

**HOUSE COMMITTEE ON COMMERCE**

**May 14, 1999 Hearing Room 350**

**1:00 p.m. Tapes 58 -59**

**MEMBERS PRESENT: Rep. Jim Hill, Chair**

**Rep. Ryan Deckert, Vice-Chair**

**Rep. Al King**

**Rep. Bob Montgomery**

**Rep. Anitra Rasmussen**

**Rep. Diane Rosenbaum**

**Rep. Mark Simmons**

**Rep. Bill Witt**

**MEMBER EXCUSED: Rep. Jerry Krummel**

**STAFF PRESENT: Jason Cody, Administrator**

**Annetta Mullins, Administrative Support**

**MEASURE/ISSUES HEARD: SB 1128-A ñ Public Hearing and Work Session**

**SB 1149-A ñ 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 58, A		

004	Chair Hill	Calls meeting to order at 2:20 p.m. and opens a public hearing on SB 1128-A:
<b><u>SB 1128-A ñ PUBLIC HEARING</u></b>		
005	Jason Cody	Administrator. Explains SB 1128-A.
020	Bill Scott	Director, Oregon Economic Development Department (OEDD). Submits prepared statement ( <b>EXHIBIT A</b> ) and the SB 1128-A3 amendments ( <b>EXHIBIT B</b> ). Presents prepared statement ( <b>EXHIBIT A</b> ).
070	Scott	Continues presentation ( <b>EXHIBIT A</b> ).
120	Scott	Continues presentation ( <b>EXHIBIT A</b> ).
161	Rep. King	Asks if they have a limitation on bonds and if OEDD has a fund.
165	Scott	Explains authority and uses of bonds.
178	Rep. King	Comments on lack of activity by OEDD in developing telecommunication capabilities in rural Oregon.
195	Scott	Responds they do provide a limited amount of assistance. Explains programs through which they participate.
229	Scott	Comments that the ñA3 amendments ( <b>EXHIBIT B</b> ) incorporate SB 404 into SB 1128-A. Explains the -A3 amendments.
282	Mike McArthur	Judge, Sherman County, and President, Association of Oregon Counties (AOC). Testifies in support of SB 1128-A and the ñA3 amendments.
316	Sue Cameron	Tillamook County Commissioner and Chair, Community Building Infrastructure Steering Committee, AOC. Reviews work of interim work group. The agreement among counties, cities, the governor and port provides each the ability to reflect their own regions and values. Explains that each region has the chance to determine their own priorities and make the flexible dollars work for their own communities. They are in total support of SB 404 and are happy this can all be tied together.
369	Rep. Montgomery	Comments he is prepared for a work session.
395	Rep. King	Asks how salmon enhancement is part of the regional investment plan.
397	Cameron	Responds it is not as much about which pot of money as it is getting the state

		agencies and the appropriate people at the table to figure out the best way to begin to work with salmon recovery or telecommunications or key areas the group wants to focus on.
403	Rep. King	Asks how much money is dedicated to the process for the next biennium.
417	Scott	Responds that in the governor's proposed budget and the Economic Development Commission's preliminary investment plan, based on the governor's proposed budget, there will be a little over \$20 million for the Rural Investment Fund and what would be called the Regional Investment Program under this proposal. .
412	Chair	Closes public hearing and opens work session on SB 1128-A.
<b><u>SB 1128 n WORK SESSION</u></b>		
436	Rep. Montgomery	<b>MOTION: Moves to ADOPT SB 1128-A3 amendments dated 05/13/99.</b>
		<b>VOTE: 8-0-1</b> <b>AYE: In a roll call vote, all members present vote Aye.</b> <b>EXCUSED: 1 - Rep. Krummel</b>
	Chair Hill	<b>The motion CARRIES.</b>
454	Rep. Montgomery	<b>MOTION: Moves SB 1128-A to the floor with a DO PASS AS AMENDED recommendation.</b>
458		<b>VOTE: 8-0-1</b> <b>AYE: In a roll call vote, all members present vote Aye.</b> <b>EXCUSED: 1 - Rep. Krummel</b>
	Chair Hill	<b>The motion CARRIES.</b>  <b>REP. KING will lead discussion on the floor.</b>

**TAPE 59, A**

025	Chair Hill	Opens a public hearing on SB 1149-A.
<b><u>SB 1149-A ñ PUBLIC HEARING</u></b>		
025	Chair Hill	Advises members they have a series of amendments and that it is the intent to go into work session on Wednesday of next week.
041	Tom Imeson	PacifiCorp. Introduces Kathleen McDowell, counsel. Submits prepared statement <b>(EXHIBIT C)</b> . Here to explain the SB 1149-A16 amendments <b>(EXHIBIT D)</b> . Comments that because he spoke earlier on what PacifiCorp is proposing, he will not review that.
047	Imeson	Presents portion of prepared statement on "Resolve the transition cost issue here and now" <b>(EXHIBIT C, page 2)</b> .
100	Rep. King	Comments on his concerns about having adequate time to review and research issues in the bill and those that will be proposed in amendments.
130	Rep. Witt	Comments he believes there will only be four or five policy issues and some technical cleanup amendments. Encourages members to research amendments and talk with people who are advocating for or opposing the amendments, and advises that Jason Cody, Administrator, is available to help.
150	Committee	Discusses the number of amendments to be submitted, the lack of time for review and study and committee meeting schedule.
200	Committee	Continues discussion.
252	Dave Hamilton	Building Owners and Managers Association, Portland (BOMA). Introduces Ann Fisher, adviser to BOMA on energy issues. Submits and reads a prepared statement <b>(EXHIBIT E)</b> . Proposes SB 1149-A15 amendments <b>(EXHIBIT F)</b> .
300	Hamilton	Continues presentation of statement <b>(EXHIBIT E)</b> .
366	Hamilton	Explains that generally the ñA15 amendments <b>(EXHIBIT F)</b> :
		<ul style="list-style-type: none"> <li>• Provide assurance that the commercial customer may move from cost of service option to the market and back again.</li> </ul>
		<ul style="list-style-type: none"> <li>• Provide incentives for commercial customers to invest in energy efficiency measures similar to that afforded to industrial customers.</li> </ul>

