

HOUSE COMMITTEE ON ENVIRONMENT

May 17, 2005 Hearing Room D

1:00 P.M. Tapes 57 - 58

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. Diane Rosenbaum

MEMBER EXCUSED: Rep. John Lim

STAFF PRESENT: John Houser, Committee Administrator

Mike Reiley, Committee Assistant

MEASURES/ISSUES HEARD:

SB 962 A – Public Hearing

HB 3479 – Public Hearing and Work Session

SB 79 – Public Hearing

SB 55 A – Public Hearing and Work Session

SB 735 – Public Hearing and Work Session

SB 737 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
TAPE 57, A		
003	Chair Anderson	Calls the meeting to order at 1:10 p.m. Opens a public hearing on SB 962 A.
<u>SB 962 A – PUBLIC HEARING</u>		
010	John Houser	Committee Administrator. Introduces SB 962 A, –A10 amendments (EXHIBIT A) and –A11 amendments (EXHIBIT B).
025	Jim Markee	American Chemistry Council. Submits and summarizes prepared testimony in opposition to SB 962 A (EXHIBIT C). Explains the –A11 amendments.
065	Markee	Explains the –A10 amendments. Introduces Dr. Ray Dawson.
078	Dr. Raymond Dawson	Vice President, Albemarle Corporation and Chairman, Bromine Science and Environmental Forum. Submits and summarizes prepared testimony in opposition to SB 962 A (EXHIBIT D). Explains polybrominated diphenyl ethers (PDBEs) and the three PDBE flame-retardants, Penta, Octa and Deca.
107	Dawson	Describes the use of Deca as a flame retardant in consumer products.
145	Dawson	Describes the alternatives to Deca for use as a flame retardant.
177	Dawson	Explains U.S. state legislative action regarding Deca.
200	Dawson	Describes Penta, Octa, and Deca.
215	Dawson	Describes the European Union (EU) risk assessment of Penta, Octa, and Deca.

260	Dawson	Explains additional risk assessment on Deca.
290	Dawson	Describes persistent, bioaccumulative, and toxic issues and environmental effects of Deca. Addresses the presence of Deca in breast milk.
355	Rep. Barnhart	Asks how many parts per trillion have been detected in breast milk.
358	Dawson	Answers ten parts per trillion. Describes the Restrictions on the Use of Hazardous Substances in Electrical and Electronic Equipment (ROHS). Argues that banning Deca is not justified by science.
400	Rep. Barnhart	Asks for a description for the mechanisms by which PDBEs move from the manufacturing process to human exposure and how the material may be removed from the body.
415	Dawson	Describes Deca monitoring by the Environmental Protection Agency (EPA). Notes that there are emissions from manufacturing facilities that find their way into the environment in various ways. Describes the biological effects on the human body.

TAPE 58, A

020	Rep. Jenson	Asks how Deca is excreted from the body.
025	Dawson	Answers that a majority of it is excreted through feces.
028	Rep. Nolan	Asks how it is found in breast milk.
030	Dawson	Answers that it is found in low concentrations and most of it passes through the body.
036	Rep. Nolan	Asks how long Penta and Octa have been in commercial use.
040	Dawson	Answers since the 1980s.
042	Rep. Nolan	Asks if Dr. Dawson's assertion of 99 percent of Deca passing through the body is an estimate or a scientific conclusion.
044	Dawson	

		Explains the rat studies that were conducted under the EU risk assessment.
046	Rep. Barnhart	Asks what Deca is used for and how it makes its way into the environment.
052	Dawson	Answers that it is used for electronics housing and textiles and addresses risks. Stresses the need for proper end-of-life disposal.
075	Markee	Cites his testimony (EXHIBIT C) and notes that Deca is used in computer components.
080	Rep. Barnhart	Asks about incineration.
084	Dawson	Explains the importance of proper incineration.
100	Chair Anderson	Asks if there is breakdown of Deca in landfills.
102	Dawson	Answers that if Deca is not exposed to light, there is no evidence of breakdown in landfills..
104	Chair Anderson	Asks if Deca has been tested as fully as Penta and Octa.
106	Dawson	Answers that Deca has been tested more thoroughly than Penta and Octa.
112	Chair Anderson	Closes the public hearing on SB 962 A. Opens a public hearing on HB 3479.

