

HOUSE COMMITTEE ON POWER DEREGULATION WORKGROUP

April 4, 1997 Hearing Room 137

1:00 P.M. Tapes 95 - 98

MEMBERS PRESENT:

Rep. Jim Welsh, Chair

STAFF PRESENT:

John Larson, Administrator

Mieko Aoki, Committee Clerk

MEMBERS OF PUBLIC PRESENT:

Jim Anderson, PacifiCorp

Sarah Baker-Sifford, Oregon Rural Electric Cooperative Association

Lee Barney, Portland General Electric

Gary Conkling, Oregon Energy Coalition

Diane Cowan, Oregon People's Utility District Association

Ron Eachus, Oregon Public Utility Commission

Jason Eisdorfer, Fair and Clean Energy Coalition

James Gardner, PacifiCorp

Thomas Grim, Eugene Water and Electric Board

Denise McPhail, Portland General Electric

Daniel Meek, Energy Electrons Environment

Steve Munson, Vulcan Power Company

Paul Murphy, PG & E Energy Services, Northwest Aluminum, Reynolds Metals

Tom O'Connor, Oregon Municipal Electric Utilities

Jim Paine, PacifiCorp

John Savage, Office of Energy

Bonnie Tatom, 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 95, A		
001	John Larson	Calls meeting to order at 1:15 p.m. Suggests discussing consumer protection. Announces Public Utility Commission (PUC) and Office of Energy (OOE) submitting amendments (EXHIBIT A).
020	Ron Eachus	Summarizes previous discussion.
040	Larson	Gives overview of previous meeting before discussing amendments.
061	Larson	Reads amended section 28.
109	Eachus	Explains how amendments constructed.
144	Larson	Passes out two pages of revision for amendments (EXHIBIT B).
145	Eachus	Describes revisions.
160	Eachus	Presents amendments of supplier registration issues.
193	Steve Munson	Comments on difficulties of small, green energy suppliers to be certified.
220	Workgroup	Discusses * certification charge * requirements for certification * capability to be a certified supplier * actual size of bond and security
270	Workgroup	Continues discussion on existing barriers to entering the market.
317	Larson	Suggests going through each component and states the purpose of this provision.
331	Munson	Addresses their concern about bond.
354	Denise McPhail	Describes Portland General Electric's (PGE) case.
380	Diane Cowan	Opposes PUC determining rules. Asks what kind of bond and security will be required for certification.
390	Eachus	Describes requirements.
TAPE		

96, A		
001	Workgroup	Discusses PUC's regulation of the electricity service suppliers.
022	Eachus	Comments * everyone has to be registered * nobody is disadvantaged
045	Larson	States workgroup "accepted" PUC regulation of electricity service suppliers.
050	Paul Murphy	Opposes existing utilities exempted from registration process. Suggests establishing criteria to protect small entities.
064	Munson	States the bond issue may create barrier to entering the market. Suggests proposing formula for the bond.
093	Sarah Baker-Sifford	Asks if municipal power suppliers need to register for providing power for consumer-owned utilities (COU).
110	Eachus	Agrees with not requiring registration to wholesale supplier.
125	Tom O'Connor	Presents their position * establishing simple process for residential class * consumer protection provision should apply for everyone

Discusses

163	Workgroup	* consumer protection * adds prohibiting violation of consumer protection to the provision
210	O'Connor	Addresses their concern that regulatory process may impact small entities. Presents Oregon Energy Coalition's (OEC) amendments * subsection 4, replaces "electricity supplier" with "electricity service supplier"
236	Gary Conkling	* subsection 3, "by the governing bodies of other electric utilities" is the language that workgroup agrees on * proposes amendments to subsection 3, line 2
281	Munson	Addresses their concern about unfairness of filing process.
307	McPhail	Says PGE would not consider being default supplier in competitive position.
322	Murphy	Comments all entities are in same competitive market and should be regulated by same reasonable rules.
350	Workgroup	Discusses exemption of existing utilities from registration.
364	Thomas Grim	Suggests clarifying definition of the language "service territory."

Discusses

390 Workgroup * the bill has to be designed to benefit retail customers
* necessity of additional general enforcement provision

**TAPE
95, B**

014 Larson Moves on to section 20.
015 Eachus Presents amendments for section 20.
026 Workgroup Discusses adopting the language, "other electric utilities."
047 Eachus Presents amendments for section 21.
058 Workgroup Discusses on the language, "all retail customers shall have the right to receive and request a separate bill from every individual electricity service supplier."
108 Workgroup Continues discussion on establishing effective billing process.
158 Workgroup Continues discussion on billing system.
169 Conkling States importance of providing single understandable bill for customers by their electric service suppliers.
194 James Gardner Agrees with Conkling's comment and states importance of appropriate billing system to create competitive market.
202 Workgroup Discusses responsibility for bill consolidation.
252 Workgroup Continues discussion on billing procedure.
302 Workgroup Continues discussion.
352 Workgroup Continues discussion on relationship of metering charge system to billing system.
384 Murphy Summarizes discussion on bill disclosure issues.
409 Conkling Notes the importance of the issue is providing single understandable bills.