		<ul style="list-style-type: none"> <li>• Affirm that the commercial customers will have the same customer protection as residential customers.</li> </ul>
		<ul style="list-style-type: none"> <li>• Require the PUC to develop terms and conditions for return of the cost of service option.</li> </ul>
400	Hamilton	Continues presentation ( <b>EXHIBIT E, page 3</b> ). .
447	Hamilton	Continues presentation ( <b>EXHIBIT E, page 3</b> ).
<b>TAPE 58, B</b>		
029	Chair Hill	Asks how BOMA answers the concern that the amendments defeat the intent and purpose of the foundation of the bill. Adds that BOMA would allow a customer to jump in and out of classes.
032	Hamilton	Responds he believes the market effect will take care of that.
040	Ann Fisher	BOMA. Comments they added to the amendments the obligation of the PUC to do rulemaking to identify what kinds of terms and conditions would be required of a customer to jump back and forth. Gives example of a customer having to give a long notice of leaving or returning to service. Adds that the intent is to work out those particular details through rule making rather than burden the bill to prevent the unwarranted cost shifts.
054	Chair Hill	Asks if BOMA has looked at other states where the customer has the opportunity to jump back and forth.
067	Hamilton	Comments there are a number of issues. Gives example of a sale of a building receiving service and they know they can go on the open market and save 25 percent. Explains that adversely impacts the value of the building, the real estate and the transactions that would take place there by not allowing a change to be made.
083	Rep. King	Comment that in the bill he sees an opportunity to opt in but not what a customer can do down the road. Understands the need to have some kind of subsequent options.
100	Fisher	Explains that what happens under the deregulation bills they have seen, is that the timeframe of traditional utility planning has been compressed. In the deregulated world the contracts are for 30 days to five years. It is not clear in SB 1149-A how the incumbent utility will provide that service, whether it will buy on the longer term market or meet it by spot purchases. Spot purchases can be done on the hour. If a customer were willing to pay the price, he could come in for a day, pay the spot price and leave again.
131	Fisher	Adds that the Chair asks what other states have done. Believes there are default

		provisions. Comments that BOMA members and other commercial customers are trying to provide for a way to address problems that could potentially arise, instead of giving them no recourse.
145	Fisher	States that BOMA will be available to answer any questions at any time either on the phone or otherwise.
154	Chair Hill	Advises that the SB 1149-A18 are committee amendments <b>(EXHIBIT G)</b>
162	Chair Hill	Advises that the SB 1149-A17 are Portland General Electric (PGE) amendments <b>(EXHIBIT H)</b> .
168	Gary Conkling	Representative of industrial customers of northwest utilities. Advises that the SB 1149-A13 amendments <b>(EXHIBIT I)</b> are "consensus" amendments from the proponent coalition and are incomplete. Adds that only small issues will be added to the amendments. The ñA17 amendments are no longer necessary because they are a part of the ñA13.
214	Conkling	Comments it was his understanding that because the ñA13 amendments were not complete they would share them today and present them fully at work session. Adds that the amendments represent mostly technical  clean up issues. There are probably a few policy-related issues amidst them, but in general they are consistent with the direction and thrust of the bill.
234	Conkling	Comments their group can also address other amendments today if the committee desires.
240	Rep. Deckert	Comments that substantive changes are being proposed. Asks if that is correct.
243	Conkling	Responds that in their opinion the SB 1149-A16 amendments proposed by PacifiCorp <b>(EXHIBIT D)</b> and the SB 1149-A15 amendments presented by BOMA <b>(EXHIBIT F)</b> represent significant policy issues that would change the direction of the bill.
252	Rep. Deckert	Comments he would like to postpone the work session from Wednesday to Friday.
262	Cokling	Comments that the coalition does not support the ñA16 amendments and is prepared to explain why. The coalition was aware of the general proposals in the ñA15 amendments but only saw the amendments today and the coalition does not support them.
286	Chair Hill	Closes public hearing on SB 1149-Aand adjourns meeting at 3:32 p.m.

Submitted By, Reviewed By,

Annetta Mullins, Jason Cody,

Administrative Support Administrator

**EXHIBIT SUMMARY**

**A ñ SB 1128, prepared statement, Bill Scott, 9 pp**

**B ñ SB 1128, SB 1128-A3 amendments, Bill Scott, 15 pp**

**C ñ SB 1149, prepared statement, Tom Imeson, 2 pp**

**D ñ SB 1149, SB 1149-A16 amendments, PacifiCorp, 7 pp**

**E ñ SB 1149, prepared statement, Dave Hamilton, 5 pp**

**F ñ SB 1149, SB 1149-A15 amendments, BOMA, 2 pp**

**G ñ SB 1149, SB 1149-A18 amendments, Committee, 1 p**

**H ñ SB 1149, SB 1149-A17 amendments, Portland General Electric, 2 p**

**I ñ SB 1149, SB 149-A13 amendments, coalition consensus, 7 pp**