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ARTICLE 7

RELATING TO REGIONAL GREENHOUSE GAS INITIATIVE ACT

SECTION 1. Section 23-82-6 of the General Laws in Chapter 23-82 entitled "Implementation of the Regional Greenhouse Gas Initiative Act" is hereby amended to read as follows:

23-82-6. Use of auction or sale proceeds. -- (a) The proceeds from the auction or sale of the allowances shall be used for the benefit of energy consumers through investment in the most cost-effective available projects that can reduce long-term consumer energy demands and costs. Such proceeds may be used only for the following purposes, in a proportion to be determined annually by the office in consultation with the council and the board:

(1) Promotion of cost-effective energy efficiency and conservation in order to achieve the purposes of § 39-1-27.7;

(2) Promotion of cost-effective renewable non-carbon emitting energy technologies in Rhode Island as defined in § 39-26-5 and to achieve the purposes of chapter 39-26 entitled "Renewable Energy Standard";

(3) Cost-effective direct rate relief for consumers;

(4) Direct rate relief for low-income consumers;

(5) Reasonable compensation to an entity selected to administer the auction or sale; and

(6) Reasonable costs of the department of environmental management and office of energy resources in administering this program, as well as other climate change, energy efficiency, and renewable program efforts of the department of environmental management and office of energy resources, which shall not in any year exceed three hundred thousand dollars (\$300,000) or ~~five percent (5%)~~ ten percent (10%) of the proceeds from sale or auction of the allowances, whichever is ~~less~~ greater. Administrative funds not expended in any fiscal year shall remain in the administrative account to be used as needed in subsequent years. The office of energy resources shall have the ability to apply administrative funds not used in a fiscal year to achieve the purpose of this section. The funds deposited into the administrative funds account shall be exempt from the indirect cost recovery provisions of section 35-4-27.

(b) Any interest earned on the funds so generated must be credited to the fund. Funds not spent in any fiscal year shall remain in the fund to be used for future energy efficiency and carbon

1 reduction programs.

2 (c) Annually, the office, in consultation with council and board, shall prepare a draft
3 proposal on how the proceeds from the allowances shall be allocated. The draft proposal shall be
4 designed to augment and coordinate with existing energy efficiency and renewable energy
5 programs, and shall not propose use of auction proceeds for projects already funded under other
6 programs. The proposal for allocation of proceeds in subsections 23-82-6(1), (2) and (3) shall be
7 one that best achieves the purposes of the law, namely, lowering carbon emissions and
8 minimizing costs to consumers over the long term. The office shall hold a public hearing and
9 accept public comment on the draft proposal in accordance with chapter 42-35 (the
10 "Administrative Procedure Act"). Once the proposal is final, the office shall authorize the
11 disbursement of funds in accordance with the final plan.

12 (d) The office shall prepare, in consultation with council and board, a report by April
13 15th of each year describing the implementation and operation of RGGI, the revenues collected
14 and the expenditures, including funds that were allocated to the energy efficiency and renewable
15 energy programs, and the individuals, businesses and vendors that received funding, made under
16 this section, the statewide energy efficiency and carbon reduction programs, and any
17 recommendations for changes to law relating to the state's energy conservation or carbon
18 reduction efforts. The report shall be made public and be posted electronically on the website of
19 the office of energy resources and shall also be submitted to the general assembly.

20 SECTION 2. This article shall take effect as of July 1, 2014.