

HOUSE COMMITTEE ON POWER DEREGULATION

May 20, 1997 Hearing Room E

1:00 P.M. Tapes 162 - 163

MEMBERS PRESENT:

Rep. Jim Welsh, Chair

Rep. Cynthia Wooten, Vice-Chair

Rep. Randall Edwards

Rep. Jim Hill

Rep. Patti Milne

Rep. Lonnie Roberts

Rep. Ken Strobeck

MEMBER EXCUSED:

STAFF PRESENT:

John Larson, Administrator

Julie Neburka, Asst. Administrator

Lynda Sloan, Administrative Support

MEASURE/ISSUES HEARD:

HB 2821 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 162, A		
001	Chair Welsh	Opens meeting, 2:00 p.m. Opens work session, HB 2821.
<u>HB 2821 WORK SESSION</u>		

025	Gary Conkling	Offers testimony and proposed amendment to HB 2821 (EXHIBIT A).
052	Rep. Edwards	Asks for overview section by section of amendment.
057	Conkling	<p>Offers to provide brief general overview.</p> <ul style="list-style-type: none"> * sets date for choice of October 1, 2001 * establishes state-wide program of investing in energy conservation, renewable energy resources, low income energy services January 1, 1999, low income universal services fund created January 1, 1998. * encourages pilot programs state-wide involving all customer classes * allows large electricity customers with 1 megawatt or more of use to begin choosing electricity supplier July 1, 1999 * allows choice of green power, energy efficiency products, by December 1, 1999 * rate cap protection * residential, small farm customers have access to low cost BPA resources preserved * cities held harmless on revenues collected on franchise fees * assurances of continued safe, reliable service * industrials allowed uneconomic investment recovery * local control maintained, additional tools for competition
091	Conkling	Discusses individual sections of amendment.
116	Chair Welsh	Asks rationale for changing date to October 1, 2001.
124	Conkling	Relates to dates BPA contracts expire. Resumes discussion of individual sections of amendment.
145	Rep. Hill	Asks how they correlate October 1, 2001, to December 1, 1999. Asks difference between "responsible" and "unresponsible" electricity.
159	Rachel Shimshak	Renewable Northwest Project, explains reason for green power access being available earlier than other types.
181	Rep. Hill	Asks if municipals, coops and PUDs agreed to this.
185	Shimshak	States no. Discusses recommendation from some large customers who are interested in green power.
196	Rep. Hill	Comments on difference in point of view from that represented earlier in

		session.
200	Shimshak	Says some municipals and coops and some industrials have expressed interest in this.
214	Rep. Hill	Asks whose compromise it is.
215	Shimshak	Large customers, Fair and Clean energy coalition. Discusses opportunity for utilities to collect stranded costs.
235	Conkling	Resumes overview of amendment, Sections 7, 8, 9, 10, 11.
255	Rep. Roberts	Asks for clarification of default supplier.
264	Conkling	States means customers who choose not to choose, so that they continue to have supplier. Resumes overview, Sections 12, 13.
280	Jason Eisdorfer	Citizen's Utility Board and Fair and Clean Coalition. Explains Section 13 of amendment. * discusses provision for large industrials to self-direct on renewables * discusses money collected by investor-owned utilities and consumer-owned utilities, if they choose, for market transformation, renewables, creates pooling mechanism for public purposes
319	Rep. Wooten	Comments pooling has been discussed all along.
326	Conkling	Agrees. Some mechanics for implementation different.
338	Rep. Welsh	Discusses maintaining credit for large customers as well as credit for municipals.
342	Conkling	States attempted to make achievable.
348	Rep. Welsh	Comments on whether can be defended to public.
362	Steven Weiss	Fair and Clean Energy Coalition. Refers to Section 13. Explains breakdown of public purposes moneys.
401	Rep. Roberts	Asks who controls Energy Office.
411	Rep. Wooten	Explains Oregon Office of Energy administration.
423	Rep. Roberts	Asks if governor given guidelines to appoint board.
TAPE 163, A		
010	Rep. Roberts	Asks about criteria for board membership.
016	Weiss	Discusses board being appointed by commission, confirmed by Senate.
018	Rep. Roberts	Comments further on expertise of board membership.

