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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT

Introduced By: Representatives Hearn, Edwards, Shallcross Smith, and Marcello

Date Introduced: January 26, 2010

Referred To: House Environment and Natural Resources

It is enacted by the General Assembly as follows:

1 SECTION 1. Legislative findings. The legislature hereby finds and declares as follows:

2 (a) That promoting widespread dissemination of energy conservation and clean energy
3 technologies represents a clear and cost-effective strategy for communities in Rhode Island to
4 curtail the emission of greenhouse gases and harmful air contaminants, reducing dependence on
5 fossil fuels, lowering housing costs, supporting community development, and creating green jobs
6 to sustain and enhance our economy.

7 (b) These jobs will provide meaningful employment opportunities for displaced workers,
8 the long-term unemployed and new entrants to the Rhode Island workforce, including, but not
9 limited to, recent college graduates.

10 (c) Installation of energy efficiency improvements to reduce the loss or waste of energy
11 will allow consumers to pay for these improvements through energy savings over a reasonable
12 period of time. However, lack of affordable and accessible financing for many owners of
13 residential properties, small businesses and non-profit organizations has hindered progress in
14 fully realizing the promise of these technologies.

15 (d) It is the intent of the legislature to enact a "Green Jobs-Green Rhode Island" program
16 to perform energy-efficient retrofits at no initial cost to residential property owners, with the
17 ultimate goals of improving at least three hundred thousand (300,000) residential units over the
18 next five (5) years, creating thousands of new green jobs, training workers to fill them and
19 demonstrating the effectiveness of innovative financing mechanisms in reaching this goal.

1 SECTION 2. Title 42 of the General Laws entitled "STATE AFFAIRS AND
2 GOVERNMENT" is hereby amended by adding thereto the following chapter:

3 CHAPTER 140.3

4 GREEN JOBS-GREEN RHODE ISLAND PROGRAM

5 42-140.3-1. Short title. This title shall be known and may be cited as the "Green Jobs-
6 Green Rhode Island act of 2009".

7 42-140.3-2. Definitions. (a) As used in this section, the following terms shall have the
8 following meanings, unless the context clearly indicates otherwise:

9 (1) "Applicant" means a person who owns, leases or manages a structure and who has
10 the authority to contract for the provision of qualified energy efficiency services to such structure.

11 (2) "Office of energy resources" and/or "office" shall mean the office of energy
12 resources established pursuant chapter 42-140.

13 (3) "Constituency-based organization" means an organization incorporated for the
14 purpose of providing services or other assistance to economically or socially disadvantaged
15 persons within a specified community, and which is supported by, or whose actions are directed
16 by, members of the community in which it operates.

17 (4) "Distribution utility" means any gas or electric corporation providing gas or
18 electricity to end use consumers that is a public utility company, including a municipality, or
19 a public utility authority organized pursuant to article five of this chapter. A "distribution utility"
20 also includes, for purposes of this chapter, an electric distribution company, an electric
21 transmission company, and a nonregulated power producer, all as designed in chapter 39-1
22 ("public utilities commission").

23 (5) "Eligible project" means qualified energy efficiency services for a non-residential
24 structure, a residential structure or a multi-family structure.

25 (6) "Energy audit" means a formal evaluation of a building's energy consumption for
26 the purpose of identifying methods to improve energy efficiency and conserve energy, including
27 associated health and safety issues, conducted pursuant to standards established by the office of
28 energy resources.

29 (7) "Green jobs-green Rhode Island revolving loan fund" or "revolving loan fund"
30 means the green jobs-green Rhode Island revolving loan fund created by this chapter.

31 (8) "Multi-family structure" means a multi-unit residential building with five (5) or
32 more dwelling units.

33 (9) "Non-residential structure" means a building that is used or occupied by a small
34 business or a not-for-profit corporation.

1 (10) "Not-for-profit corporation" means a corporation subject to chapter 6 of title
2 7, including any corporation organized under special provisions of the general laws or under a
3 private act which is declared to be a "charitable corporation".

4 (11) "Program" means the green jobs-green Rhode Island energy conservation and
5 community sustainability program created by this chapter.

