

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
RHODE ISLAND OFFICE OF ENERGY RESOURCES



**2019-B PLAN FOR THE ALLOCATION AND DISTRIBUTION OF
REGIONAL GREENHOUSE GAS INITIATIVE AUCTION PROCEEDS**

Auctions Held March 13, 2019 and June 5, 2019

October 2019

1.0 Authority

The 2019-B Plan for the Allocation and Distribution of Regional Greenhouse Gas Initiative Auction Proceeds (Plan) is authorized by Rhode Island General Laws (RIGL) §23-82-1 et seq.

2.0 Definitions

For the purposes of this Plan, the terms defined in RIGL §23-82-1 et seq. shall be given the same meaning as provided in the statute and regulations.

3.0 Auction Proceeds included in the 2019-B RGGI Allocation Plan

3.1 RGGI, Inc. conducted auctions on behalf of the State of Rhode Island on March 13, 2019 (Auction #43) and June 5, 2019 (Auction #44).

3.2 These auctions resulted in the following Auction Proceeds for the State of Rhode Island:

Auction #43	\$1,911,049.56
Auction #44	\$3,174,243.44
Total	\$5,085,293.00

4.0 Adoption of the Plan for the Allocation and Distribution of Regional Greenhouse Gas Initiative Auction Proceeds

4.1 The Rhode Island Regional Greenhouse Gas Initiative Act provides for the use of Auction Proceeds. RIGL §23-82-6 requires that the Auction Proceeds 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. The annual auction proceeds proposal shall be designed to augment and coordinate with existing energy efficiency and renewable energy programs, and shall not propose use of auction proceeds for projects already fully funded under other programs.

- 4.2. The Rhode Island Office of Energy Resources (OER) is authorized to allocate the auction proceeds for the following purposes, in a proportion to be determined annually by OER in consultation with the Rhode Island Department of Environmental Management (DEM) and the Rhode Island Energy Efficiency and Resources Management Council (EERMC):
- (1) Promotion of cost-effective energy efficiency and conservation in order to achieve the purposes of section 39-1-27.7;
 - (2) Promotion of cost-effective renewable non-carbon emitting energy technologies in Rhode Island as defined in RIGL §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 RGGI, Inc.; and
 - (6) Reasonable costs of the OER and the Department of Environmental Management (DEM) in administering this program.

4.3 OER concludes that this Plan is consistent with applicable statutes. Public notice of the proposed Plan was provided on September 3, 2019. A copy of the Notice is attached hereto. A public comment hearing was held on October 3, 2019 at the Department of Administration, One Capitol Hill, Providence, Rhode Island. The public was allowed additional time to submit written comments until October 14, 2019.

4.4 OER has responded to all substantive comments received on the Plan and are provided in the attached document entitled Response to Comments.

4.5 OER and DEM agree that the Plan was adopted in accordance with RIGL §23-82-6 and Chapter 42-35, the Administrative Procedures Act.

5.0 Allocation of Auction Proceeds

5.1 Compensation to RGGI, Inc.

5.1.1 RIGL §23-82-6(a)(5) authorizes the reasonable compensation of an entity to administer the auction on behalf of the State of Rhode Island. RGGI, Inc. is the entity that conducted the auctions listed in Section 3.0.

5.1.2 RGGI Inc. was compensated from Auction #43 in the amount of \$57,005.01.

5.2 Administrative expenses

5.2.1 RIGL §23-82-6(a)(6) authorizes the reasonable costs of OER and DEM in administering the RGGI program. The total reimbursement to both entities shall not in any year exceed \$300,000.00 or 10.0% of the proceeds, whichever is greater.

5.2.2 Ten percent (10.0%) of total auction proceeds from the auctions listed in Section 3.0 is \$508,529.30. Therefore, as specified in RIGL §23-82-6(a)(6), OER and DEM shall each be reimbursed a total of \$254,264.65.

5.3 Allocation of Net RGGI Proceeds

5.3.1 After accounting for administrative expense reimbursement to OER and DEM and compensation to RGGI, Inc., the net balance available for programmatic allocation is \$4,519,758.69.

5.3.2 OER finds that allocating the balance of the Auction Proceeds for the promotion of cost-effective energy efficiency and conservation and the promotion of cost-effective renewable non-carbon emitting energy technologies shall be best accomplished by disbursements as follows:

5.3.2.a **\$600,000.00** shall be allocated for use by Rhode Island municipalities to support the installation of LED streetlights and associated control technologies. This program will be administered by OER.

5.3.2.b **\$500,000.00** shall be allocated for use by the state's two municipal-centric electric distribution utilities – Pascoag Utility District and Block Island Power – to support cooperative investments in and deployment of cost-effective clean energy non-wires solutions that defer or reduce the cost of traditional infrastructure investments. This program will be administered by OER, which will establish a process by which matching grant award opportunities will be made available to these utilities.

5.3.2.c **\$1,500,000.00** shall be allocated to the Rhode Island Commerce Corporation's Renewable Energy Fund (REF) to support grants that increase the deployment of energy storage and/or battery storage assets throughout the state. The REF is dedicated to increasing the role of renewable energy throughout the state. REF provides grants for renewable energy projects with the potential to make electricity in a cleaner, more sustainable manner, while stimulating job growth in the green technology and energy sectors of Rhode Island's economy. This program will be administered jointly by Commerce and OER.

5.3.2.d **\$1,500,000.00** shall be allocated to the Rhode Island Commerce Corporation's Renewable Energy Fund (REF) to support grants related to microgrid development throughout the state. This program will be administered by Commerce and OER.

5.3.2.e **\$419,758.69** shall be allocated to the Rhode Island Commerce Corporation's Renewable Energy Fund (REF) to support the small-scale and/or commercial-scale program for PV adoption by homeowners and small businesses.

6.0 Tracking and Reporting

6.1 Consistent with OER's reporting requirement under RIGL §23-82-6(d), all recipients of RGGI funding are required to comply with OER data and reporting requests, including, but not limited to, those reporting requirements specified in procurement documents and/or any memoranda of understanding.