

State of Rhode Island
Rhode Island Office of Energy Resources

In re: Proposed 2020-A Allocation Plan – Distribution of RGGI Proceeds

RESPONSE TO COMMENTS

Introduction

On February 18, 2020, 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 “2020-A Allocation Plan - Distribution of Regional Greenhouse Gas Initiative Auction Proceeds” (the Plan). The notice stated that a public hearing would be held on March 19, 2020 at 9:00 A.M. in Conference Room B, Second Floor, One Capitol Hill, Providence, Rhode Island. Due to the COVID-19 health crisis and to protect the health and safety of our stakeholders, visitors and employees, the March 19th public hearing was cancelled and rescheduled as a teleconference on March 26, 2020 at 1:00 PM. Notice of the change was posted on the websites of the Rhode Island Secretary of State and OER. Copies of the proposed Plan were made available at OER’s offices; on OER’s website at www.energy.ri.gov; by calling (401) 574-9124 weekdays from 8:30 A.M. to 4:00 P.M.; or by writing to OER at One Capitol Hill, Providence, Rhode Island.

The public hearing teleconference was held on March 26, 2020. At the end of the public hearing teleconference, 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 April 6, 2020.

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 CO₂ Budget Trading Programs in each of the nine participating states. The Rhode Island Department of Environmental Management promulgated regulations establishing a CO₂ Budget Trading Program that limits emissions of CO₂ from electric power plants, issues CO₂ allowances and establishes participation in regional CO₂ 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 CO₂ Budget Trading Program.

Pursuant to Rhode Island General Laws §23-82, RGGI, Inc. (or another independent contractor) is authorized to receive, hold and sell CO₂ 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.

Letter of Support for the proposed 2020-A Plan was received from:

- Energy Efficiency Resource Management Council, Chris Powell, Chairman

Public Hearing Teleconference

A public hearing teleconference on the proposed Plan was held on March 26, 2020. Public comments were received from Hank Webster (Acadia Center) and Kai Salem (Green Energy Consumers Alliance).

Response to Comments

The following is from written comments submitted by Hank Webster, Acadia Center, dated April 3, 2020:

Comment: ...RGGI funds spread over \$3.8 M in auction proceeds across a number of important state priorities, including energy efficient street lighting, incentives for expanding solar power, the popular Energy-Saving Trees Program, and decarbonizing the heating sector. Acadia Center supports efforts to advance critical, multi-faceted components of a clean energy future.

To build on the heat pump incentive program to date, Acadia Center recommends OER implement the following program recommendations:

- *Continue to require home energy audits and weatherization investments as a prerequisite for heat pump incentive eligibility.*
- *Consider allowing eligibility for ground-source heat pumps which can be particularly effective technology when incorporated into a building's initial design or retrofit.*
- *Extend eligibility for ASHP incentives to current utility gas customers.*

Response: Thank you for your comments. These suggestions will be considered within the broader development of annual energy efficiency plans administered by National Grid. OER finds that the Plan, as proposed, appropriately balances the need to advance important clean energy initiatives, while leveraging RGGI funds with available public and/or ratepayer dollars and adhering to statutory requirements.

The following are paraphrased from the public comments of Kai Salem, Green Energy Consumers Alliance on March 26, 2020. No written comments were received.

Comment: Supportive of the RGGI program. Especially pleased that funding is being allocated to support enhanced incentives supporting air-source heat pumps.

Green Energy Consumers Alliance urges OER to demonstrate a cost-effectiveness justification for all the projects allocated RGGI funds in the Plan.

Response: OER finds that the Plan, as proposed, appropriately balances the need to advance important clean energy initiatives, while leveraging RGGI funds with available public and/or ratepayer dollars and adhering to statutory requirements.

Decision

It is the decision of the Office of Energy Resources to approve the 2020-A Allocation Plan Distribution of RGGI proceeds. The Plan is appended to this Decision.

4/8/2020

x Nicholas S. Ucci

Nicholas S. Ucci
Acting Commissioner
Signed by: Nicholas S. Ucci

Copy of the Decision sent the following:

Hank Webster (Acadia Center)
Kai Salem (Green Energy Consumers Alliance)