

SMALL BUSINESS IMPACT STATEMENT

In order to accurately predict the impact the adoption, amendment, or repeal of a regulation will have on small businesses, the promulgating authority must conduct a thorough analysis that not only considers the potential effects of the action but also quantifies the costs, if any, associated with each. The questions below are designed to aid promulgating authorities in conducting their analysis.

Agency submitting regulation:

Rhode Island Economic Development Corporation

Subject matter of regulation:

Renewable Energy Development in RI

ERLID No:

7592

Statutory authority:

RIGL 42-64-13.2, 39-2-1.2 and 39-26-7

Other agencies affected:

None

Other regulations that may duplicate or conflict with the regulation:

None

Describe the scope and objectives of the regulation:

To develop an integrated organizational structure to secure for the State of Rhode Island and its people the full benefits of cost-effective renewable energy development from diverse sources.

What was the rationale for establishing this regulation?

The [Rhode Island Economic Development] Corporation shall, in the furtherance of its responsibilities to promote and encourage economic development, establish and administer a Renewable Energy Development Fund as provided for in RIGL 39-26-7, may exercise the powers set forth in this chapter, as necessary or convenient to accomplish this purpose, and shall provide such administrative support as may be needed for the coordinated administration of the renewable energy standard as provided for in chapter 39-26 and the renewable energy program established by RIGL 39-2-1.2. The Corporation may upon the request of any person undertaking a renewable energy facility project, grant project status to the project, and a renewable energy facility project, which is given project status by the Corporation, shall be deemed an energy project of the Corporation.

The Corporation seeks to fulfill its legal obligations by implementing programs in 3 areas as part of the Renewable Energy Fund:

- (1)Small-scale solar
- (2)Commercial Development
- (3)Pre-development Feasibility Studies

Does the rationale still exist?

Yes

Is the rationale still relevant?

Yes

Business industry (s) affected by the regulation:

Construction, utilities and manufacturing

Types of businesses included in the industry (s):

Residential and commercial construction and remodeling, power line construction

Total number of small businesses included in the regulated industry (s):

Construction: 8500 (non-employee companies) 3100 (all employer firm total)
Manufacturing: 1200 (non-employee companies) 1500 (all employer firm total)

Number of small businesses potentially subject to the proposed regulation:

Only those businesses who choose to apply for the grant and/or loan would be subject to the regulation. Currently businesses are in the REF program.

How often do small businesses contact your agency for assistance with clarification of the regulation and/or receive assistance with compliance issues?

Approximately 4-10 times per week potential applicants call with general questions.

What is the cost to your agency of establishing and enforcing this regulation?

Salary of approximately \$59K plus an intern at an additional \$8K

What would the consequences be if the regulation did not exist?

There would be no organized way to disperse millions of dollars into the RI economy for purposes of helping business install and utilize renewable energy.

Effective date used in cost estimate:

January 1, 2014. This regulation will be replaces the 2013 rules and regulations that are in the process of being repealed. The new regulations will streamline the application process and make the regulations easier to understand.

For each question below, please answer “yes” or “no” and offer a brief explanation. Please describe any facts, data, views, arguments, or other input from small businesses, organizations or any other sources that were used to quantify the impacts outlined below.

1.	Yes	No	Do small businesses have to create, file, or issue additional reports?
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	<input checked="" type="checkbox"/>		If awarded funds businesses are required to submit employment reports and project completion reports.
2.	Yes <input checked="" type="checkbox"/>	No	Do small businesses have to implement additional recordkeeping procedures? If awarded funds businesses are required to keep track of dollars and hours spent on the renewable energy project
3.	Yes <input checked="" type="checkbox"/>	No	Do small businesses have to provide additional administrative oversight? If awarded funds additional administrative oversight is needed to comply with contract and receive payments.
4.	Yes	No <input checked="" type="checkbox"/>	Do small businesses have to hire additional employees in order to comply with the proposed regulation? Awarded projects are usually within a business' typical scope of work and will not require additional employees to comply.
5.	Yes <input checked="" type="checkbox"/>	No	Does compliance with the regulation require small businesses to hire other professionals (e.g. a lawyer, accountant, engineer, etc.)? Structural and electrical engineer stamps are required for all building permits in RI. This includes renewable energy projects.
6.	Yes	No <input checked="" type="checkbox"/>	Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation? The business should have everything needed to perform this work. Nothing new is required because of this regulation.

7.	Yes	No X	Are performance standards more appropriate than design standards? The 2 complement each other. If projects fail to perform the program is a failure. Good design leads to stronger performance.
8.	Yes	No X	Does the regulation require small businesses to cooperate with audits, inspections, or other regulatory enforcement activities? The regulation allows an RIEDC consultant to inspect a solar system to make sure it is performing correctly before issuing final permits.
9.	Yes	No X	Does the regulation have the effect of creating additional taxes and/or fees for small businesses? No taxes or fees.
10.	Yes	No X	Does the regulation require small businesses to provide educational services to keep up to date with regulatory requirements? No educational services are required.
11.	Yes	No X	Is the regulation likely to <i>deter</i> the formation of small businesses in RI? Nothing.
12.	Yes	No X	Is the regulation likely to <i>encourage</i> the formation of small businesses in RI? As an additional economic development tool, this will encourage entrepreneurs and contractors to get into the renewable energy industry by providing a source of funds.

13.	Yes X	No	Can the regulation provide for less stringent compliance or reporting requirements for small businesses? Not without sacrificing the quality of the project.
14.	Yes X	No	Can the regulation establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses? Reporting and compliance deadlines are flexible.
15.	Yes X	No	Can the compliance or reporting requirements be consolidated or simplified for small businesses? Each year, RIEDC promulgates new regulations for this program to make them more clear, predictable and reliable. This regulation will be repealed in November 2013 and a new set will make the process even easier than it is now. Each time we hold a public meeting we get input from stakeholders on how to make the process easier.
16.	Yes	No X	Can performance standards for small businesses replace design or operational standards? This regulation requires both. Performance is most important but proper design usually lead to the best performance.
17.	Yes	No X	Are there alternative regulatory methods that would minimize the adverse impact on small businesses? We do not believe there are adverse impacts for small businesses. This program is a choice for a business. If a business is not comfortable with the requirements they can choose not to apply for the funds.

18.	Yes X	No	<p>Have any small businesses or small business organizations been contacted during the preparation of this document? If so, please describe.</p> <p>Many small businesses have taken part in public hearings during the promulgation of this regulation by either attending the hearing or emailing in their suggestions. Many of their suggestions have shown up in the regulation.</p>