6 (12) "Qualified energy efficiency services" means a modification to a structure, based on
7 recommendations contained in an energy audit performed under the program created under
8 this chapter or as otherwise approved by the office of energy resources, which is consistent
9 with standards established by the office of energy resources, that will increase the energy
10 efficiency and conservation of an existing structure, including but not limited to:

11 (i) Application of weatherstripping, caulking, sealant and other materials around
12 doors, windows, and other areas of a building for the purpose of insulating or sealing openings
13 in the building envelope and within the building to mitigate energy loss;

14 (ii) Testing, repairing and replacing heating or cooling systems or components of
15 such systems;

16 (iii) Thermostat upgrades;

17 (iv) Water heater repair and replacement;

18 (v) Roof, chimney, fireplace and roof vent repair, insofar as such repairs are
19 determined by an energy audit to be necessary to mitigate energy loss or resolve energy-system
20 related health and safety issues;

21 (vi) Repair and replacement of storm windows, permanent windows and exterior
22 doors;

23 (vii) Repair or replacement of major household appliances;

24 (viii) Installation of thermal solar heat or hot water systems;

25 (ix) Addition of insulation to exterior walls or ceilings;

26 (x) Replacement of inefficient light bulbs and lighting fixtures and
27 systems;

28 (xi) Minor repairs that are necessary to ensure maximum efficiency from the provision
29 of qualified energy efficiency services;

30 (xii) Installation of carbon monoxide detectors and indoor environmental testing and
31 mitigation deemed necessary as a result of the provision of other qualified energy efficiency
32 services; and

33 (xiii) Fuel switching to convert an electrically-heated building to a more efficient
34 heating source provided that significant energy cost-savings can be demonstrated pursuant to

1 standards established by the office of energy resources.

2 (13) "Residential structure" means a residential building that has four (4) or fewer
3 dwelling units.

4 (14) "Small business" shall have the same meaning as in chapter 22-7.6 ("Permanent
5 Joint Committee on Small Business").

6 (15) "Structure" means: (i) a non-residential structure; (ii) a residential structure; and
7 (iii) a multi-family structure.

8 **42-140.3-3. Purpose.** There is hereby created a green jobs-green Rhode Island program.

9 The purpose of the program is to:

10 (1) Promote energy efficiency, energy conservation and the installation of clean energy
11 technologies;

12 (2) Reduce energy consumption and energy costs;

13 (3) Reduce greenhouse gas emissions;

14 (4) Support sustainable community development;

15 (5) Create green job opportunities, including opportunities for new entrants into the
16 state's workforce, the long-term unemployed and displaced workers, and recent college
17 graduates; and

18 (6) Use innovative financing mechanisms to finance energy efficiency improvements
19 through energy cost savings.

20 **42-140.3-4. Administration by the office of energy resources.** (a) Within six (6)
21 months of the effective date of this title, the office of energy resources is hereby authorized
22 and directed to establish and administer the green jobs-green Rhode Island program. The
23 office shall implement the program in consultation with the permanent Joint Committee on
24 environment and energy established pursuant to chapter 22-7.3, the Rhode Island energy
25 efficiency and resources management council established pursuant to chapter 42-140.1, the public
26 utilities commission established pursuant to chapter 39-1, the division of public utilities and
27 carriers established pursuant to chapter 39-1, the Rhode Island economic development
28 corporation established pursuant to chapter 42-64, the Rhode Island department of labor and
29 training established pursuant to chapter 42-16.1, and the department of environmental
30 management established pursuant to chapter 42-17.

31 (b) In order to implement the program, the office of energy resources is further
32 authorized and directed to:

33 (1) Use monies made available for the program pursuant to achieve the purposes of the
34 program;

1 (2) Enter into contracts with constituency-based organizations and other entities
2 through the competitive grants process authorized by this title;

3 (3) Enter into contracts with one or more program implementers to perform such
4 functions as the office deems appropriate; and

5 (4) Exercise such other powers as are necessary for the proper administration of the
6 program.

7 **42-140.3-5. Competitive grants for outreach, enrollment and related services.**

8 (a) The office of energy resources shall issue one or more program opportunity notices
9 or requests for proposals to solicit applications from partnerships or consortia comprised of
10 constituency-based organizations which can connect community members to the program,
11 including facilitating awareness of the program and enrollment, and: (1) distribution utilities;
12 (2) Contractors that have signed enforceable agreements to meet standards set by the office,
13 including standards for local hiring and pre-apprenticeship and apprenticeship and other labor-
14 management training program participation; (3) Workforce development organizations that
15 will recruit unemployed individuals, and provide training and job placement in conjunction
16 with contractors; and/or (4) Organized trades and their certification or apprenticeship programs.