HB 3479 – PUBLIC HEARING

115	Libby Henry	Eugene Water & Electric Board. Submits and summarizes prepared testimony in support of HB 3479 (EXHIBIT E).
177	Rep. Garrard	Asks about allowing the new owner of the Trojan nuclear facility to raise rates to pay for a waste storage fund.
180	Henry	Answers that it is the only way to pay for the fund.

190	Rep. Garrard	Asks what the costs may be.
192	Henry	Answers that the costs are approximately \$14 million per year.
195	Chair Anderson	Clarifies that a rate change would have to be approved by the Public Utility Commission (PUC).
197	Henry	Answers yes.
200	Rep. Barnhart	Asks if the bill changes the authority to use funds from rates to pay for the fund.
205	Henry	Answers no.
207	Mike Graine	Director, Oregon Department of Energy. Testifies in support of HB 3479.
213	Chair Anderson	Closes the public hearing on HB 3479 and opens a work session on HB 3479.

HB 3479 – WORK SESSION

217	Rep. Barnhart	MOTION: Moves HB 3479 to the floor with a DO PASS recommendation.
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VOTE: 6-0-1

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

EXCUSED: 1 - Lim

Chair Anderson	The motion CARRIES.
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REP. BARNHART will lead discussion on the floor.

225	Chair Anderson	Closes the work session on HB 3479. Opens a public hearing on SB 79.
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SB 79 – PUBLIC HEARING

- 240 Vicki S. McConnell Director, Oregon Department of Geology & Mineral Resources (DOGAMI). Submits and summarizes prepared testimony in support of SB 79 **(EXHIBIT F)**.
- 285 Rep. Garrard Asks if SB 79 will allow the department to update guidelines without coming back to the legislature.
- 288 McConnell Answers yes. Explains the funding implications and the effect of the bill on the department.
- 305 Rep. Barnhart Asks for the changes of the bill.
- 310 McConnell Answers that it involves the engineering technology and criteria.
- 315 Rep. Barnhart Notes that a great deal of work was done on seismic evaluation on buildings and asks if it would need to be done again under the bill.
- 320 McConnell Answers no and explains the effect of the bill.
- 365 James Bela President, Oregon Earthquake Awareness. Submits and summarizes prepared testimony and information in opposition to SB 79 **(EXHIBIT G)**.

TAPE 57, B

- 010 Bela Testifies that bond money should be made as a loan for seismic improvements. Describes problems with the bill.
- 090 Chair Anderson Notes that the bill will be held over until the May 19 committee meeting.
- 093 Bela Argues that SB 79 is the wrong approach to earthquake preparedness in Oregon. Testifies that it should be a building code issue.
- 108 Chair Anderson Asks if the bill would be a temporary fix under budget constraints.
- 112 Bela Notes that the bill is unclear whether money could be used until 2007.
- 123 Chair Anderson Closes the public hearing on SB 79. Opens a public hearing on SB 55 A.

