

HOUSE COMMITTEE ON ENVIRONMENT

April 28, 2005 Hearing Room D

1:00 P.M. Tapes 45 - 46

Corrected 09/23/05

MEMBERS PRESENT: Rep. Gordon Anderson, Chair

Rep. Bob Jenson, Vice-Chair

Rep. Mary Nolan, Vice-Chair

Rep. Phil Barnhart

Rep. Bill Garrard

Rep. John Lim

Rep. Diane Rosenbaum

STAFF PRESENT: John Houser, Committee Administrator

Mike Reiley, Committee Assistant

MEASURES/ISSUES HEARD:

Consideration of Request for Bill Drafting – Work Session

Introduction of Committee Bill – Work Session

HB 2507 – Public Hearing and Work Session

HR 3 – Public Hearing

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
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TAPE 45, A

003 Chair Anderson Calls the meeting to order at 1:18 p.m. Opens a work session for a consideration of a request for bill drafting.

CONSIDERATION OF REQUEST FOR BILL DRAFTING – WORK SESSION

010 Rep. Jenson **MOTION: Moves with the Speakers approval that Legislative Counsel BE DIRECTED to draft a bill related to the future assumption of obligations related to the closure of the Trojan Nuclear Power Plant that are currently the obligation of Portland General Electric.**

020 Libby Henry Eugene Water and Electric Board (EWEB). Explains the bill and notes the parties involved in the negotiations. Explains the \$100 million decommission fund SB 1008.

045 Rep. Jenson Asks why PacificCorp. is not included in the bill.

051 Henry Answers that she contacted PacificCorp. and they did not indicate they wanted to be involved in the bill.

057 Rep. Jenson Points out that the bill addresses the purchase of Portland General Electric (PGE), but the other owners are not included and there is no coverage if they decide to sell.

068 Henry Points out that when utilities are sold there is no change in the administration of the plants and no transfer of governing documents. Notes that the fate of PGE is not known.

084 Rep. Jenson Notes that Enron and PGE were recently in the same situation where their viability problems were not known.

097 Henry Offers to discuss the matter with her legal counsel.

100 Rep. Nolan Asks if the City of Portland or the Mutual Corporation who are considering buying PGE were involved in the development of the legislation.

106 Henry

Answers that the involved parties have seen the bill and have agreed to it.

114	Rep. Nolan	Discusses SB 1008 and its potential impact on the neutral position of the involved parties.
122	Rep. Rosenbaum	Asks how the issue of the Trojan power plant liability was addressed in the Texas Pacific attempt to purchase PGE.
126	Henry	Answers that since there would be no change in the administration of the plant, there is no change in the site certificate.
139	Rep. Rosenbaum	Asks if the bill would allow the total liability to be transferred to an entity that takes over PGE.
142	Henry	Answers no. Explains that it would be a proportionate share of the liability and the assets. Explains the management of nuclear waste.
153	Rep. Rosenbaum	Asks for a clarification of the language regarding ownership.
160	Henry	Explains the intent of the bill and how the apportionment would take place.
170	Rep. Nolan	Clarifies the language of PGE's Trojan obligation.
181	Rep. Barnhart	Asks how the bill would be addressed by the bankruptcy court.
186	Henry	Answers that she will have to consult with her attorneys.
192	Rep. Barnhart	States that it is important for the legislature to have a voice in the issue.
200	Rep. Nolan	Asks for a clarification of bill language related to SB 1008.
203	Henry	Clarifies the language related SB 1008.
211	Chair Anderson	Explains the bill drafting process. Recesses the meeting at 1:35 p.m. Reconvenes the meeting at 1:36.

VOTE: 7-0-0

AYE: In a roll call vote, all members present vote Aye.

Chair Anderson The motion CARRIES.

- 222 Rep. Rosenbaum Clarifies that her vote was for the bill to be drafted, not an indication of support for the bill.
- 224 Chair Anderson Closes the public hearing on the request for bill drafting. Opens a public hearing on HB 2507.

HB 2507 – PUBLIC HEARING

- 236 Rep. Mitch Greenlick House District 33. Explains HB 2507 and the -3 amendments **(EXHIBIT A)**.
- 258 Chair Anderson Clarifies the number of airbags allowed in a car.
- 260 Rep. Greenlick Answers that one could have as many airbags as necessary as long as they are installed in the vehicle.
- 262 Rep. Garrard Asks if there is still a fiscal impact from the Department of Human Services.
- 265 Rep. Greenlick Answers that there is no fiscal impact.
- 270 Chair Anderson Closes the public hearing and opens a work session on HB 2507.

HB 2507 – WORK SESSION

- 273 Rep. Jenson **MOTION: Moves to ADOPT HB 2507-3 amendments dated 4/1/05.**

VOTE: 6-0-1

AYE: In a roll call vote, all members present vote Aye.