17 (b) The office shall specifically solicit applications that propose to demonstrate the
18 feasibility of innovative financing mechanisms, including, but not limited to, applicatio ns
19 undertaken in partnership with distribution utilities that propose to demonstrate the feasibility of
20 on-bill financing. The public service commission and other appropriate agencies are authorized to
21 coordinate with the office of energy resources and applicants in developing and implementing
22 proposed demonstrations of innovative financing mechanisms.

23 (c) In awarding grants, the office of energy resources shall:

24 (1) Target communities in areas where energy costs are particularly high in relation
25 to a measure of median household income as determined by the office; or which have been
26 designated as a nonattainment area for one or more pollutants pursuant to section 107 of the
27 federal Clean Air Act (42 U.S.C. section 4207);

28 (2) Give preference in awards to applicants that include significant participation by
29 minority and women owned business enterprises and/or to applications to serve economically
30 distressed communities;

31 (3) Ensure that the awards as a whole reflect the geographic diversity of the state; and

32 (4) Award a sufficient number of grants to make it possible to fully commit the
33 resources allocated during the initial phase of the program.

34 (d)(1) The office is authorized to consult with the department of labor and training, the

1 department of environmental management, and such other agencies as it deems appropriate, in
2 making any determinations contemplated by this section.

3 (2) The office of energy resources shall consult with representatives of businesses who
4 provide home heating oil, propane and other petroleum-based heating products to develop
5 innovative financing mechanisms for energy efficiency retrofits.

6 (3) The office shall consult with local housing agencies and the council established
7 pursuant to this chapter to develop strategies to mitigate any adverse economic impact of
8 the program on tenants, including but not limited to residents of in rent-regulated housing or
9 recipients of housing subsidies.

10 **42-140.3-6. Energy audits.** (a)(1) The program shall make available to applicants who
11 would be eligible to apply for financial assistance under this section energy audits performed by
12 certified auditors or auditors using commonly-employed energy auditing tools and
13 technologies, as determined appropriate by the office. The office shall be authorized to
14 dedicate an appropriate portion of program funds allocated for the funding of energy audits
15 pursuant to section eighteen hundred ninety-nine-a of this title to non-residential properties
16 that are occupied or used by a small business or not-for-profit corporation with ten (10) or
17 fewer employees.

18 (2) The office of energy resources shall establish standards for energy audits based on
19 building type and other relevant considerations.

20 (3) The office of energy resources shall establish a schedule of fees for energy audits
21 based on the type and nature of the energy audit and other relevant considerations. The schedule
22 shall include a sliding scale which provides that audit fees shall be waived for residential
23 applicants whose demonstrated income is less than two (2) times the median county
24 household income, and the full fees shall be paid by applicants whose median county household
25 income is not less than four (4) times the median county household income. Applicants whose
26 demonstrated incomes fall between these levels shall pay a pro rata percentage of the audit fees.

27 (b) The office may provide for discounted fees for small businesses or not-for-profit
28 corporations with ten (10) or fewer employees.

29 **42-140.3-7. Green jobs-green Rhode Island revolving loan fund.** (a)(1) There is
30 hereby created a green jobs-green Rhode Island revolving loan fund. The revolving loan fund
31 shall consist of:

32 (i) All moneys made available for the purpose of the revolving loan fund pursuant to
33 this chapter;

34 (ii) Payments of principal and interest made pursuant to loan or financing

1 agreements entered into with the office or its designee pursuant to this section; and

2 (iii) Any interest earned by the investment of monies in the revolving loan fund.

3 (b) The revolving loan fund shall consist of two (2) accounts:

4 (1) One account which shall be maintained for monies to be made available to

5 provide loans to finance the cost of approved qualified energy efficiency services for

6 residential structures and multi-family structures, and

7 (2) One account which shall be maintained for monies made available to provide

8 loans to finance the cost of approved qualified energy efficiency services for non-residential

9 structures. The initial balance of the residential account established in this section shall

10 represent at least fifty percent (50%) of the total balance of the two (2) accounts. The office

11 shall not commingle the monies of the revolving loan fund with any other monies of the office

12 or held by the office, nor shall the office commingle the monies between accounts.

13 Payments of principal, interest and fees shall be deposited into the account created and

14 maintained for the appropriate type of eligible project.

15 (3) In administering such program, the office is authorized and directed to:

16 (i) Use monies made available for the revolving loan fund to achieve the purposes of

17 this chapter, including, but not limited, to making loans available for eligible projects;

18 (ii) Enter into contracts with one or more program implementers to perform such

19 functions as the office deems appropriate; and

20 (iii) Exercise such other powers as are necessary for the proper administration of the

21 program.