**TAPE
96, B**

003 Eachus Asks how the bill and systems benefit charge would work together.
Discusses
024 Workgroup * accountability issues
* problem of billing structure
States their position
053 Lee Barney * allowing competing company to contract with the utility
* information needs to be clear
* respects Oregon's approach, which is different from other states
Discusses
103 Workgroup * establishing rules for billing procedure
* effect for third party marketers by establishing rules

148	Conkling	States the purpose of discussion is providing clearly itemized bill for customers.
170	Workgroup	Discusses consumers' right to request and receive a separate bill from every individual electricity service supplier.
193	O'Connor	Suggests starting with simple procedure.
223	Eachus	Suggests discussing only focused issue. Mentions
251	Munson	* importance of allowing third party marketers to provide the bill * including information of energy resources
280	Eachus	Describes how to provide reliable information to customers.
304	Munson	Supports providing energy resources information.
315	Eachus	Explains disagreement of providing energy resources information.
328	Barney	Addresses IOU's concerns about proposed clause that the electric utility would not be required to forward payment to an electricity service supplier prior to receiving payment from customers.
378	Barney	Continues presentation on precluding financial arrangement between utilities and customers.
390	Workgroup	Discusses developing financial arrangement.
440	Workgroup	Continues discussion on contractual issue of financial arrangement.
TAPE		
97, A		
010	Munson	Suggests establishing language for the issue.
018	Workgroup	Discusses customer's right to request and receive a separate bill.
068	Workgroup	Continues discussion. Suggests establishing mechanism
073	Daniel Meek	* facilitating market transformation * offering similar financial responsibilities to energy efficiency providers becoming certified providers
110	Workgroup	Discusses billing disclosure and registration issues. Calls for vote.
165	Larson	YES to request and receive a separate bill from every individual electricity service supplier that provides products or services to the retail electric customer.
196	Larson	Summarizes discussion.
210	Workgroup	Discusses intention of investigating issues related to the environmental impacts of power supply sources.
260	Workgroup	Continues discussion offering green power products.
309	Barney	Gives examples of New Hampshire and defines green power.
	Rachel	

331	Shimshak	Adds to Barney's explanation.
344	Barney	Gives an example from Massachusetts that option label requires including energy percentage mix. Discusses
357	Workgroup	* necessity of including energy resource mix for customer's benefit * necessity of environmental impact as a marketing tool
407	Workgroup	Continues discussion on advertising green resources.
TAPE 98, A		
015	Workgroup	Continues discussion. Comments
027	Eachus	* statutory definition of renewables * necessity of discussing the best way to incorporate environmental impact and resource mix into bill disclosure mechanism Discusses
053	Workgroup	* difficulties of investigation * incorporating resource mix into bill disclosure and unfair trade marketing practices provisions
080	O'Connor	Comments on incorporating resource mix.
104	Gardner	Asks necessity of language requiring inclusion of reliable resource information in statute.
115	Eachus	Comments on disclosure of resource mix and environmental impact.
165	Eachus	Continues presentation.
168	Chair Welsh	Announces workgroup has accepted section 28 (9). Discusses
178	Workgroup	* inclusion of power supply sources and environmental impacts * responsibility of OOE on this issue
228	Workgroup	Continues discussion on requiring inclusion of reliable information in the bill. Comments
262	Eachus	* value of including environmental impacts * supporting inclusion of environmental impacts for customer protection
310	Shimshak	Supports including disclosure of resource mix.
321	Jim Paine	States difficulties providing detailed information.
326	Workgroup	Discusses problems of providing detailed information.

372 Eachus Comments on necessity of investigation by state agency and providing reliable information to customers.

405 Conkling States importance of right which allows customer to claim information.

455 Conkling Continues presentation.

**TAPE
97, B**

Discusses

011 Workgroup * inclusion of disclosure of resource mix
* definition of resource mix

061 Workgroup Continues discussion.

070 Chair Welsh Summarizes discussion on disclosure of resource mix and environmental impacts.
Discusses
* disclosure of resource mix and environmental impacts

079 Workgroup * difficulty of keeping track of electrons
* what kind of information should be included

129 Jason Eisdorfer Suggests deciding on definition for evaluation of energy mix.

154 McPhail Disagrees with Eisdorfer's opinion which makes the issue complicated.

168 Baker-Sifford Comments on difficulty of defining green power.

186 Warren Suggests giving customers opportunities to define what green power is.

195 Eachus Mentions workgroup has accepted disclosure of resource mix and environmental impacts in the bill.

233 Chair Welsh Proposes vote. Reads amended language.

261 Workgroup Discusses appropriate language for disclosure of resource mix and environmental impact.

312 Eisdorfer Suggests simplifying enclosed information in the bill. Gives an example of Massachusetts.

360 Workgroup Discusses voting on sections.

378 Eachus Presents PUC's amendments.

405 McPhail Suggests revisiting section 28 (7) (a) after the vote to clarify the definition of language.

428 Workgroup Discusses definition of language of section 28 (7) (a).

**TAPE
98, B**

011 Murphy Suggests setting separate prices to give customers choices.

031 Workgroup Discussion on separate pricing.

048 Conkling Suggests moving on to next issue.

- 059 Workgroup Discusses future meeting schedule.
073 Larson Announces coming meeting schedule.
092 Chair Welsh Adjourns the meeting at 5:10 p.m.

Submitted By, Reviewed By,

Mieko Aoki, John Larson,

Committee Clerk Administrator

EXHIBIT SUMMARY

A - Consensus bill, proposed amendments, Ron Eachus, 16 pp.

B - Consensus bill, proposed amendments, Ron Eachus, 2 pp.