

HOUSE COMMITTEE ON SMART GROWTH AND COMMERCE

March 30, 2001
3:15 PM

Hearing Room 50
Tapes 85 – 87

MEMBERS PRESENT: Rep. Bill Witt, Chair
Rep. Betsy Johnson, Vice-Chair
Rep. Alan Bates
Rep. Alan Brown
Rep. Jerry Krummel
Rep. Laurie Monnes-Anderson
Rep. Vicki Walker

MEMBERS EXCUSED: Rep. Tim Knopp, Vice-Chair
Rep. Janet Carlson
Rep. Richard Devlin
Rep. Bill Garrard

STAFF PRESENT: Daniel Clem, Committee Administrator
Renee' Lunsford, Committee Assistant

MEASURE/ISSUES HEARD: HB 2131 Work Session
HB 2210 Work Session
HB 3788 Public Hearing
HB 3790 Public Hearing
SB 843A Public Hearing and Work Session
HB 3823 Public Hearing
HB 3825 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 85, A		
005	Chair Witt	Calls the committee to order at 3:15 p.m. and opens a work session on HB 2131.
<u>HB 2131 WORK SESSION</u>		
010	Dan Clem	Committee Administrator. Explains amendments to HB 2131.
045	Rep. Bates	MOTION: Moves to ADOPT HB 2131-1 amendments dated 3/21/01. VOTE: 6-0 EXCUSED: 5 - Carlson, Devlin, Garrard, Knopp, Krummel
047	Chair Witt	Hearing no objection, declares the motion CARRIED.
053	Rep. Bates	MOTION: Moves to ADOPT HB 2131-2 amendments dated 3/29/01. VOTE: 6-0 EXCUSED: 5 - Carlson, Devlin, Garrard, Knopp, Krummel
055	Chair Witt	Hearing no objection, declares the motion CARRIED.
056	Rep. Bates	MOTION: Moves HB 2131 AS AMENDED to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on School Funding and Tax Fairness/Revenue by prior

reference.

VOTE: 7-0

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

EXCUSED: 4 - Carlson, Devlin, Garrard, Knopp

The motion CARRIES.

Closes the work session on HB 2131 and opens a work session on HB 2210.

069 Chair Witt
075 Chair Witt

HB 2210 WORK SESSION

080 Clem
109 [Unidentified
speaker]

Explains the amendments to HB 2210.

Department of Justice. Comments on the proposed –1 amendments to HB 2210.

157 Rep. Krummel

MOTION: Moves to ADOPT HB 2210-1 amendments dated 3/26/01.

VOTE: 7-0

EXCUSED: 4 - Carlson, Devlin, Garrard, Knopp

Hearing no objection, declares the motion CARRIED.

160 Chair Witt
161 Rep. Krummel

MOTION: Moves HB 2210 to the floor with a DO PASS AS AMENDED recommendation.

165 Rep. Walker

Thanks staff for providing a hand-engrossed version of the bill.

VOTE: 7-0

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

EXCUSED: 4 - Carlson, Devlin, Garrard, Knopp

The motion CARRIES.

177 Chair Witt

REP. WALKER will lead discussion on the floor.

228 Chair Witt

Closes the work session on HB 2210 and opens a public hearing on HB 3788 and HB 3790. Explains the remainder of the meeting's agenda.

HB 3788 AND HB 3790 PUBLIC HEARING

242 Dennis Doherty

Umatilla County Commissioner. Submits written testimony (**EXHIBIT A**) and testifies in opposition to HB 3790.

358 Rep. Monnes-Anderson

Asks how the people of Umatilla County feel about having these sites.

369 Doherty

Responds that there are probably various opinions. Notes that they like the idea of the extra tax base, but they don't like the idea of having a mandated property tax exemption or enterprise zone required.

402 Chair Witt

Closes the public hearing on HB 3788 and 3790 and opens a public hearing on SB 843.

SB 843A PUBLIC HEARING

406 Sen. Lee Beyer

Senate District 21. Submits written material (**EXHIBIT B**) and testifies in support of SB 843A.

TAPE 86, A

091 Sen. Jason Atkinson
137 Rep. Bates

Senate District 25. Testifies in support of SB 843A.

Asks if California were to start producing power at the level they used to produce before their recent situation, how much of a deficit would we still have.

148 Sen. Beyer

Responds that he is unable to answer this because he cannot get an answer when he has asked the same question.

174 Brad Higby

Representing Renewable Northwest Project. Submits written testimony (**EXHIBIT C**) and testifies in support of SB 843A.

202 Kevin Lynch

PacifiCorp. Testifies in support of SB 843A.

268 Libby Henry

Eugene Water and Electric Board. Testifies in support of SB 843A.

310 Rep. Brown

Asks if the wind farms will end up in Oregon or Washington.

315 Lynch Responds that with respect to the Stateline Project PacifiCorp is building in Washington and Oregon, from a physical standpoint it will likely end up in one of the two states. Notes that this is an unregulated project.

320 Rep. Brown Asks if Oregon has first call.

322 Lynch Responds that they do not.

329 Rep. Monnes-Anderson Asks if currently a certain portion of the money goes to education service districts (ESDs) from electric companies.

347 Ron Eachus Chairman, Oregon Public Utility Commission (PUC). Responds affirmatively.

390 Rep. Monnes-Anderson Asks if this is just for the ESDs where the electric companies are located or is this for ESDs statewide.

