

HOUSE COMMITTEE ON POWER DEREGULATION WORK GROUP

March 5, 1997 Hearing Room 137

3:00 P.M. Tapes 27 - 29

MEMBERS PRESENT:

Rep. Jim Welsh, Chair

STAFF PRESENT:

John Larson, Administrator

Mieko Aoki, Committee Clerk

MEMBERS OF PUBLIC PRESENT:

Jim Anderson, PacifiCorp

Gary Conklin, Oregon Energy Coalition

Diane Cowan, Oregon People's Utility District Association

Ron Eachus, Oregon Public Utility Commission

Jason Eisdorfer, Fair and Clean Energy Coalition

Libby Henry, Eugene Water and Electric Board

Denise McPhail, Portland General Electric

Tom O'Connor, Oregon Municipal Electric Utilities

Bill Warren, Oregon Public Utility Commission

MEASURE/ISSUES HEARD:

DEVELOPMENT OF CONSENSUS ON BILL

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 27, A		
029	Chair Welsh	Opens meeting at 3:07 p.m.

038	Bill Warren	Suggests organizing what we have done.
047	Denise McPhail	Suggests each group have discussions prior to meetings and provide its proposed language at the meeting. This process will facilitate progress at each meeting.
064	Chair Welsh	Proposes discussion of meeting process: <ul style="list-style-type: none"> * Identifying principles * Determining inclusion of definition Deciding language
071	Work group	Discusses meeting process.
		* Votes on inclusion of concept * Discusses language
090	Chair Welsh	Announces work group will review whole Strawman Bill.
093	Work group	Continues discussion on meeting process.
110	Chair Welsh	Discusses reciprocity <ul style="list-style-type: none"> * votes on including reciprocity in the final package * determines the definition * determines the language
120	Chair Welsh	Discusses declaration of policy <ul style="list-style-type: none"> * inclusion of declaration of policy in the final package * combining with legislative purpose
130	Gary Conklin	Suggests combining declaration of policy and lagislative purpose and creating guidelines and principles.
153	Ron Eachus	Says there are two reasons for including legislative purposes. <ul style="list-style-type: none"> * provides a context for the bill * good reference for the future Asks work group if there is any disagreement.
186	Work group	Continues discussion on declaration of policy.

210	Chair Welsh	Says they will revisit definitions and language later.
230	Vote	YES to include declaration of policy in the final package. NO to include legislative purpose in the final package.
246	Work group	Discusses combining declaration of policy and legislative purpose.
250	Chair Welsh	Suggests postponing discussion on declaration of policy.
279	Diane Cowan	Proposes reviewing section 1 (8) and (9) after the meeting.
291		States there are two new sentences in section 1 (14) and (15).
298	Eachus	Says he will check with Attorney General's Office about appropriate language avoiding conflict with commerce clause provisions.
348	Eachus	Suggests revisiting any concerns, disagreeable principles and additional language in the end of the process.
399	Chair Welsh	Clarifies the process that work group decided to follow.
437	Jason Eisdorfer	Suggest having discussion on policy first.
TAPE 28, A		
012	Chair Welsh	Suggests discussing policy.
017	Eachus	Suggests identifying disagreement, postpone discussion on declaration of policy until the end of the process, and move on to next issue.
062	Cowan	Suggests submitting proposal describing each group's position, comparing everyone's opinions, and discussing disagreements.
082	Chair Welsh	Announces deadline for preparing proposal of issues to shorten the process.
093	Chair Welsh	States section 2 is deleted.
101 119 128	Work group	Discusses section 10, authorization of pilot program. * state statute authorizes the commission to order pilot programs * decides acceptable circumstances authorizing pilot programs * includes guidelines
141	Eachus	Offers to provide a list of objectives regarding the pilot programs. Says he can provide information at next meeting. Disagrees with adding pilot programs in statute.
		Discusses pilot programs.

198		* pilot programs should cover all customer classes
220	Work group	* PUC allows applying pilot programs to limited customer classes prior to all customer classes
246		* pilot programs are important even if not beneficial
253	McPhail	Says PGE has own pilot programs covering all customer classes. They may start industrial customer earlier than others.
268	Jim Anderson	Says PacificCorp is developing the program, but it is not ready.
303	Work group	Continues discussion on pilot programs.
321	Eachus	Reads amended section 10. Mentions customers may have concerns about pilot programs. States it is important not to increase the charge.
335	Work group	Discusses relationship between statutory insurance and pilot programs.
383	Chair Welsh	Requests information on cost shifting issue in pilot programs from Investor Owned Utilities' group.
385	Anderson	Says they have not had problems.
406	McPhail	Mentions PUC is trying to charge franchise tax which will cause cost shifting. States her concerns on duplication and redundancy.
TAPE 27, B		
001	O'Connor	Suggests including language that provides pilot programs flexibility.
007	Chair Welsh	States it is important to let consumers know they are protected in this process. Says each group should work with PUC developing the plan.
026	Conklin	Proposes an amendment on section 10, replacing "between" with "among."
029	Chair Welsh	Calls for vote on including authorization of pilot programs in statute.
033	Cowan	Asks if they will vote on policy statement. Comments the section should not be deleted without adding the policy.
044	Eachus	Asks if the statutory language prohibiting cost shifting will be added to principle or purpose section.
048	Work group	Discusses authorization of pilot programs.
056	Chair Welsh	Summarizes what they have discussed: <ul style="list-style-type: none"> * authorization of pilot programs * principle and Declaration Policy in statute or combination * adding the language which prohibits cost shifting

