

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



**PROPOSED**  
**2021-B PLAN FOR THE ALLOCATION AND DISTRIBUTION OF**  
**REGIONAL GREENHOUSE GAS INITIATIVE AUCTION PROCEEDS**

*September 2, 2021*

**1.0 Authority**

The 2021-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 2021-B RGGI Allocation Plan**

3.1 RGGI, Inc. conducted auctions on behalf of the State of Rhode Island on March 3, 2021 (Auction #51) and June 4, 2021 (Auction #52).

3.2 These auctions resulted in the following Gross Auction Proceeds for the state:

Auction #51	\$5,743,274.40
Auction #52	\$3,242,777.81
Total	\$8,986,052.21

**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 2, 2021. A copy of the Notice is attached hereto. A public comment hearing was held on **MONTH DD, YYYY**. The public was allowed additional time to submit written comments until **MONTH DD, YYYY**.
- 4.4 **OER has responded to all substantive comments received on the Plan and are provided in the attached document entitled Response to Comments. [PENDING]**
- 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 A total of \$18,506.73 was deducted from Auction #51 proceeds for Rhode Island's RGGI, Inc. obligations.
- 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 \$898,605.22. Therefore, as specified in RIGL §23-82-6(a)(6), OER and DEM shall each be reimbursed a total of \$449,302.61.
- 5.3 Interest Accrued on RGGI Proceeds
  - 5.3.1 There is no accrued interest allocated in this plan.
- 5.4 Transfer of RGGI Funds from Previous Allocation Plans

5.4.1 OER shall transfer \$466,057.00 of previously allocated RIPEP program funding from the 2015 Plan (5.3.2c) and 2012 Plan (5.4.2a) (combined) for use in the 2021-B Allocation Plan.

## 5.5 Allocation of Net RGGI Proceeds

5.5.1 After accounting for administrative expense reimbursement to OER and DEM, compensation to RGGI, Inc., fund transfers, and accrued interest, the net balance available for programmatic allocation in the 2021-B Allocation Plan is **\$8,534,997.26**.

5.5.2 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:

5.5.2.a **\$2,314,997.26** shall be allocated to the Rhode Island Commerce Corporation's Renewable Energy Fund (REF) to support to support the small-scale and/or commercial-scale program for PV adoption by homeowners and small businesses. This program shall be administered by Commerce and OER.

5.5.2.b **\$2,400,000.00** shall be allocated to support and implement energy efficiency and renewable energy projects at Rhode Island state government facilities, consistent with the goals of the State of Rhode Island's "Lead by Example" Initiative. Energy efficiency improvements and renewable energy installations at buildings and facilities owned and operated by the State offer the potential to significantly reduce short- and long-term energy consumption and costs, while supporting local economic growth and job creation. Consequently, these projects will benefit Rhode Island taxpayers and advance the State's clean energy and environmental goals. This program shall be administered by OER and will leverage other existing incentives, funding streams, and programs, where appropriate

5.5.2.c **\$2,000,000.00** shall be allocated to accelerate the adoption of LED lighting technologies across municipal and/or public-school facilities, thereby reducing public sector energy consumption and costs, while improving the quality of lighting in public buildings and learning environments. This program shall be administered by OER and leverage other existing incentives, funding streams, and programs, where appropriate.

5.5.2.d **\$1,500,000.00** shall be allocated to support clean energy and resiliency investments that support RIPTA operations. OER and RIPTA will seek to leverage other funding streams, where appropriate, and collaborate on the identification of viable opportunities for project development.

5.5.2.e **\$200,000.00** shall be allocated to support local agricultural entities "green" their operations and benefit from related energy and cost savings achieved through clean energy projects. OER will coordinate with DEM on implementation of this program and support alignment with other existing clean energy initiatives available to Rhode Island's agricultural community.

5.5.2.f **\$120,000.00** shall be allocated to support the delivery of cost-effective energy efficiency programs and incentives to utility customers in the Pascoag Utility District (PUD). OER will work in coordination with PUD management to leverage existing system benefit charge funding, enhance incentive and program offerings, and identify cost-effective investment opportunities in the community.

## **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.