22 (c)(1) The office shall provide financial assistance in the form of loans for the

23 performance of qualified energy efficiency services for eligible projects on terms and conditions

24 established by the office.

25 (2) Loans made by the office pursuant to this section shall be subject to the following

26 limitations:

27 (i) Eligible projects shall meet cost effectiveness standards developed by the office;

28 (ii) Loans shall not exceed thirteen thousand dollars (\$13,000) per applicant for

29 approved qualified energy efficiency services for residential structures, and twenty-six

30 thousand dollars (\$26,000) per applicant for approved qualified energy efficiency services for

31 non-residential structures, and for multi-family structures loans shall be in amounts determined

32 by the office, provided, however, that the office shall ensure that a significant number of

33 residential structures are included in the program; and

34 (iii) Loans shall be at interest rates determined by the office to be no higher than

1 necessary to make the provision of the qualified energy efficiency services feasible.

2 (d) In determining whether to make a loan, and the amount of any loan that is made,
3 the office is authorized to consider whether the applicant or borrower has received, or is
4 eligible to receive, financial assistance and other incentives from any other source for the
5 qualified energy efficiency services which would be the subject of the loan.

6 (e) Applications for financial assistance pursuant to this section shall be reviewed and
7 evaluated by the office or its designee pursuant to eligibility and qualification requirements and
8 criteria established by the office. The office shall establish standards for: (1) Qualified energy
9 efficiency services; and (2) Measurement and verification of energy savings. Such standards shall
10 meet or exceed the standards used by the office for similar programs in existence on the effective
11 date of this section.

12 (f) The amount of a fee paid for an energy audit provided under this chapter may be
13 added to the amount of a loan that is made under this section to finance the cost of an eligible
14 project conducted in response to such energy audit. In such a case, the amount of the fee may be
15 reimbursed from the fund to the borrower.

16 **42-140.3-8. Training services.** (a) The office, in consultation with the department of
17 labor and training, shall enter into contracts with constituency-based organizations, workforce
18 development organizations, labor organizations, and other training-related organizations, for the
19 purpose of supporting the "green jobs-green Rhode Island program" with employment and
20 training services. Such contracts shall provide for: (1) Training of individuals to participate in
21 outreach and marketing activities, perform energy audits and provide qualified energy
22 efficiency services; and (2) Provision of job placement services to such individuals. To the
23 extent permitted by statute, regulation or federal grant a preference shall be given for training and
24 placement of women, minorities, low-income individuals and populations with barriers to
25 employment.

26 (b) Training services authorized pursuant to this section shall include, as appropriate,
27 but not be limited to:

28 (1) Incremental occupational training to unemployed workers with good work
29 histories;

30 (2) Work-readiness and entry-level technical training to individuals with weak work
31 histories;

32 (3) Apprenticeship qualifying, apprenticeship and labor-management certification
33 training;

34 (4) Training that is designed to lead to certification in energy auditing and energy

1 performance contracting;

2 (5) Skills upgrading for incumbent workers, including workers performing
3 weatherization activities under division of housing and community renewal programs;

4 (6) Work support, where appropriate and to the extent that funding is available, to
5 individuals who obtain employment through the "green jobs-green Rhode Island program"
6 created by this chapter, to assist such individuals to retain employment and continue to upgrade
7 their skills.

8 (c) For quality assurance purposes, organizations providing training services pursuant to
9 this section shall possess certifications and accreditations deemed appropriate by the office, in
10 consultation with the department of labor.

11 (d) The office, in cooperation with the department of labor and training, shall facilitate
12 coordination between constituency-based organizations, workforce development
13 organizations, labor organizations and auditing and energy performance services contractors to
14 provide job opportunities for individuals participating in training programs and receiving
15 placement services pursuant to this section.

16 (e) The office, in cooperation with the department of labor and training, shall: (1)
17 Encourage local workforce investment boards created pursuant to the federal workforce
18 investment act of 1998 (Public Laws 105-220) to make available training and job placement
19 services authorized pursuant to this section within each local workforce investment area:

20 (2) Access training services available through the department of labor; and

21 (3) Apply for available federal funding for appropriate training services pursuant to
22 the provisions of the American recovery and reinvestment act of 2009 (Public Laws 111-5)
23 and any other applicable federal law.

24 (f) The department of labor shall coordinate with the office in implementing this
25 section.

