**This Week At the State House**

**Budget Watch**

The House Finance Committee has not posted the budget yet, but is expected to do so soon.

**Customer Automatic Renewal Legislation**

Today, June 15th, the House Corporations Committee is scheduled to vote on H.5769, An Act Relating to Commercial Law – General Regulatory Provisions – Unfair Sales Practices. The bill requires a provider of a club, facility, or services to a consumer to stop automatic deductions from the consumer’s account or credit card within thirty (30) calendar days of receiving a notice that the consumer wants the automatic deduction to be stopped. The notice can be verbal or in writing. H.5769 also requires a provider to give a consumer at least sixty (60) calendar days notice of a proposed rate increase or substantial change in services being provided to the consumer. If passed, the act would take effect upon passage.

**Senate Environment Committee to Vote on TCI-P**

The Senate Environment & Agriculture Committee is scheduled to vote on S.872, An Act Relating to Health and Safety – Transportation Emissions and Mobile (TEAM) Community Act. S.872 gives DEM the authority to enter into the multi-jurisdictional program called the Transportation Climate Initiative Program (TCI-P).  Connecticut just recently chose not to pass legislation this year, leaving only Massachusetts, Washington DC and now possibly Rhode Island.  New Hampshire and Maine have said they want no part in it and 8 other states are taking a wait and see approach for now.

When a jurisdiction joins TCI-P, it is then governed by a 159-page model rule.  If S.872 passes, Rhode Island must live by the model rule. No changes, no choice.

Under TCI-P, gasoline and diesel terminals and entities that bring gasoline and diesel into RI for the first time can only sell gasoline and diesel equal to the number of carbon allowances they have been able to buy at a TCI-P quarterly auction.  These auctions are run by TCI-P as a sealed bid auction.  Bidders (who can be anybody - terminals, hedge fund operators, non-profits, government agencies, etc.) submit their sealed bids.  When the bids are opened, the highest bidder gets to purchase its allowances; the next highest bidder purchases next; and so on until the allowances are all purchased.  If a terminal or seller of gasoline or diesel fuel was not a successful bidder, then it must either not sell product, or try to purchase allowances on the secondary market from someone who was successful - most likely for an increased price.

The State of California has a similar program (Western Climate Initiative) but covers more entities.  They have 303 entities that must have allowances to sell their product.  There are 748 registered bidders for their auction - that means 445 bidders are in the auction to try to make money, not to sell a product to the consumer.

Models have been run to try to determine the cost.  Some say 5-9 cents per gallon in the first year, others project up to 38 cents, but no one really knows because the auctions will determine the price.  The TCI-P model rule sets a cap on the number of allowances that can be sold at auction.  Starting in 2024, the cap drops 3% per year, each year for ten years.  This is mandatory and cannot be changed by the Rhode Island legislature at a later date.  Three percent less gasoline and diesel will be sold each year.  It is also important to note that Rhode Island does not get a certain percentage of the overall auction allowances.  It is an open market for all of the states that join TCI-P.  If the successful bidders happen to sell gasoline and diesel in Massachusetts, not Rhode Island, then MA will get the fuel – Rhode Island will not.

Proponents of the bill state that this mandatory rule is necessary to address climate change. Opponents of the bill state that if we assume TCI-P runs perfectly and Rhode Island bidders are successful, using the federal Energy Information Administration's estimates for demand for gasoline in Rhode Island, it appears demand will outpace the supply allowed by the TCI governing rule in 2025; and that shortage will then get bigger each year thereafter.

**Last Week At The State House**

**Nondisclosure/Non-disparage Agreements Passed by House Labor**

**H.5853, An Act Relating to Labor and Labor Relations – Fair Employment Practices**, passed the House Labor Committee in its original form last week and is headed to the full House for a floor vote. H.5853 forbids an employer from requiring an employee to execute a nondisclosure agreement or non-disparagement agreement regarding alleged violations of civil rights or criminal conduct as a condition of employment or as a condition of continuing employment. The chamber voiced opposition to this bill at the hearing earlier this year, as it has the potential to stifle settlement agreements which are beneficial to both parties. The Senate companion bill, S.189 is in the Senate Labor Committee.

No new bills of interest have been filed this week