028	Weiss	Explains function of board, expertise coming from staff.
036	Rep. Edwards	Asks how a publicly held area is treated differently from an investor-owned utility (IOU) area.
044	Jim Deason	EWEB. Responds. Refers to Section 13.2b.
054	Rep. Edwards	Asks about discretion, what amounts are the guide.
060	Deason	Spend money according to allocation and in accordance with act. Discusses having option to meet standards in aggregate form.
067	Rep. Edwards	Asks if credit would apply to large industrial customer in consumer owned district.
070	Conkling	Resumes overview, Sections 14, 15. * discusses change in order of appeal * discusses provisions relating to publicly-owned utilities as relate to direct access issues
090	Rep. Roberts	Asks about guidelines.
095	Deason	Explains process.
100	Rep. Roberts	Comments on need for timeline to act in prudent way.
110	Chair Welsh	Asks about time commitment and cost for board members, suggests could be done under Office of Energy.
125	Rep. Wooten	Comments on Chair Welsh's suggestion.
133	Chair Welsh	Refers to Section 12. Discusses determining state agencies to establish projects. Suggests establishing directive.
160	Dan Meek	Residential Energy Service Companies. Reads, discusses deleted provision. Explains section.
185	Conkling	Resumes discussion of amendment, Section 16. Discusses section remains mostly unchanged from work group, except for rate cap. Discusses consumer protections being important. Discusses strong interest in group regarding rate cap, that individual customers in any class are not adversely impacted.
216	Rep. Hill	Discusses Section 16 being all new language. Asks how this meshes with existing language, and how is it going to change from today.
236	Eisdorfer	States allows commission to apply consumer protections between now and deregulated market.
240	Rep. Hill	Asks if repealing any existing statutes.
243	Eisdorfer	Discusses providing consumer protection.
247	Rep. Hill	Asks what it would take to amend existing statutes to accomplish same task.
		Public Utility Commission. Discusses proposed amendment. Addresses some

259	Ron Eachus	authority PUC doesn't have at this time, e.g., requiring certification and licensing of power marketers, and establishing rules that apply to them. Gives direction for authority already have, what legislature at minimum wants PUC to do. Puts PUC in position of developing conditions under which utility can supply electricity to consumer. PUC would establish rules for all marketers.
304	Rep. Hill	Asks if would save PUC time and effort by trying to put into existing statute.
321	Eachus	Discusses two factors affecting workload - new duties and timelines. Comments direct access will cause PUC to have to do things beyond what expected to do now.
354	Rep. Hill	Asks if language in draft extending authority to collect funds for new energy providers coming in.
363	Eachus	Discusses language that changes fee structure.
370	Rep. Roberts	Asks if have standards to judge new providers.
377	Eachus	Says bill discusses financial standing, anticipate rule making process.
394	Rep. Roberts	Comments on being new territory.
398	Eachus	Discusses PUC has experience in established telecommunications. Discusses changes in electricity field, identifying problems, growing industry.
423	Rep. Roberts	Comments on deregulation and continued regulation.
427	Eachus	Responds.
TAPE 162, B		
001	Eachus	Continues response.
011	Rep. Roberts	Comments on pricing and stranded costs.
018	Eachus	Discusses not having any connection to stranded costs, which are non-bypassable. States price impact on basis of established rules. States don't want PUC to be first place to call for consumer complaints. Discusses giving customers confidence in market.
050	Rep. Edwards	Asks when rate cap kicks in.
054	Eisdorfer	Responds.
062	Chair Welsh	Asks if education component included.
064	Conkling	Says anticipated information will be provided to consumers to broadly understand change occurring. Not covered in bill, but need to be sure consumers informed about available choices.
076	Chair Welsh	Discusses consumer education needing to be addressed more explicitly. Closes work session. Adjourns, 3:05 p.m.

Submitted By, Reviewed By,

Lynda Sloan, John Larson,

Administrative Support Administrator

Transcribed by,

Shirley Spendal,

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EXHIBIT SUMMARY

A - HB 2821, Proposed Amendment, Gary Conkling, 47 pages