CONCISE EXPLANATORY STATEMENT

In accordance with the Administrative Procedures Act, R.I. Gen. Laws § 42-35-2.6, the following is a concise explanatory statement:

AGENCY: Rhode Island Infrastructure Bank

DIVISION: N/A

RULE IDENTIFIER: 830-RICR-10-05-3

RULE TITLE: CLEAN ENERGY FUND POLICIES AND PROCEDURES

REASON FOR RULEMAKING: R.I. Gen. Laws § 46-12.2-4.3 requires the Bank to adopt regulations for the program.

ANY FINDING REQUIRED BY LAW AS A PREREQUISITE TO THE EFFECTIVENESS OF THE RULE: N/A

TESTIMONY AND COMMENTS: No public comment was submitted during the comment period and no testimony was given at the public hearing.

CHANGE TO TEXT OF THE RULE: None

REGULATORY ANALYSIS:

Impact to Rhode Island Infrastructure Bank

As the administrator of the Program, the Bank will sustain direct costs in relation to staff time. The amount of staff time to be dedicated to the CEF is highly dependent on the number of applications received and loans or grants processed. For estimating purposes, the costs are divided into three categories, the application phase, the loan or grant agreement phase, and the reporting & requisition phase. All costs will be occurred as direct staff time.

In the Application Phase, costs to the Bank include staff time for the preparation of the Request for Proposals (3-6 hours) and staff time for collecting complete applications and reviewing with the committee (20-30 hours). In the Loan or Grant Agreement Phase, costs include staff time for loan or grant agreement review (30-45 hours across an estimated 10-15 applications). In the Reporting and Requisition Phase, costs include staff time for sending report templates and reviewing quarterly/final reports (33 hours across all applications annually), as well as staff time for sending out requisition documents and reviewing requisition submissions (5 hours to prepare and send out documents, as well as 10-15 hours to review across an estimated 10-15 submissions).

Given that a Stormwater and Resilience Analyst at the Bank has an hourly rate of $33.65, this suggests the cost of staff time for the CEF process is $4,509.61 per fiscal year for the Bank (maximum).

Anticipated benefits of these thorough programmatic processes for the Bank include assurance that projects are ready at the beginning of the award period, assurance of applicant commitment and project success, assurance that projects will achieve a wide variety of co-benefits (see more detail on this in the Impact section), assurance that the project will be maintained, confirmation of the project's completion as initially described, and confirmation that all costs applied to the award are eligible.

Impact to Other State Agencies

The Bank may rely on the partnership of additional state agencies for review of CEF applications and requisitions. The review team for applications may consist of the Bank and potentially other state agencies. For review of requisitions, the Bank partners with a designated technical review advisor to ensure that all costs submitted by applicants are program eligible.

There are strong benefits to the Bank, the applicants, and the review partners themselves in having these review partners involved. Primarily, these partners help to create a more informed review of project proposals, lending their expertise to the evaluation of project need, potential benefits, and potential success. Further, through conducting an external, governmental review of project costs drawing upon the Technical Review Advisor's expertise, the Bank can assure both themselves and the state that projects are being completed as initially described and that desired project outcomes have been / will be accomplished.

Statewide Impact

Application for the CEF is currently open for any local governmental unit, corporation, or person (each as defined within R.I. Gen. Laws § 46-12.2-2).

Costs to applicants include staff time needed for the application process (6-9 hours), staff time needed for loan or grant agreement finalization (5 hours), staff time for reporting (4 hours), and staff time for submission of requisition document (4 hours). Given the Bureau of Labor Statistics reports that the median hourly wage for Urban and Regional Planners in Rhode Island is $36.96, this suggests the cost of staff time for the CEF process is $813.12 per applicant (maximum).

Applicants will experience an array of benefits. The thoroughness of the application and loan or grant agreement processes ensures that applicants are fully prepared and committed to the award. Project eligibility criteria, as outlined in more detail in the CBA, focus CEF support on projects that deliver strong reduction greenhouse gas emissions. Reporting and requisition requirements further assure accountability and project success. Key benefits experienced as outcomes of the CEF include:

1. Project sites will increase in value, due to infrastructure investment;
2. Projects will serve as models for other future projects; and
3. Funds from loans or grants allow local funding for capital improvements to be diverted elsewhere

Ongoing municipal maintenance of the project is required as part of the CEF agreement. While this does create cost for the awardee (cost varies based on project type and maintenance required), this cost is outweighed by the continual project benefits protected by ongoing local maintenance procedures.