26 **42-140.3-9. Advisory council.** (a) There is hereby established a green jobs-green Rhode
27 Island advisory council to advise the office on the creation and implementation of the program.
28 The council shall consist of the following members: the commissioner of the office of energy
29 resources; the Rhode Island secretary of state; and the director or, if there be no director, the
30 chairperson or administrator of the following entities: permanent Joint Committee on
31 environment and energy established pursuant to chapter 22-7.3, the Rhode Island energy
32 efficiency and resources management council established pursuant to chapter 42-140.1, the public
33 utilities commission established pursuant to chapter 39-1, the division of public utilities and
34 carriers established pursuant to chapter 39-1, the Rhode Island economic development

1 corporation established pursuant to chapter 42-64, the Rhode Island department of labor and
2 training established pursuant chapter 42-16.1, and the department of environmental management
3 established pursuant to chapter 42-17.

4 Provided, any member may designate a designee from his/her entity, department, or
5 agency to act on his/her behalf.

6 (b) The council shall also include representatives of constituency-based community
7 groups; consumer advocates on utility and housing issues; community-based workforce
8 development groups; unions, including building trades and property services; home
9 performance contractors; large-scale construction contractors; and investment market experts,
10 all of whom shall be selected by the governor.

11 (c) The commissioner of the office of energy resources shall serve as the chair of the
12 council.

13 **42-140.3-10. Annual reporting.** (a) Required elements in report. No later than October
14 1, 2011, and annually on the first day of October thereafter, the advisory council shall issue an
15 annual report to the governor, the speaker of the house of representatives, and the president of the
16 senate, concerning the office 's activities related to the green jobs - green Rhode Island program
17 created pursuant to this chapter. Such report shall include, but not be limited to the following
18 information:

19 (1) The status of the office's activities and outcomes related to this chapter. This shall
20 include, but not be limited to: (i) The number and type of energy audits performed pursuant to
21 this chapter; (ii) Any other contracts entered into relating to the program; and (iii) Any
22 recommendations for program improvements;

23 (2) The status of the office's activities and outcomes related to this chapter. This shall
24 include, but not be limited to: (i) Contracts entered into pursuant to this chapter; (ii) The
25 geographical area or areas served by each entity; (iii) The amount of the grants disbursed to
26 each entity; (iv) Any other contracts entered into relating to the program; and (v) Any
27 recommendations for program improvements;

28 (3) The status of the office's activities and outcomes related to this chapter. Such
29 information shall include, but not be limited to: (i) The number of persons who have applied for
30 and received financial assistance through the revolving loan fund; (ii) The revolving loan fund
31 account balances; (iii) The number of loans in default; and (iv) The amount and nature of the
32 costs incurred by the office;

33 (4) The status of the office 's activities and outcomes related to solicitation of
34 applications to demonstrate the feasibility of innovative financing mechanisms as described in

1 this chapter.

2 (5) The status of the office’s activities and outcomes related to fulfilling the
3 employment and job creation aspects of this chapter. This shall include, but not be limited to: (i)
4 The number of individuals receiving training services; (ii) The type of training services provided
5 to such individuals; (iii) The identity of organizations providing training services; (iv) The
6 amount of funds awarded to each such organization; and (v) The number of individuals placed in
7 full-time employment; and

8 (6) The overall effectiveness, progress and outcomes by the office related to the green-
9 jobs green Rhode Island program. This shall include but not be limited to: (i) Key findings by the
10 office; (ii) To the extent possible a calculation of the energy savings achieved; and (iii) Any
11 recommendations for program improvements and expansion of the program.

12 **42-140.3- 11. Funds, administration and evaluation and coordination.** (a) The office
13 is authorized to accept, as agent of the state, any gift, grant, devise or bequest, whether
14 conditional or unconditional, including, but not limited to federal grants, and to use monies
15 made available for the program from any public or private source, for the purpose of
16 implementing the components of the program as set forth in this chapter.

17 (b) The office shall be entitled to recover from the monies made available for the
18 program its own necessary and documented costs incurred in administering the program and
19 evaluating the effectiveness of the program; provided, however, the sum that may be recovered
20 for the office’s administrative costs shall not exceed seven percent (7%) of the monies made
21 available for the program, and the sum that may be recovered for the office 's evaluation costs
22 shall not exceed five percent (5%) of the monies made available for the program.

23 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO STATE AFFAIRS AND GOVERNMENT

1 This act would establish the Green Jobs-Green Rhode Island Program, the purpose of
2 which would be to create and promote green jobs in Rhode Island and also to promote energy
3 efficient construction and home modification. The program would be overseen by the office of
4 energy resources.

5 This act would take effect upon passage.

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