

SENATE COMMITTEE ON BUSINESS AND CONSUMER AFFAIR

May 12, 1999 Hearing Room C

1:00 PM Tapes 115 - 116

MEMBERS PRESENT: Sen. David Nelson, Chair

Sen. Lee Beyer, Vice-Chair

Sen. Rick Metsger

Sen. Randy Miller

Sen. Charles Starr

MEMBER EXCUSED:

STAFF PRESENT: Sherry Sheng, Administrator

Nancy Masee, Administrative Support

MEASURE/ISSUES HEARD:

HB 2812 Public Hearing and Work Session

HB 2819A Public Hearing and Work Session

HB 2822 Public Hearing and Work Session

HB 2824A Public Hearing and Work Session

HB 2826 Public Hearing and Work Session

HB 3218A Public Hearing and 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 115, A		

003	Chair Nelson	Opens meeting at 1:10 PM. Opens public hearing on HB 2812.
<u>HB 2812 PUBLIC HEARING</u>		
010	Gary Wright	UA Local 290. Supports HB 2812. States this bill adds to the plumbing statute.
020	Joe Brewer	Administrator, Building Codes Division (BCD). Supports HB 2812. Says this bill will provide the division with the tools to deal with violators. Presents (EXHIBIT A) .
025	Chair Nelson	Closes public hearing on HB 2812. Opens work session on HB 2812.
<u>HB 2812 WORK SESSION</u>		
026	Chair Nelson	MOTION: Moves HB 2812 to the floor with a DO PASS recommendation.
		VOTE: 3-0 EXCUSED: 2 - Beyer, Miller
027	Chair Nelson	Hearing no objection, declares the motion CARRIED. SEN. STARR will lead discussion on the floor.
028	Chair Nelson	Closes work session. Opens public hearing on HB 2819A.
<u>HB 2819A PUBLIC HEARING</u>		
035	Tom Lindberg	Chairman, Oregon State Board of Boiler Rules. Explains cleaning up the statutes with HB 2819A. Presents (EXHIBIT B) .
050	Joe Brewer	BCD. Supports Lindberg's statement. Presents (EXHIBIT C) .
052	Chair Nelson	Closes public hearing. Opens work session on HB 2819A.
<u>HB 2819A WORK SESSION</u>		
054	Chair Nelson	MOTION: Moves HB 2819A to the floor with a DO PASS

		recommendation.
		VOTE: 3-0 EXCUSED: 2 - Beyer, Miller
055	Chair Nelson	Hearing no objection, declares the motion CARRIED. SEN. NELSON will lead discussion on the floor.
056	Chair Nelson	Closes work session. Opens public hearing on HB 2822.
<u>HB 2822 PUBLIC HEARING</u>		
060	Lindberg	Explains that HB 2822 makes "less law." Under ORS Chapter 480 certain pressure vessels are exempted.
070	Brewer	Says it is right to eliminate redundant statute sections.
072	Chair Nelson	Closes public hearing. Opens work session on HB 2822.
<u>HB 2822 WORK SESSION</u>		
074	Chair Nelson	MOTION: Moves HB 2822 to the floor with a DO PASS recommendation.
		VOTE: 3-0 EXCUSED: 2 - Beyer, Miller
075	Chair Nelson	Hearing no objection, declares the motion CARRIED. SEN. MILLER will lead discussion on the floor.
076	Chair Nelson	Closes work session. Opens public hearing on HB 2824A.
<u>HB 2824A PUBLIC HEARING</u>		

077	Lindberg	Says this bill continues the cleanup of boiler statutes. It redefines the definition of automatic utility water heaters. The bill will clarify a waterheater used for space heating needs to be safe.
090	Brewer	Agrees this bill corrects some ambiguous language. Supports HB 2824A. Presents (EXHIBIT D) .
096	Chair Nelson	States that the bill says there needs to be a safety device on water heaters.
097	Lindberg	States that is correct, a safety device needs to be present.
100	Chair Nelson	Closes public hearing. Opens work session on HB 2824A.
<u>HB 2824A WORK SESSION</u>		
103	Chair Nelson	MOTION: Moves HB 2824A to the floor with a DO PASS recommendation.
		VOTE: 4-0 EXCUSED: 1 ñ Beyer
102	Chair Nelson	Hearing no objection, declares the motion CARRIED. SEN. NELSON will lead discussion on the floor.
103	Chair Nelson	Closes work session. Opens public hearing on HB 2826.
<u>HB 2826 PUBLIC HEARING</u>		
109	John Gervais	National Electrical Contractors Association. HB 2826 remedies a problem that small corporations are required to use an attorney for a hearing. This bill allows a corporation to represent themselves in a hearing. It saves money and time for everybody.
130	Jim Hanson	Manager, Regulatory Services, BCD. Agrees that hiring a legal counsel is an unnecessary expense under the present rules.
155	Chair Nelson	Asks for any further questions. Closes public hearing. Opens work session on HB 2826.

