

HOUSE COMMITTEE ON ENVIRONMENT

May 12, 2005 Hearing Room D

1:00 P.M. Tapes 53 - 54

MEMBERS PRESENT: **Rep. Gordon Anderson, Chair**

Rep. Bob Jenson, Vice-Chair

Rep. Mary Nolan, Vice-Chair

Rep. Bill Garrard

Rep. John Lim

Rep. Diane Rosenbaum

MEMBER EXCUSED: **Rep. Phil Barnhart**

STAFF PRESENT: **John Houser, Committee Administrator**

Mike Reiley, Committee Assistant

MEASURES/ISSUES HEARD:

HB 3328 – Public Hearing

SB 55 A – 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 53, A

003 Chair Anderson Calls the meeting to order at 1:17 p.m. Opens a public hearing on HB 3328.

HB 3328 – PUBLIC HEARING

014 Rep. Brad Witt House District 31. Explains the concerns regarding mandatory apprenticeships and asks for time to address the concerns.

021 Stephen Kafoury Johnson Controls, Inc. Testifies in support of HB 3328. Explains the -1 amendments (**EXHIBIT A**) and the -3 amendments (**EXHIBIT B**).

053 Kafoury Notes the concerns of the Associated General Contractors that are technical changes and are addressed in HB 2214.

068 Rep. Jenson Asks if there are -2 amendments.

070 Kafoury Explains that the -2 amendments were an intermediate step to the -3 amendments.

075 Rep. Jenson Asks if both amendments should be adopted.

079 Kafoury Explains that the -3 amendments include the changes included in the -1 amendments.

085 Chair Anderson Recesses the meeting at 1:25 p.m. Reconvenes the meeting at 1:32 p.m.

086 Kafoury Explains the -2 amendments (**EXHIBIT C**).

105 Kafoury Explains the -3 amendments. Notes the drafting error regarding the language “reclamation of natural resources”.

164 Bill Foster Administrator, Facilities Division, Department of Administrative Services (DAS). Explains the existing processes, statutes and rules regarding energy savings performance contracting.

174 Blake Underwood

Business Transactions Section, General Counsel Division, Oregon Department of Justice. Explains the regulations and exemptions regarding competitive building contracts. Describes energy savings performance contracts.

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| 224 | Underwood | Explains the special classification set in HB 3476 in 2003 for energy savings performance contracts. |
| 249 | Dugan Petty | Deputy Administrator, State Service Division, DAS. Explains the contracting rewriting process in the 2003 session and the rewrite of ORS Chapter 279. Notes the three categories of : general provisions for public contracting, procurements other than public works, and related services. Points out that there was support from the stakeholders. |
| 339 | Foster | Explains the intention of DAS and the Oregon Department of Energy (DOE) to develop an energy savings performance contracting mechanism that led to HB 3476 in the 2003 legislative session. |
| 378 | Underwood | Explains the state agency and local government, industry representative meetings and the process for making rules regarding public contracting. Explains that in 2004, the public contracting code was redone. |

TAPE 54, A

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| 011 | Foster | Explains the performance energy savings contracting process. |
| 028 | Underwood | Describes the solicitation and selection process under the rules and the differences in contracting qualifications. |
| 065 | Underwood | Explains that the intent of the contracting is to improve energy usage in buildings. |
| 087 | Foster | Explains how the performance guarantee works. |
| 104 | Petty | Explains the issues with the -3 amendments. |
| 120 | Rep. Garrard | Notes the language “may” and does not require the provisions to be included. |

125	Petty	Concurs with Rep. Garrard. Explains the provisions that are not included in the bill.
162	Underwood	Explains additional missing provisions.
177	Foster	Expresses concerns about how “energy conservation” is redefined.
197	Chair Anderson	Asks if any changes will be forthcoming from the departments.
200	Foster	Answers that they may be.
204	Rep. Lim	Asks what happens if a company goes bankrupt and who would be responsible for commitments.
214	Underwood	Explains the rules that seek to reduce the risk of protection if a company goes bankrupt.
237	Petty	Explains the safeguards that protect the public interest.
255	Mike Grainey	Director, DOE. Testifies in support of HB 3328. Speaks in favor of the -2 amendments and -3 amendments.
280	Chair Anderson	Asks if DOE would intend to make the changes.
281	Grainey	Answers that he will work with interested parties to address the changes.
292	Jessica Adamson	Associated General Contractors. Testifies in opposition to HB 3328. Notes concerns regarding mandatory apprenticeship requirements. Argues that the bill would reduce competition and expand the definition of energy performance contracts. Highlights the problems with the -3 amendments.
373	Chair Anderson	Asks how long the issues would take to resolve.
375	Adamson	Answers that it could be done in a “couple hour meeting” with the stakeholders.
380	Shawn Miller	Associated Builders and Contractors, Independent Electrical Contractors of Oregon. Testifies in opposition to HB 3328. Notes the

problems related to mandatory apprenticeships. Describes SB 150 introduced by Bureau of Labor and Industries (BOLI) Commissioner Gardner related to apprenticeships.

TAPE 53, B

012	Kafoury	Offers to work with interested parties to address issues with the bill.
023	Peter White	Public Sector Solutions Manager, Johnson Controls, Inc. Testifies in support of HB 3328. Summarizes prepared statement “Support Information for Amendments to HB 3328” (EXHIBIT D) .
075	Rep. Garrard	Asks for an explanation of the -3 amendments.
080	Kafoury	Explains that the testimony of Johnson Control, Inc. is addressing the industry and Johnson does not have a position on mandatory apprenticeship requirements.
109	White	Explains that the intent is for an easier contracting process.
118	Jon Oshel	Association of Oregon Counties. Testifies in opposition to HB 3328 due to mandatory apprenticeship requirements.
135	Chair Anderson	Requests that interested parties meet to address changes.
141	Rep. Rosenbaum	Suggests that Rep. Witt coordinate the parties to work to resolve the issues.
144	Chair Anderson	Closes the public hearing on HB 3328. Opens a public hearing on SB 55 A.

