

STATE OF RHODE ISLAND
RHODE ISLAND OFFICE OF ENERGY RESOURCES



**2022-C PLAN FOR THE ALLOCATION AND DISTRIBUTION OF
REGIONAL GREENHOUSE GAS INITIATIVE AUCTION PROCEEDS**

November 22, 2022

1.0 Authority

The 2022-C 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 2022-C RGGI Allocation Plan

3.1 RGGI, Inc. conducted auctions on behalf of the State of Rhode Island on September 9, 2022 (Auction #57).

3.2 The auction resulted in the following Gross Auction Proceeds for the state:
Auction #57 - \$5,054,792.45

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 promotion of energy efficiency, renewables, and direct rate relief.

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 the drafted Plan is consistent with applicable statutes. Public notice of the proposed Plan was provided on October 10, 2022. A copy of the Notice is attached

hereto. A public comment hearing was held on November 9, 2022. The public was allowed additional time to submit written comments until November 21, 2022.

- 4.4 OER did not receive any public 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 There was no compensation to RGGI Inc. in this auction.

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 \$505,479.245. Therefore, as specified in RIGL §23-82-6(a)(6), OER and DEM shall each be reimbursed a total of \$252,739.62.

5.4 Allocation of Net RGGI Proceeds.

5.4.1 After accounting for administrative expense reimbursement to OER and DEM, compensation to RGGI, Inc., and accrued interest, the net balance available for programmatic allocation is **\$4,549,313.20**.

5.4.2 OER finds that allocating the balance of the Auction Proceeds for the promotion of cost-effective energy efficiency and conservation, promotion of cost-effective renewable non-carbon emitting energy technologies and direct rate relief to low-income customers shall be best accomplished by disbursements as follows:

5.4.2.a **\$1,600,000.00** shall be allocated to launch an Affordable Solar Access Pathways (ASAP) Program. The ASAP program will be modeled after the Connecticut Green Bank's program for low- and moderate-income (LMI) homeowners. This will be the first Rhode Island program for direct incentives for solar customers with a LMI focus. The program shall be administered by OER and Commerce Rhode Island.

- 5.4.2.b **\$1,000,000.00** shall be allocated to maintain ongoing support for the installation and operation of air-source heat pumps (ASHP) while the new federally funded program is under development and anticipated to launch in late Q1-2023. ASHPs are critical measures for supporting the achievement of the state's greenhouse gas emission reduction goals. These funds will support direct customer incentives and/or customer financing programs delivered through Rhode Island Energy administered programs. Funds allocated to Rhode Island Energy shall be tracked and managed. Any funds not used by Rhode Island Energy for the ASHP program shall be transmitted back to OER no later than July 1, 2023.
- 5.4.2.c **\$1,500,000.00** shall be allocated to Rhode Island Energy to provide electric bill credits to low-income customers enrolled in the A-60 rate class during the November and December 2022 utility billing periods, when the winter rate charges appear on customer bills. The direct bill credits are in recognition of the disproportionate financial burdens that low-income ratepayers will experience due to the high cost of electricity during the winter electricity rates period.
- 5.4.2.d **\$449,313.20** shall be allocated to support OER's Zero Energy for the Ocean State (ZEOS) program and, specifically, the number of affordable net zero homes in Rhode Island. This program is designed to help provide energy savings to low and moderate income (LMI) customers and expand the access of both energy efficiency, renewable thermal and solar PV technologies to under-served sectors. OER shall administer the program and collaborate with Rhode Island Housing and Rhode Island Energy in its implementation.

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.