PROPOSED
2017-B PLAN FOR THE ALLOCATION AND DISTRIBUTION OF REGIONAL GREENHOUSE GAS INITIATIVE AUCTION PROCEEDS

Auctions Held March 8, 2017 & June 7, 2017

November 2017
1.0 Authority

2.0 Definitions
For the purposes of this Plan, the terms defined in RIGL §23-82-1 et seq. and the “Rules and Regulations for the Allocation and Distribution of Regional Greenhouse Gas Initiative Proceeds,” effective August 2011 shall be given the same meaning as provided in the statute and regulations.

3.0 Auction Proceeds included in this Plan

3.1 RGGI, Inc. conducted auctions on behalf of the State of Rhode Island on March 8, 2017 (Auction #35) and June 7, 2017 (Auction #36).

3.2 These auctions resulted in the following Auction Proceeds for the State of Rhode Island:
Auction #35 $743,889.00
Auction #36 $683,712.26
Total $1,427,601.26

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 the applicable statutes and regulations. Public notice of the proposed Plan was provided on xx 2017. A copy of the Notice is attached hereto. A public comment hearing was held on xx 2017 at the Department of Administration, One Capitol Hill, Providence, Rhode Island. The public was allowed additional time to submit written comments until xx 2017.
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; “Rules and Regulations for the Allocation and Distribution of Regional Greenhouse Gas Initiative Proceeds” and Chapter 42-35, the Administrative Procedures Act.

5.0 Allocation of Auction Proceeds

5.1 Compensation to RGGI, Inc.

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

5.1.2 Wherefore, RGGI Inc. was compensated $35,326.49 from Auction 35 proceeds.

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 Three Hundred Thousand Dollars ($300,000.00) or ten percent (10.0%) of the proceeds, whichever is greater.

5.2.2 Ten percent (10.0%) of total auction proceeds from Auctions 35 and 36 total $142,760.12. Therefore, as specified in RIGL §23-82-6(a)(6), OER and DEM shall each be reimbursed a total of $71,380.06 for the 2017 calendar year.
5.3 Allocation of Net RGGI Proceeds

5.3.1 After accounting for compensation for RGGI Inc. and administrative expense reimbursement to OER and DEM, as specified in Sections 5.1 and 5.2, the balance available for programmatic allocation is $1,249,514.65.

5.3.2 OER finds that allocating the balance of the Auction Proceeds set forth in Paragraph 5.3.1 herein 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 $500,000.00 (Five Hundred Thousand Dollars) shall be allocated to support residential, commercial and/or public sector energy efficiency and/or renewable energy financing transactions through the Rhode Island Infrastructure Bank, as established under Rhode Island General Laws Sections 39-26.5 and 46-12.2-4.2.

5.3.2.b $749,514.65 (Seven Hundred Forty-Nine Thousand Five Hundred and Fourteen Dollars and Sixty-Five Cents) shall be allocated to the Rhode Island Commerce Corporation’s Renewable Energy Fund (REF), which 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.

6.0 Reallocation of RGGI funds from the 2012 and 2015 Plans for the Allocation and Distribution of Regional Greenhouse Gas Initiative Auction Proceeds
6.1 OER finds that $200,000.00 (Two Hundred Thousand Dollars) of funds allocated pursuant to Section 5.4.2.b of the 2012 Plan and Section 5.3.2.c of the 2015 Plan (RIPEP) shall be reallocated to achieve the purposes of Section 5.3.2.b of the 2017-B Plan.

6.2 OER finds that $500,000.00 (Five Hundred Thousand Dollars) of funds allocated pursuant to Section 5.4.2.b of the 2012 Plan and Section 5.3.2.c of the 2015 Plan (RIPEP) shall be reallocated to support municipal energy efficiency and/or renewable energy investments implemented as part of a new construction or large-scale renovation project(s) that meet or exceed the state’s stretch building code (set for adoption in early 2018). The stretch code is being developed pursuant to Governor Gina Raimondo’s Lead by Example Executive Order (15-17). This program will be administered by OER and will seek to leverage other existing efficiency and clean energy incentives, funding streams, and programs, where appropriate.

7.0 Tracking and Reporting

7.1 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.