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LC002176

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- DEPARTMENT OF ENERGY
TRANSFORMATION PLANNING

Introduced By: Senators Euer, Zurier, Ruggerio, Lawson, DiMario, Sosnowski, Pearson,
Ujifusa, Murray, and Lauria

Date Introduced: March 07, 2023

Referred To: Senate Environment & Agriculture

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 39 of the General Laws entitled "PUBLIC UTILITIES AND
2 CARRIERS" is hereby amended by adding thereto the following chapter:

3 CHAPTER 33

4 DEPARTMENT OF ENERGY TRANSFORMATION PLANNING

5 **39-33-1. Definitions.**

6 As used in this chapter the following words shall, unless the context clearly requires
7 otherwise, have the following meanings:

8 (1) "Department" means the department of energy transformation planning established in
9 § 39-39-2.

10 (2) "Distributed energy resources" means distributed renewable generation facilities,
11 energy efficiency, energy storage, electric vehicles, active demand management, and load
12 management technologies.

13 (3) "Division" means the division of public utilities and carriers.

14 (4) "Energy distribution system" means the components of the electric grid, natural gas
15 distribution network, microgrid, or other utility-scale investment that collectively distribute
16 electricity and/or thermal energy to consumers.

17 (5) "Environmental burdens" means any destruction, damage or impairment of natural
18 resources that is not insignificant, resulting from intentional or reasonably foreseeable causes,

1 including, but not limited to, climate change, air pollution, water pollution, improper sewage
2 disposal, dumping of solid wastes and other noxious substances, excessive noise, activities that
3 limit access to natural resources and constructed outdoor recreational facilities and venues,
4 inadequate remediation of pollution, reduction of ground water levels, impairment of water quality,
5 increased flooding or storm water flows, and damage to inland waterways and waterbodies,
6 wetlands, marine shores and waters, forests, open spaces, and playgrounds from private industrial,
7 commercial or government operations or other activity that contaminates or alters the quality of the
8 environment and poses a risk to public health.

9 (6) "Environmental justice population" means a neighborhood, community, census tract or
10 other geographically bounded region that meets one or more of the following criteria:

11 (i) Annual median household income is not more than sixty-five percent (65%) of the
12 statewide annual median household income;

13 (ii) Minority population is equal to or greater than forty percent (40%) of the population;

14 (iii) Twenty-five percent (25%) or more of the households lack English language
15 proficiency; or

16 (iv) Minorities comprise twenty-five percent (25%) or more of the population and the
17 annual median household income of the municipality in the proposed area does not exceed one
18 hundred fifty percent (150%) of the statewide annual median household income.

19 (7) "Environmental justice principles" mean principles that support protection from
20 environmental pollution and the ability to live in and enjoy a clean and healthy environment,
21 regardless of race, color, income, class, handicap, gender identity, sexual orientation, national
22 origin, ethnicity or ancestry, religious belief or English language proficiency, which includes:

23 (i) The meaningful involvement of all people with respect to the development,
24 implementation and enforcement of environmental laws, regulations and policies, including climate
25 change policies; and

26 (ii) The equitable distribution of energy and environmental benefits and environmental
27 burdens.

28 (8) "Long-term distribution system planning" means a comprehensive ten (10) year plan
29 for the energy distribution system to meet customers' energy, capacity, and thermal needs.

30 **39-33-2. Establishment of department of energy transformation planning.**

31 (a) There shall be within the division of public utilities and carriers a department called the
32 department of energy transformation planning, under the supervision of administrator of the
33 division.

34 (b) The department shall advance the state's public interest by conducting statewide long-

1 term distribution system planning.

2 (c) The department shall be staffed by a director, who shall be appointed by the governor
3 with the advice and consent of the senate. The director shall have the authority, subject to
4 appropriation by the general assembly, to hire such technical and clerical staff as may be necessary
5 to fulfill the requirements of this chapter.

6 (d) The director shall be the executive and administrative head of the department of energy
7 transformation planning and shall be responsible for administering and enforcing the provisions of
8 law relative to the division and to each administrative unit thereof.

9 **39-33-3. Duties of the department.**

10 (a) The department shall develop and implement long-term distribution system plans to
11 assist in the transition to a clean, affordable, and reliable electric grid and restructured natural gas
12 distribution system in a cost-effective manner.

13 (b) No later than December 31, 2024 and every three (3) years thereafter, the department
14 shall issue a ten (10) year plan for the energy distribution system to enable the cost-effective
15 achievement of chapter 6.2 of title 42 ("act on climate"). The plan must examine the energy
16 distribution system's relationship to the regional grid, to identify cost-effective solutions to improve
17 reliability and resiliency, and to achieve greenhouse gas reductions.