HB 2826 WORK SESSION

157	Sen. Miller	MOTION: Moves HB 2826 to the floor with a DO PASS recommendation.
		VOTE: 5-0
159	Chair Nelson	Hearing no objection, declares the motion CARRIED. SEN. BEYER will lead discussion on the floor.
160	Chair Nelson	Closes work session. Opens public hearing on HB 3218A.
<u>HB 3218A PUBLIC HEARING</u>		
202	Bill Linden	Representing the City of Klamath Falls. Supports HB 3218A. Introduces Libby Henry.
211	Libby Henry	Representing the Eugene Water and Electric Board. Supports HB 3218A which allows people's utility districts, municipal electric utilities, and the City of Klamath Falls to enter into transactions for production, supply, or delivery of electricity on a cost-effective basis. Introduces Larry Cable. Says there has been no opposition among the parties she has shared this issue with.
228	Larry Cable	Attorney, Public Utilities, City of Klamath Falls. States HB 3218A clarifies what utilities are to do by law. The bill will allow public owned utilities to enter into transactions regarding the purchase of power through financial instruments. Presents (EXHIBIT E) .
303	Chair Nelson	Asks about the limitations.
296	Cable	Responds explaining eliminating variation and price risk in regard to electricity. Says this bill does not authorize buying electricity for the purpose of making money. The transaction must be for the purchase of electricity required for load. It must minimize the risk in regard to market price fluctuations. Gives the example of a public utility that wants to buy electricity from the Bonneville Power Administration (BPA). Explains that going into the market, the utility must pay to meet the load.
358	Chair Nelson	Asks if that is a contract.
365	Cable	Answers the agreement can be called a swap, a collar, a cap, or a contract.

364	Sen. Metsger	Asks who the providers are in purchasing a contract.
370	Cable	Responds there are banks, commodity dealers, and/or private utilities through subsidiaries. They need to fix the rates within the cost parameters.
450	Chair Nelson	Asks if a futures market is used.
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012	Cable	Says the utility does not use the futures market, but deals with an entity that may take it into the futures market.
013	Chair Nelson	Asks if futures market is used to guarantee market. A utility takes a fixed price. Comments that there are more choices now than in the past.
030	Cable	States the wholesale markets are open now. BPA is the biggest supplier in the Northwest. There is a lot of variation in prices. There will be a need for protection in the next ten years because there are not that many plants.
064	Chair Nelson	Asks for questions. What security comes with these financial instruments.
070	Cable	Answers there will be a statement saying there will be no higher price, a cap is set.
094	Sherry Sheng	Committee Administrator. Asks what is the down side of the financial instruments.
098	Cable	Says if you buy in the down months, you will spend more.
105	Chair Nelson	Asks if the public utilities hedge the contracts on futures market.
110	Cable	Public utilities sell power on a fixed price basis, and buy from the market at a guaranteed price.
121	Chair Nelson	Asks if the public utilities are prohibited by law from investing surplus funds.
130	Cable	Says the public utilities are entitled to buy all forms of insurance and to buy and sell power into the market.
134	Staff	Presents (EXHIBIT F) .
135	Chair Nelson	Closes the public hearing on HB 3218A and opens the work session on HB

		3218A.
<u>HB 3218A WORK SESSION</u>		
145	Chair Nelson	MOVES HB 3218A to the floor with DO PASS RECOMMENDATION.
		VOTE: 5-0
146	Chair Nelson	Hearing no objection, declares the motion CARRIED. SEN. METSGER will lead discussion on the floor.
147	Chair Nelson	Adjourns meeting at 1:50 PM.

Submitted By, Reviewed By,

Nancy Masee, Sherry Sheng,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 2812, Written testimony, Joe Brewer, 1 p

B ñ HB 2819, 2822, 2824, Written testimony, Tom Lindberg, 1 p

C ñ HB 2819, Written testimony, Joe Brewer, 1 p

D ñ HB 2824, Written testimony, Joe Brewer, 1 p

E ñ HB 3218, Written testimony, Larry Cable, 5 pp

F ñ HB 3218, Written testimony, Staff, 1 p