

## HOUSE COMMITTEE ON COMMERCE

**June 11, 1999 Hearing Room 50**

**8:00 a.m. Tape 84**

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

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

**Rep. Al King**

**Rep. Jerry Krummel**

**Rep. Bob Montgomery**

**Rep. Anitra Rasmussen**

**Rep. Diane Rosenbaum**

**Rep. Bill Witt**

**MEMBER EXCUSED: Rep. Mark Simmons**

**STAFF PRESENT: Jason Cody, Administrator**

**Annetta Mullins, Administrative Support**

**MEASURE/ISSUES HEARD: SB 1149-A ñ Work Session**

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 84, A		
003	Chair Hill	Calls meeting to order at 8:20 a.m. and opens work session on SB 1149-A.

**SB 1149-A ñ WORK SESSION**

011	Rep. Witt	<b>MOTION: Moves to SUSPEND the rules for the purpose of amending the SB 1149-A39 amendments (EXHIBIT A) on page 5, in line 31, delete "residential".</b>
019	Rep. Montgomery	Asks who is proposing the ñA39 amendments.
023	Chair Hill	Explains that the ñA39 amendments are the coalitionís amendments and amendments from Rep. Deckert and Rep. Witt.
029	Rep. Witt	Explains that there was one error in drafting.
032	Rep. Rosenbaum	Comments that Rep. Wittís motion is consistent with what the committee agreed to in amendments adopted earlier.
036	Rep. Krummel	Asks what the effect is of removing the word "residential".
039	Chair Hill	Responds that if the word were to remain in the bill, funds would only be collected from residential retail customers rather than all retail customers.
041	Rep. Witt	Comments that the word "residential" means the charges would be collected only from residential consumers, not from commercial consumers. That was never the intent. It is to be collected from all classes of consumers, including commercial consumers.
048		<b>VOTE: 8-0-1</b> <b>EXCUSED: 1 - Rep. Simmons</b>
	Chair Hill	<b>Hearing no objection, declares the motion CARRIED.</b>
049	Rep. Witt	<b>MOTION: Moves to AMEND SB 1149-A39 amendments on page 5, in line 31, after "its," delete "residential".</b>
054		<b>VOTE: 8-0-1</b> <b>EXCUSED: 1 - Rep. Simmons</b>

	<b>Chair Hill</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
<b>056</b>	<b>Rep. Deckert</b>	<b>MOTION: Moves to ADOPT SB 1149-A39 amendments dated 06/10/99 AS CONCEPTUALLY AMENDED.</b>
062	Rep. Montgomery	Comments he thinks about everybody has been taken care but his 89 year old mother and would like to have the 40 amendments to take care of the poor and working poor who are not covered in the bill and are going to have to pay the taxes.
<b>069</b>		<b>VOTE: 6-2-1</b>  <b>AYE: 6 - Deckert, King, Krummel, Rasmussen, Rosenbaum, Witt</b>  <b>NAY: 2 - Montgomery, Hill</b>  <b>EXCUSED: 1 - Simmons</b>
	<b>Chair Hill</b>	<b>The motion CARRIES.</b>
<b>077</b>	<b>Rep. Deckert</b>	<b>MOTION: Moves SB 1149-A to the floor with a DO PASS AS AMENDED recommendation.</b>
079	Rep. Montgomery	Comments that Oregon has one of the lowest rates in the nation and does not know why people are so excited about power deregulation. Now we are going to charge everybody in the state three percent. They say it is not a tax. It is a tax. Adds that he thinks this is going beyond reality by taxing all the entities for schools. Asks why not take one cent of the gas tax and use it for school busses. And why not take five cents from every book sold in Oregon and give it to the schools for libraries.
094	Rep. Krummel	Comments he will not support the bill. Thinks it has good and some not-so-good points. Wants to see what the B-engrossed bill will look like.
102	Rep. Witt	Comments the question is whether we believe in free markets and competition or not. The current system by which utilities and the industry have been regulated really is not in line with reality of a competitive market place. It is quite the contrary of a competitive market place. Believes consumers benefit from competition and open markets. This bill is Oregon's first significant step forward into a competitive market when providing electricity. Supports the bill and thinks it is a positive first step. Thinks ultimately all the people of Oregon will benefit from this process. Some of the initial beneficiaries will be commercial and industrial customers. There is no question about that. They are big consumers. It is not improper that they pay less for power than smaller customers. But often as one creates those mechanisms and you have true competition in terms of

		generating electricity, thinks the benefits will come down and will provide benefits to all Oregonians. Adds that he is not thrilled with every provision in the bill. Thinks it is a good bill and is happy to support it here and on the floor.
130	Rep. Rosenbaum	Comments she agrees with previous speaker that this is not a perfect bill, but it is also not a final bill. Thinks it is time for the bill to move along in the process. For those who are so concerned today about the affect on low-income people and residential customers it would be nice if that concern had been apparent earlier in the session. This committee has passed out so many bills that were pure give aways and deregulation bills without any concern for the people who will be affected. Thinks this bill has had a lot of consideration given to its effect on ratepayers and has protections built in and gives a considerable role to the commission. Is much more comfortable voting for this bill than all the other bills that have moved.
145	Rep. King	Comments he would be happy if we stayed with the system in the 1970s because our region does benefit from low cost hydro but Congress changed that horizon and we know that sooner or later deregulation is going to come. It is at some point we decide we will be organized and be able to be effective within that. That is why he will support the concepts in the bill at this point. Adds that for those who want to criticize the public purposes in the bill, which are important for his support of the bill, we have not created any substantial new power sources in the last 10-20 years in the region and we have had substantial growth that went beyond the projection of power needs we were creating in the 60s and 70s. The economic expansion that has occurred because we did weatherization and, conservation and those are public purposes. Thinks public purpose does play an important role in our further power as well as public need.
168		<b>VOTE: 5-3-1</b>  <b>AYE: 5 - Deckert, King, Rasmussen, Rosenbaum, Witt</b>  <b>NAY: 3 - Krummel, Montgomery, Hill</b>  <b>EXCUSED: 1 - Simmons</b>
	<b>Chair Hill</b>	<b>The motion CARRIES.</b>  <b>REP. WITT will lead discussion on the floor.</b>
175	Montgomery	Serves notice of possible minority report. Rep. Krummel joins Rep. Montgomery.
185	Chair Hill	Adjourns meeting at 8:33 a.m.

Submitted By, Reviewed By,

Annetta Mullins, Jason Cody,

Administrative Support Administrator

**EXHIBIT SUMMARY**

**A ñ SB 1149, SB 1149-A39 amendments, Rep. Deckert, 12 pp**