AFFAIRS AND GOVERNMENT - THE RHODE ISLAND PUBLIC
POWER UTILITY COUNCIL ACT

- 1 This act would establish the Rhode Island public power utility council in order to develop
- 2 public not-for-profit power utilities to meet the needs of Rhode Island utility consumers.
- 3 This act would take effect upon passage.

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