18 (c) The department shall be responsible for the following functions and duties:

19 (1) Enhanced load forecasting that reflects end-use electrification and distributed energy
20 resources, in coordination with relevant electric distribution companies;

21 (2) Coordinating with utilities to ensure data adequacy, accuracy, consistency, and
22 transparency;

23 (3) Coordinating with the office of energy resources to incorporate other public policy
24 programs and objectives, including equitable access to the benefits of distributed energy resources;
25 and

26 (4) Development of related metrics for monitoring incremental progress toward planning
27 goals including the purposes of evaluating electric or natural gas distribution company service.

28 (d) The department shall conduct its long-term distribution system planning in a fully
29 transparent and accessible way and shall allow for comprehensive public review. The department
30 shall run technical sessions and stakeholder workshops before the plans are developed to define
31 requirements and inform inputs, assumptions, methodologies, and tools that will assist the
32 department in determining what actions it shall direct an electric distribution company to take. An
33 electric distribution company shall ensure, to the greatest extent practicable, that any information
34 requested by the department is provided in a form accessible to interested parties and all relevant

1 data and distribution planning modeling tools are available to stakeholders subject to commercial
2 non-disclosure, confidential energy infrastructure, codes of conduct, and other commercial, public
3 utilities commission, and federal energy regulatory commission requirements.

4 (e) Plans shall include, but not be limited to:

5 (1) Forecasts of projected load that accounts for factors including projected end-use
6 electrification, energy efficiency, and distributed energy resources;

7 (2) Baseline energy supply data and assessment, including, but not limited to, energy
8 generation additions including renewable energy, and energy storage installations;

9 (3) Hosting capacity analysis including locational benefits of distributed energy resources
10 and areas of existing or potential system congestion;

11 (4) Analysis of available and emerging technologies necessary to enable load management
12 and flexibility;

13 (5) An assessment of the environmental burdens and impacts upon environmental justice
14 populations of integrated distribution plans;

15 (6) An assessment of consumer cost impacts and protections for low-income communities;

16 (7) A Three (3) year action plan to optimize near-term grid investment and operations; and

17 (8) Pathways that address the strategic wind-down of the natural gas system, including
18 whether components of the gas distribution system should be safely decommissioned, replaced,
19 repaired, or repurposed to meet customer needs, including the possibility of using networked
20 geothermal systems that use non-emitting renewable thermal infrastructure.

21 **39-33-4. Goals and objectives of department.**

22 (a) The department shall conduct long-term distribution system planning for the
23 technologies and services that are required to meet chapter 6.2 of title 42 ("act on climate"),
24 emissions limits. The department shall conduct long-term system planning so that the state can
25 mitigate and equitably adapt to a changing climate while minimizing stranded costs.

26 (b) Each plan shall prioritize the alleviation and mitigation of energy burdens experienced
27 by environmental justice populations and shall equitably allocate costs.

28 (c) The department shall integrate and utilize distributed and local energy resources to meet
29 customers' energy, capacity, and thermal needs and shall maximize customer benefits while
30 attempting to minimize costs. The department shall consider the costs of climate change impacts,
31 including societal impacts and impacts to the distribution system itself, when evaluating alternate
32 pathways for meeting distribution system needs.

33 **39-33-5. Plan revision and enforcement.**

34 The department may at any time it determines necessary revise an energy distribution

1 system plan to address any deficiencies and may order an electric or gas distribution company to
2 take any reasonable actions to align its business, programs, operations, and investments with the
3 plan.

4 **39-33-6. Transparent procurement.**

5 (a) The division shall conduct open and competitive procurement processes to solicit
6 proposals to fill the system needs identified in the energy distribution system plan. The division, in
7 consultation with the division, shall oversee open markets to solicit and to select projects that meet
8 the grid, consumer, environmental justice principles, and climate objectives.

9 (b) The department shall determine which distribution assets may provide consumer and
10 grid benefits by remaining under monopoly ownership and control and shall assign those needs
11 directly to the electric distribution company who shall incorporate them in their net rate case or
12 grid modernization proceeding before the public utilities commission.

13 **39-33-7. Staffing report.**

14 No later than January 1, 2024 the division shall submit a report to the speaker of the house,
15 president of the senate, chair of the house finance committee, and chair of the senate finance
16 committee that includes an assessment of staffing and resource needs to implement the long-term
17 distribution planning provisions of this chapter.

18 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- DEPARTMENT OF ENERGY
TRANSFORMATION PLANNING

- 1 This act would create the "department of energy transformation planning" chapter within
- 2 the division of public utilities to implement long-term distribution system planning.
- 3 This act would take effect upon passage.

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