EXCUSED: 1 - Lim

	Chair Anderson	The motion CARRIES.
285	Rep. Nolan	MOTION: Moves HB 2507 to the floor with a DO PASS AS AMENDED recommendation.
289	Rep. Jenson	Asks if the bill should be referred to the Ways and Means Committee.
297	Rep. Nolan	Withdraws her motion.
300	Rep. Nolan	MOTION: Moves HB 2507 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Ways and Means BE RESCINDED.
308	John Houser	Committee Administrator. Explains the referral process.
325	Rep. Nolan	Withdraws her motion.
355	Chair Anderson	Recesses the meeting at 1:46 p.m. Reconvenes the meeting at 1:48 p.m. Opens a public hearing on HR 3.

HR 3 – PUBLIC HEARING

370	Liz Frenkel	Natural Resources Action Coordinator, League of Women Voters. Submits and reads prepared testimony in opposition to HR 3 (EXHIBIT B) .
430	Darrell Fuller	Oregon Auto Dealers Association. Testifies in support of HR 3. Notes <i>The New York Times</i> article in which Gov. Kulongoski chose to implement California air standards bypassing the legislative process. Argues that the issue should go through the legislative process.

TAPE 46, A

036	Chair Anderson	States that the governor's staff told him the newspaper article was inaccurate. Concurs with Mr. Fuller that the issue should go through the legislative process.
042	Rep. Barnhart	Asks if Gov. Kulongoski has the authority to enact the standards.

045	Chair Anderson	Answers that he believes that he does.
050	Fuller	States that he contacted the Department of Environmental Quality Air Quality Program Administrator Andy Ginsburg who explained the statutory authority to allow the governor to set air quality standards.
063	Rep. Nolan	Clarifies that the governor does not have the authority to override actions of the legislature.
068	Fuller	Responds that an administrative agency adopting rules provided by an authority that were not contemplated when the authority was granted would not be appropriate.
076	Rep. Nolan	Describes the work being done by citizen commissions and rules and statutes and their role in setting policy.
094	Fuller	Concurs with Rep. Nolan's statement.
097	Chair Anderson	Discusses the legislative role in setting policy.
102	Rep. Jenson	Asks for a legislative counsel opinion on the issue.
112	Rep. Barnhart	Addresses the broadness of statute that was passed by the legislature. Notes that the bill is a House Resolution that would have no authority.
140	Dave Moskowitz	Wild Salmon Center. Testifies in opposition to HR 3. Describes the relationship between states and the Environmental Protection Agency (EPA).
180	Moskowitz	Describes the negative environmental and economic impacts of global warming.
208	Rep. Barnhart	Asks about state and federal authority to set air quality standards.
220	Moskowitz	Explains that EPA has delegated authority to the states that allows DEQ to set standards.
230	Rep. Barnhart	Asks if the standards would be under federal authority or state.
236	Moskowitz	

Responds that the federal Clean Air Act gives the authority to regulate to the states which gives the authority to DEQ and would allow the governor to set air quality standards.

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| 242 | Rep. Barnhart | Asks if the legislature took a position that was contrary to EPA regulations, EPA would be able to withdraw the authority of DEQ to enforce air quality standards. |
| 256 | Moskowitz | Explains the authority to set air quality standards. |
| 274 | Rep. Barnhart | Asks for a clarification of authority regarding environmental standards. |
| 277 | Moskowitz | Answers that there are differences between how the Clean Air Act and the Clean Water Act are administered. |
| 279 | Chair Anderson | States that he would rather have a federal agency use its authority than have it appear that the governor is circumventing the legislature. |
| 284 | Rep. Jenson | Concurs with Mr. Moskowitz's legal analysis. Cites the importance of memorandum of understanding between EPA and DEQ. Describes the policy authority of agencies, the legislature and the governor. |
| 348 | Chair Anderson | Explains the intent of HR 3 and the controversy over how to address the issue of greenhouse gases. |
| 363 | Moskowitz | Recommends that the issue could be addressed by western states for federal legislation. |

The following material is submitted for the record without public testimony:

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| | Susan Schneider | Government Relations, City of Portland. Submits prepared testimony in opposition to HR 3 (EXHIBIT C). |
| 386 | Chair Anderson | States that he is open to information from both sides of the issue. Closes the public hearing on HR 3. Opens a work session for the introduction of a committee bill. |

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INTRODUCTION OF COMMITTEE BILL – WORK SESSION

395 Rep. Nolan **MOTION: Moves LC 3599 BE INTRODUCED as a committee bill.**

VOTE: 6-0-1

EXCUSED: 1 – Lim

Chair Anderson Hearing no objection, declares the motion CARRIED.

402 Chair Anderson Closes the work session. Opens work session on HB 2507.

HB 2507 – WORK SESSION

410 John Houser Committee Administrator. Explains the process for requesting that the subsequent referral to the Ways and Means committee be rescinded.

430 Rep. Nolan Withdraws her motion.

438 Chair Anderson Closes the work session on HB 2507. Adjourns the meeting at 2:21 p.m.

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EXHIBIT SUMMARY

- A. **HB 2507, -3 amendments, staff, 4 pp**
- B. **HR 3, prepared testimony, Liz Frenkel, 1 p**
- C. **HR 3, prepared testimony, Susan Schneider, 1 p**
- D. **Introductions, LC 3599, staff, 2 pp**