398 Eachus Responds that according to the law, the funds need to be distributed to the ESDs that are located in the service territory of the electric company.

409 Rep. Bates States the taxpayers of Oregon are going to be making sacrifices. Questions why they should be making this sacrifice when the power is going to be shared with other states. Asks if other states are making the same attempts to raise power by giving exemptions also.

415 Lynch Comments on the siting changes in the bill. Responds that they are looking at building generation in a number of different states.

465 Higby States that there are a number of wind developers that are looking at the bill that would be able to take advantage of some of the siting changes to expand or locate within the State of Oregon.

TAPE 85, B

035 Rep. Monnes-Anderson Questions whether 35 megawatts is an appropriate figure.

040 Higby Responds that it was a thoroughly discussed and negotiated figure.

058 Tom O'Connor Oregon Municipal Electric Utilities. Testifies in support of SB 843A.

073 Mike Grainey Assistant Director, Oregon Office of Energy. Submits written material (**EXHIBIT D**) and testifies in support of SB 843A.

090 Vice-Chair Johnson Closes the public hearing and opens a work session on SB 843A.

SB 843A WORK SESSION

092 Clem Explains the proposed –6 amendments to SB 843A.

111 **Rep. Krummel** **MOTION: Moves to ADOPT SB 843A-6 amendments dated //01.**

VOTE: 7-0

EXCUSED: 4 - Carlson, Devlin, Garrard, Knopp
Hearing no objection, declares the motion CARRIED.

118 **Vice-Chair Johnson** Closes the work session on SB 843 and opens a public hearing on HB 3823 and HB 3825.

119 Vice-Chair Johnson

HB 3823 AND HB 3825 PUBLIC HEARING

136 Rep. Robert Ackerman House District 39. Submits written material on HB 3823 (**EXHIBIT E**). Submits written testimony (**EXHIBIT F**) and testifies in support of HB 3823 and HB 3825.

404 Chair Witt Comments that the –4 amendments for HB 3788 address the issue that Rep. Ackerman is addressing in HB 3825.

TAPE 86, B

015 Eachus Comments on SB 1149 (1999) and the existing situation. Testifies on his concerns with HB 3825.

105	Chair Witt	Notes that the language in section states the PUC may not order an electric company to divest.
110	Eachus	States that this is the way he reads it.
113	Chair Witt	Asks Mr. Eachus to comment on the language that is being deleted in section 3.
115	Eachus	Responds that they are willing to accept that deletion.
161	Chair Witt	Asks for clarification that Mr. Eachus does not object to the deletion and he feels the addition is superfluous.
167	Eachus	Responds affirmatively.
172	Eachus	Comments on HB 3823 and expresses his concerns about the bill.
230	Tim Nesbitt	President, Oregon AFL-CIO. Submits written testimony (EXHIBIT G) and testifies in support of HB 3825.
295	Chair Witt	Asks Mr. Nesbitt if he supports the addition of section 2 in HB 3825.
298	Nesbitt	Responds that they do not have a position on this.
300	Doug Riggs	Representing the Oregon Building Trades Council and the State Association of Electrical Workers. Testifies in support of HB 3825.
330	Tom Lindberg	Representing the Operating Engineers. Testifies in support of HB 3825.
365	Jason Eisdorfer	Citizen's Utility Board. Testifies in support of HB 3825.
391	Lynch	Testifies in opposition to HB 3825.
TAPE 87, A		
013	Chair Witt	Asks Mr. Lynch if he is comfortable with the language going into HB 3788 relative to section 6, paragraph 2 of SB 1149 (1999).
015	Lynch	Responds that they are more comfortable with that than with the language in HB 3825.
016	Rep. Bates	States he has not seen the actual language in HB 3788. Asks Mr. Lynch if he has seen this language.
020	Lynch	Responds that he has seen a draft of it.
026	Chair Witt	Notes a deletion in section 4 of HB 3825 relating to the PUC rulemaking and asks Mr. Lynch to comment.
030	Lynch	States that the language in HB 3788 is not going to change the authority PUC has right now to determine whether some kind of divestiture is in the public interest. Comments on the issue of divestiture.
057	Eachus	Explains that section 4 requires PUC to adopt rules to address the items listed in subparagraph 5.
062	Chair Witt	Asks for clarification that Mr. Eachus thinks that subparagraph 5 of section 4 should continue to remain in statute.
067	Eachus	Responds that you have to look at the purpose.
087	Tom O'Connor	Oregon Municipal Electric Utilities. Testifies in opposition to HB 3823.
121	Chair Witt	Notes that there is a \$67,000 fiscal impact on HB 3823. Closes the public hearing on HB 3823 and HB 3825 and adjourns the committee at 5:30 p.m.

Submitted By,

Reviewed By,

Renee' Lunsford,

Daniel Clem,

Committee Assistant

Committee Administrator

Transcribed By,

Stephen Kosiewicz

EXHIBIT SUMMARY

- A – HB 3790, written testimony, Dennis Doherty, 6 pp.**
- B – SB 843A, written material, Sen. Lee Beyer, 2 pp.**
- C – SB 843A, written testimony, Brad Higby, 2 pp.**
- D – SB 843A, written testimony, Mike Grainey, 5 pp.**
- E – HB 3823, written material, Rep. Robert Ackerman, 11 pp.**
- F – HB 3823, written testimony, Rep. Robert Ackerman, 5 pp.**
- G – HB 3825, written testimony, Tim Nesbitt, 1 p**