

State of Rhode Island  
Rhode Island Office of Energy Resources

In re: Proposed 2021-A Allocation Plan – Distribution of RGGI Proceeds

**RESPONSE TO COMMENTS**

**Introduction**

On January 25, 2021, a notice was posted on the websites of the Rhode Island Office of Energy Resources (OER) and the Rhode Island Office of Secretary of State announcing a public comment period to accept comments on the adoption of the proposed “2021-A Allocation Plan - Distribution of Regional Greenhouse Gas Initiative Auction Proceeds” (the Plan). Due to the COVID-19 health crisis and to protect the health and safety of our stakeholders, visitors and employees, the public hearing was held as a teleconference on February 25, 2021 at 11:00 A.M. The meeting was held through ZOOM, with instructions provided in the Notice of Public Hearing. Copies of the proposed Plan were made available on OER’s website at [www.energy.ri.gov](http://www.energy.ri.gov); by calling (401) 574-9124 weekdays from 8:30 A.M. to 4:00 P.M.; or by writing to Rhode Island Office of Energy Resources, One Capitol Hill, Providence, Rhode Island.

The public hearing ZOOM call was held on February 25, 2021 at 11:00 A.M. At the end of the public hearing, the public comment period was kept open for an additional ten (10) days to allow for the submission of written comments. The public comment period closed on March 8, 2021.

The Regional Greenhouse Gas Initiative (RGGI) is a cooperative effort by Northeastern and Mid-Atlantic States to reduce carbon dioxide emissions through implementation of a multi-state cap-and-trade program with a market-based emissions trading system. RGGI is composed of individual CO<sub>2</sub> Budget Trading Programs in each of the eleven participating states. The Rhode Island Department of Environmental Management promulgated regulations establishing a CO<sub>2</sub> Budget Trading Program that limits emissions of CO<sub>2</sub> from electric power plants, issues CO<sub>2</sub> allowances and establishes participation in regional CO<sub>2</sub> allowance auctions. The states participating in RGGI formed a non-profit corporation (RGGI, Inc.) to provide administrative and technical services to support the development and implementation of each participating state’s CO<sub>2</sub> Budget Trading Program.

Pursuant to Rhode Island General Laws §23-82, RGGI, Inc. (or another independent contractor) is authorized to receive, hold and sell CO<sub>2</sub> allowances for the long-term benefit of consumers. The statute also authorizes RGGI, Inc. to conduct the auctions or sales; collect the auction proceeds; and transfer such proceeds to OER. OER then disburses the proceeds of the auction or sale for purposes consistent with the goals of the RGGI program as set forth in the statute.

**Public Hearing**

A public hearing on the proposed Plan was held on February 25, 2021. The following people attended the public hearing ZOOM call but did not offer any oral comments:

Jennifer Delony, *New York/New England Bureau Chief* – RTO Insider

## **Response to Comments**

The following is from written comments submitted by Kai Salem, Green Energy Consumers Alliance, via e-mail on February 25, 2021:

*Comment: ...Green Energy Consumers supports several of the proposed auction allocations. In particular, we commend the Office of Energy Resources for funding the Zero Energy for the Ocean State program. We believe that this program is a good pilot to address both our need for zero energy homes and more affordable housing...*

*...Although Green Energy Consumers supports auction allocations towards energy efficiency, we inquire: now that the lighting market has largely been transformed, why do municipal and school facilities require such a large sum of money to adopt LEDs? Could this sector be better served if OER instead funded the hiring of energy managers to identify energy efficiency opportunities and cost savings?...*

*...Green Energy Consumers urges the Office of Energy Resources to provide quantitative cost effectiveness justification of the auction allocation; and, moreover, to direct the vast majority of RGGI funding towards the most cost-effective programs...*

*.... Green Energy Consumers urges the Office of Energy Resources to consider alternative ways that state funding could go to support the development of renewable energy. If state incentives programs are not sufficient to drive renewable energy in preferred locations (and we agree that they are not), then this problem should be solved by revamping the incentive programs rather than patching the problem with RGGI dollars. RGGI dollars should be reserved for more cost effective or otherwise unfunded areas of clean energy..... Green Energy Consumers does understand that RGGI dollars can make a big difference for important, innovative programs that would otherwise go unfunded ... last year, we supported the allocation towards electrification of delivered fuel homes. Green Energy Consumers hopes to see the funding of more such programs in the future.*

*Response:* Thank you for these comments. As part of OER's Lead by Example initiative, we have supported state agencies and municipalities with the adoption of cost-effective energy efficiency measures. There remains a significant opportunity for high-efficiency LED lighting upgrades across Rhode Island school districts, many of which face numerous financial and technical barriers to deployment. As these investments are both cost-effective and have the effect of reducing local school/government operating costs, we believe this program is appropriate and wholly consistent with allowable uses under the state's RGGI statute.

OER finds that the Plan, as proposed, appropriately balances the need to advance important clean energy initiatives and adheres to statutory requirements.

### **Decision**

It is the decision of the Office of Energy Resources to approve the 2021-A Allocation Plan – Distribution of RGGI Proceeds. The Plan is appended to this Decision.

Effective March 11, 2021.

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Nicholas S. Ucci  
Commissioner of Energy

Copy of the Decision sent via email to the following:  
Kai Salem, Green Energy Consumers Alliance  
Jennifer Delony, RTO Insider  
Leandro Kufa Castro, Groundwork RI