064	Eisdorfer	Suggests adding "pilot programs reach all customer classes."
090	Vote	NO to include statutory provision on authorization of pilot programs in the final package.
132	Chair Welsh	Asks work group to present proposal of section 10.
134	Eisdorfer	Proposes two amendments * adds "and not unduly burden local governments" at the end of the section * adds "all classes of" to the beginning of the sentence "retail electric customers of individual electric companies"
170	Anderson	Opposes amendment Eisdorfer proposed.
190	Eachus	States pilot programs apply for all customer classes, but they do not need to be started at the same time.
216		Says there are two problems in carrying out the programs * cost shifting * covering all classes of customers
226	Conklin	Suggests deleting confusing language.
265	Work group	Discusses problems of pilot programs.
299	Warren	Mentions the commission will have the authority for ordering pilot programs.
305	Chair Welsh	States PUC is a directive agency and should have responsibilities for customer protection.
350	Conklin	Comments dates should be included in the section.
374	John Larson	Reads amended section 10.
390	Cowan	Mentions that franchise tax is in Strawman Bill.
404	Larson	Reads amended section 10 again.
409	Chair Welsh Vote	Calls for votes on section 10. YES to include specific provision on encouragement of pilot programs in declaration of policy YES to include encouragement of pilot programs in declaration of policy
433	Larson	States Conklin's proposal, replacing "between" with "among."
TAPE 28, B		
028	Eisdorfer	Asks that his proposal be included when vote is taken on the section.
055	Chair Welsh	Reads amended section 10 with Eisdorfer's proposal included.

068	McPhail	Comments that "burdening or unburdening of local governments" has been decided in another committee. Asks if we will revisit this issue later.
074	Work group	Discusses language Eisdorfer proposed, "and not unduly burden local governments."
125	Chair Welsh	Proposes having discussion on policy in this section.
126	Eisdorfer	Offers to delete the language he suggests.
127	Chair Welsh Vote	Calls for vote on section 10. NO to include amended statutory provision on authorization of pilot programs in the final package.
135	Chair Welsh	Moves to section 13, reciprocity.
146	Chair Welsh Vote	Calls for vote on section 13. YES to include provision on reciprocity in the final package.
154 176 201 240 280	Work group	Discusses reciprocity. * includes dates on reciprocity * leaves dates out and revisits later * necessity of dates * postpones discussion * adding brackets instead of dates
293	Larson	Reads amended section 13, reciprocity.
325	Work group	Discusses section 13. * deleting the word "distribution" * including the date * providing services outside of its territory * relationship of reciprocity to pilot program * agrees with the concept of reciprocity
375	Work group	Requests more time for discussion.
386	Chair Welsh	Suggests discussing reciprocity at next meeting.

391	Chair Welsh	Moves to section 19, registration procedures.
432	Chair Welsh Vote	Calls for vote on section 19. YES to include provision on registration procedures in the final package.
TAPE 29, A		
013	Anderson	Proposes amendment to section 19, replacing "one or more" in section 3 (12), with "more than one."
030	Eisdorfer	Asks if the state is interested in clarifying how energy is coming into the system.
037	Warren	Responds with example of natural gas market. Suggests the commission delete registration requirement. States they want smaller customers to be protected.
050	Eisdorfer	Asks Warren to describe the liability issue.
055	Warren	Describes how the natural gas market handles the issue.
061	Eachus	Adds to Warren's description. Says some requirements exist for registration.
067	Warren	Says all the operations should have three to five years transition period which allows checking the systems
072	Work group	Discusses registration procedures.
084 131		* necessity of licensing distribution utilities * reciprocity may resolve this issue * definition of third party marketers
160	McPhail	Asks how facilities will be certified if they serve outside of their territories.
161	Eachus	Says distribution utilities need to have financial and technical capabilities to be certified.
208	Cowan	Says registration department should be designed only for the registration purpose.
237	Chair Welsh	Says work group will continue discussion on this issue next meeting.
269	Chair Welsh	Adjourns meeting at 5:13 p.m.

Submitted By, Reviewed By,

Mieko Aoki, John Larson,

Committee Clerk Administrator