SB 55 A – PUBLIC HEARING

165	Thomas Gallagher	Oregon State Board of Examiners for Engineering and Land Surveying (OSBEELS), Professional Land Surveyors of Oregon. Testifies in support of SB 55 A.
200	Dean Anderson	Geographic Information Systems (GIS) Director, Polk County. Submits and summarizes prepared testimony in support of SB 55 A (EXHIBIT E) .

260	Romey Ware	Surveyor, Douglas County. Submits prepared proposed amendments to SB 55 A (EXHIBIT F) .
275	Ron Schofield	Land Use Planning Consultant, Roseburg. Expresses concern about the broad definition of surveying in the bill.
315	Rep. Jenson	Asks for a clarification of the objections to the bill.
325	Schofield	Cites language in the bill and clarifies his objection.
350	Rep. Jenson	Asks for further clarification.
326	Schofield	Offers further clarification.
362	Chair Anderson	Asks if Mr. Schofield would like the committee to submit his amendment request.
364	Schofield	Answers yes.
366	David Jaques	Chair, Douglas County Planning Commission. Expresses concern about the classification of surveyors and its potential impacts on land use planning.
414	Ware	Explains the position of other states regarding the surveyor issue.

TAPE 54, B

018	Dan Linscheid	OSBEELS. Refutes Mr. Ware's testimony regarding model rules being adopted nationally.
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The following material is submitted for the record without public testimony:

John Minor	Chief Surveyor, Menasha Forest Products Corporation. Submits prepared testimony in support of SB 55 A (EXHIBIT G) .
Lloyd Tolbert	Immediate Past-Chair, Professional land Surveyors of Oregon. Submits prepared testimony in support of SB 55 A (EXHIBIT H) .
Douglas Smith	

Vice President, David C. Smith & Associates, Inc. Submits prepared testimony in support of SB 55 A **(EXHIBIT I)**.

Eric Bohard Oregon Chapter of the Urban and Regional Information Systems Association. Submits prepared testimony in support of SB 55 A **(EXHIBIT J)**.

R. Charles Pearson Oregon Association of County Engineers and Surveyors. Submits prepared testimony in support of SB 55 A **(EXHIBIT K)**.

030 Chair Anderson Notes that SB 55 A will be heard next Tuesday. Closes the public hearing on SB 55 A. Adjourns the meeting at 2:53 p.m.

EXHIBIT SUMMARY

- A. **HB 3328, -1 amendments, staff, 15 pp**
- B. **HB 3328, -3 amendments, staff, 14 pp**
- C. **HB 3328, -2 amendments, staff, 1 p**
- D. **HB 3328, Support Information for Amendments to HB 3328, Peter White, 25 pp**
- E. **SB 55 A, prepared testimony, Dean Anderson, 2 pp**
- F. **SB 55 A, proposed amendments, Romey Ware, 2 pp**
- G. **SB 55 A, prepared testimony, John Minor, 1 p**
- H. **SB 55 A, prepared testimony, Lloyd Tolbert, 1 p**
- I. **SB 55 A, prepared testimony, Douglas Smith, 1 p**
- J. **SB 55 A, prepared testimony, Eric Bohard, 1 p**
- K. **SB 55 A, prepared testimony, R. Charles Pearson, 1 p**

HOUSE COMMITTEE ON ENVIRONMENT

May 12, 2005 Hearing Room B

4:30 P.M. Tapes 55 - 56

MEMBERS PRESENT: Rep. Gordon Anderson, Chair

Rep. John Lim

Rep. Diane Rosenbaum

MEMBERS EXCUSED: Rep. Bob Jenson, Vice-Chair

Rep. Mary Nolan, Vice-Chair

Rep. Phil Barnhart

Rep. Bill Garrard

VISITING MEMBER: Rep. Jeff Kropf

STAFF PRESENT: John Houser, Committee Administrator

Mike Reiley, Committee Assistant

MEASURES/ISSUES HEARD:

Potential Construction of Biodiesel Facilities in Oregon – Informational Meeting

The committee and invited guests and lobbyists heard an informational presentation from Oregon Biofuel Engineering Company (OBED) concerning the company's plans to construct biodiesel production and feedstock processing facilities in Oregon. The presentation included background information on the national interest in the development of biodiesel as an alternative fuel, the positive

environmental effects of biodiesel use, and the ability of diesel engines to use biodiesel with minimal modification.

The presentation also included information on U.S. and international biodiesel markets, the improving cost competitiveness of biodiesel with diesel prices exceeding \$2 per gallon, and tax, siting and other incentives that could improve Oregon's ability to attract new biodiesel production facilities to the state. OBEC also discussed funding issues related to biodiesel facilities and the need for Oregon to move quickly due to increasing number of potential facilities currently under consideration for construction in the state.

OBEC representatives responded to questions related to product markets, agricultural feed grain byproducts from the biodiesel production process, the availability of a variety of production feedstocks in Oregon, including canola, straw and wood and forest waste materials and the types of jobs that would be created at production and processing facilities and the feasibility of modifying school bus engines to use biodiesel.

EXHIBIT SUMMARY

None submitted