SB 55 A – PUBLIC HEARING

136 Chair Anderson Closes the public hearing opens a work session on SB 55 A.

SB 55 A – WORK SESSION

140 John Houser Committee Administrator. Introduces SB 55 A and the –A5 amendments (**EXHIBIT H**).

160 Rep. Garrard **MOTION: Moves to ADOPT SB 55 A-A5 amendments dated 5/12/05.**

VOTE: 6-0-1

EXCUSED: 1 - Lim

Chair Anderson **Hearing no objection, declares the motion CARRIED.**

170 Rep. Nolan **MOTION: Moves SB 55 A to the floor with a DO PASS AS AMENDED recommendation.**

VOTE: 6-0-1

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

EXCUSED: 1 - Lim

Chair Anderson **The motion CARRIES.**

178 Rep. Nolan **MOTION: Moves SB 55 A be placed on the CONSENT CALENDAR.**

VOTE: 6-0-1

EXCUSED: 1 - Lim

Chair Anderson **Hearing no objection, declares the motion CARRIED.**

200 Chair Anderson Closes the work session on SB 55 A. Opens a public hearing on SB 735.

SB 735 – PUBLIC HEARING

205	John Houser	Committee Administrator. Introduces SB 735.
218	Mike Graine	Director, Oregon Department of Energy (ODE). Submits and summarizes prepared testimony in support of SB 735 (EXHIBIT I) .
268	Rep. Barnhart	Asks what kind of projects would provide substantial benefits to Oregon.
275	Graine	Answers that the intent was for wind farms that operate in or near Oregon.
285	Rep. Barnhart	Asks if a wind generation facility in Wyoming that sells power in Oregon would be included.
290	Graine	Answers that it would be limited by statute.
300	Larry Gray	ODE. Explains that the intent is for projects that are primarily located in or have a primary benefit to Oregon notes that it would not include facilities primarily located in other states.
330	Rep. Barnhart	Asks if constitutional amendments would prohibit out-of-state facilities.
333	Gray	Answers yes.
340	Rep. Barnhart	Asks if actual project output or standards would be kept confidential or if the intent is to protect trade secrets.
350	Graine	Answers it is to protect trade secrets.
356	Rep. Jenson	Asks for an explanation of “substantial benefit.”
360	Graine	Answers that it is not in statute and would be at the discretion of DOE.
363	Rep. Jenson	

Expresses concern that it is not set in statute and is open to administrative rule. Asks what happens to money generated from power sales.

- 374 Grainey Answers that the financial considerations would be determined by the project owner and buyer. Explains that a power sales contract from a utility would be necessary before they receive financing from DOE.
- 392 Chair Anderson Asks if SB 737 A would clarify the issue.
- 395 Grainey Answers that SB 737 A refers to state agencies.
- 408 Chair Anderson Closes the public hearing and opens a work session on SB 735.

SB 735 – WORK SESSION

- 414 Rep. Rosenbaum MOTION: Moves SB 735 to the floor with a DO PASS recommendation.**

TAPE 58, B

- 002 Rep. Barnhart Cites language that addresses his concerns. States support for the bill.

VOTE: 6-0-1

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

EXCUSED: 1 - Lim

Chair Anderson The motion CARRIES.

- 032 Chair Anderson MOTION: Moves SB 735 be placed on the CONSENT CALENDAR.**

VOTE: 6-0-1

EXCUSED: 1 - Lim

Chair Anderson Hearing no objection, declares the motion CARRIED.

034 Chair Anderson Closes the work session on SB 735. Opens a public hearing on SB 737 A.

SB 737 A – PUBLIC HEARING

035 John Houser Committee Administrator. Introduces SB 737 A.

050 Mike Graine Director, Oregon Department of Energy. Submits and summarizes prepared testimony in support of SB 737 A (**EXHIBIT J**).

077 Chair Anderson Notes that the bill does not have a fiscal impact but has a subsequent referral to the House Budget Committee.

080 Rep. Garrard Expresses concern about agencies having the authority to build power generating facilities anywhere on state-owned land.

090 Graine Responds that it is not the intent to construct power generation facilities anywhere on state-owned land, but as an authorization for DOE for renewable projects only. States that the bill does not give DOE permitting authority.

100 Rep. Garrard States that the language is not specific and would allow a plant to be built anywhere.

108 Graine Explains that the authority of DOE to site projects is limited by statute.

114 Rep. Garrard Asks for clarification of the ability of DOE to give authorization to power generation facilities.

118 Graine Explains that state and local approvals are still required.

120 Rep. Garrard Explains that the language needs to be addressed in the bill.

126 Rep. Nolan Cites the bill language “notwithstanding” other provisions and regulations, they would still be effective. Cites language that describes “specific approval to spend monies for that purpose.”

152	Rep. Garrard	Cites language in section two of the bill and asks about its effect.
155	Rep. Nolan	States that the language cited by Rep. Garrard is in current statute and is not being changed by the bill.
163	Rep. Barnhart	Suggests that Legislative Counsel answer the legal questions.
168	Chair Anderson	Recesses the meeting at 2:48 p.m. Reconvenes the meeting at 2:54 p.m. Closes the public hearing on SB 737 A. Adjourns the meeting at 2:54 p.m.

EXHIBIT SUMMARY

- A. **SB 962 A, -A10 amendments, staff, 1 p**
- B. **SB 962 A, -A11 amendments, staff, 1 p**
- C. **SB 962 A, prepared testimony and information, Jim Markee, 3 pp**
- D. **SB 962 A, prepared testimony, Raymond B. Dawson, 4 pp**
- E. **HB 3479, prepared testimony, Libby Henry, 3 pp**
- F. **SB 79, prepared testimony, Vicki S. McConnell, 1 p**
- G. **SB 79, prepared testimony and information, James Bela, 16 pp**
- H. **SB 55 A, -A5 amendments, staff, 3 pp**
 - I. **SB 735, prepared testimony, Mike Grainey, 2 pp**
 - J. **SB 737 A, prepared testimony, Mike Grainey, 1 p**