

# SENATE COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT

February 8, 2005  
1:00 P.M.

Hearing Room B  
Tapes 18 - 19

**MEMBERS PRESENT:**     **Sen. Rick Metsger, Chair**  
                              **Sen. Bruce Starr, Vice-Chair**  
                              **Sen. Jason Atkinson**  
                              **Sen. Ryan Deckert**  
                              **Sen. Laurie Monnes Anderson**

**STAFF PRESENT:**       **Theresa Van Winkle, Committee Administrator**  
                              **James Goulding, Committee Assistant**

**MEASURES/ISSUES HEARD:**  
                              **SB 158 – Public Hearing**  
                              **SB 81 – Public Hearing**  
                              **SB 84 – Public Hearing**  
                              **SB 171 – Public Hearing**

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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.

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<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 18, A</b>		
003	Chair Metsger	Calls the meeting to order at 1:06 p.m. Opens public hearing on SB 158.
<b><u>SB 158 – PUBLIC HEARING</u></b>		
010	Peter Threlkel	Corporation Division Director, Office of the Secretary of State. Presents written testimony in favor of SB 158 ( <b>EXHIBIT A</b> ).
035	Threlkel	Discusses positive feedback from various groups on the proposed legislation.
060	Chair Metsger	Inquires how long he has held his current position.
063	Threlkel	Relates he has been there three years.
065	Chair Metsger	Wonders about non profits groups that are covered. Asks if United Way and Providence Health System are covered.
070	Threlkel	Answers they are covered.
073	Chair Metsger	Asks if they could differentiate the types of groups that would not be burdened by the fee.
075	Threlkel	Replies there are three classifications for non-profit groups.
085	Chair Metsger	Asks if this has been anticipated in the Governor's budget
087	Threlkel	Responds that it is not.
090	Chair Metsger	Inquires if the bill has been through the Ways and Means process.
093	Threlkel	States that a hearing is not scheduled until late February.
095	Sen. Monnes Anderson	Questions if a non-profit organization could waive the fee if it is something they cannot afford.
097	Threlkel	Offers that on a case by case basis it is something that can be done.

100	Sen. Atkinson	Disagrees with some of the reasoning for the bill. Inquires why they aren't including small businesses in this measure.
115	Threlkel	States it is something they had considered. Replies they have heard from a number of small businesses, and that there was a lot of opposition to a fee increase. Explains that they decided to address non-profit businesses first.
140	Sen. Atkinson	Feels that to be fair they need to also lower fees for small businesses. Suggests an amendment to add small businesses into the bill.
145	Threlkel	Offers that is a possibility.
147	Sen. Atkinson	States that he will get an amendment drafted.
150	Sen. B. Starr	References 2003 session bill HB 3656 essentially changed the fee from an administrative fund to a tax increase to support the general fund.
165	Threlkel	Concurs that is correct.
167	Sen. B. Starr	Observes the Secretary of State has received a lot of negative reactions from non profit groups over the fee increase and that is why this bill is being proposed.
170	Threlkel	Agrees that is the case.
175	Chair Metsger	Closes public hearing on SB 158. Opens a public hearing on SB 81.

**SB 81 – PUBLIC HEARING**

180	Lee Beyer	Chair, Oregon Public Utilities Commission (PUC). Submits and presents his written testimony in favor of SB 81 ( <b>EXHIBIT B</b> ).
210	Sen. Monnes Anderson	Asks for a specific example where this issue would occur.
225	Beyer	Explains that a large industrial user could cut back usage during a peak time.
230	Sen. B. Starr	Asks if this could apply to both residential and commercial users.
233	Beyer	Agrees it could.
235	Sen. Monnes Anderson	Wonders how feasible that aspect of the program would be.
237	Beyer	Notes there is potential for it being successful.
245	Chair Metsger	Closes public hearing on SB 81. Opens public hearing on SB 84.

**SB 84 – PUBLIC HEARING**

250	Beyer	Gives testimony in favor of SB 84. Explains the purpose of the bill and its intended effect.
280	Sen. Monnes Anderson	Offers that he is working to save users money.
285	Beyer	Replies that it provides options and perhaps saves some money. Offers that this will help to diversify the system. Feels they are small changes, but moving in the right direction.
295	Chair Metsger	Asks if there are possible negative ramifications.
300	Beyer	Responds that there are none that he knows of.
310	Sara Chieffo	Legislative Assistant, Senator Shields. Presents testimony on behalf of Senator Frank Shields. Discusses a net metering proposal being drafted by Sen. Shields and how it differs from SB 84. Defers to industry experts seated with her.
335	Jeff Bissonnette	Fair and Clean Energy Coalition. Discusses the original 1999 net metering bill and the need to amend it to compensate for the technology currently available.
365	Jon Miller	Executive Director, Oregon Solar Energy Industries Association. States they do not oppose SB 84, but wish to have a broader discussion on the matter. Feels there is a problem with

400	Chair Metsger	the megawatt limitations imposed. Points out an issue he has in the bill as written. Asks if they would like to define the bill more specifically in regards to increasing the limit.
410	Jon Miller	Feels they would like to see the PUC being able to raise the maximum limit but would like to see the minimum level set higher.
420	Chair Metsger	Asks about the effects on small users.
423	Jon Miller	Replies there would be no effect.
425	Bissonnette	Advises that it would be up to the individual to decide what form of power generation they want to use or if they want to connect to the power grid.

**TAPE 19, A**

005	Bissonnette	Continues discussing improvements in technology and the need to make statute changes to keep up.
025	Sen. Monnes Anderson	Asks if a privately owned utility would be reluctant to endorse net metering as opposed to a publicly owned utility.
030	Jon Miller	Answers that decreasing the revenue of a utility by using an alternative source would not be an issue. Points out there might be other issues.
037	Sen. Monnes Anderson	Inquires what those other issues might be.
040	Jon Miller	Discusses a scenario where an individual installs an overpowered energy source that exceeds their needs. Notes net metering is only to offset individual energy use, not to create independent power users.
045	Chair Metsger	Thanks him for his testimony.
050	Shawn Miller	Pacific Corporation. Testifies in favor of SB 84. Recognizes the benefits of encouraging energy conservation. Talks about a Southern Oregon Pepsi Cola plant that worked with the PUC to increase its net metering limit.
070	Teresa Miller	Portland General Electric (PGE). Supports the bill and asks that they move it forward.
080	Chair Metsger	Discusses the importance of considering possible changes to the bill before moving it forward. Closes Public Hearing on SB 84. Opens a public hearing on SB 171.

**SB 171 – PUBLIC HEARING**

095	Lee Beyer	Testifies in favor of SB 171, presenting written testimony <b>(EXHIBIT C)</b> .
110	Chair Metsger	Closes public hearing on SB 171. Adjourns the meeting at 1:44 p.m.

**EXHIBIT SUMMARY**

- A. **SB 158, Written testimony, Peter Threlkel, 8 pp**
- B. **SB 81, Written testimony, Lee Beyer, 1 p**
- C. **SB 171, Written testimony, Lee Beyer, 1 p**