

HOUSE COMMITTEE ON POWER DEREGULATION WORK GROUP

April 8, 1997 Hearing Room E

1:00 P.M. Tapes 103 -106

MEMBERS PRESENT:

Rep. Jim Welsh

STAFF PRESENT:

John Larson, Administrator

Shirley Spendal, Administrative Support

MEASURE/ISSUES HEARD:

Development of a Consensus 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 103, A		
001	Chair Jim Welsh	Opens hearing, 1:18 p.m.
014	Denise McPhail	Portland General Electric. Subsection 7(a) of handout, page 5 of 8, where says "Complete and accurate list of the rates and amounts due for each service or product that customer is purchasing." Asks to drop off "a complete and accurate list of." Has to do with billing package.
034	Jason Eisdorfer	Fair and Clean Energy Coalition. States disagreement.
057	Randy Dalgren	Portland General Electric. Discusses charges bundled together.
083	Jim Anderson	PacifiCorp. Leave off "complete and accurate," say a list of.
089	Eisdorfer	States agrees at this point.
090	Bill Warren	Oregon Public Utility Commission. Discusses how detailed the Commission would get.
094	John Larson	Committee Administrator. Consensus - drop "a complete and accurate list" out.
		(end of last consumer protection item "j" add (a) and (b) on stranded cost charge - let people know what they are paying

118	Eisdorfer	("II" was phone number for service and information service and safety inquiries - that's the PUC
		(referral to conservation energy assistance services - that number would be entity created in sub-work group
		(discusses Consumer Satisfaction Index have to be index created by PUC based on re-connects, etc.
		(adding instructions on how to change service providers
139	Rep. Welsh	Asks what phone numbers for information means.
140	Eisdorfer	Two phone numbers - one PUC to register complaints, get information; second for conservation services.
150	Warren	Don't mind handling complaints, but think should try to get resolved with company handling utilities first.
152	Eisdorfer	Agrees. Discusses consumer satisfaction index.
169	Anderson	Asks to amend his amendment - after word "shall" 7(c) reads: Every bill to retail electric residential customer or other customer deemed appropriate by the commission or governing body shall be established by rule. Thinks can do by rule rather than by statute.
178	Rep. Welsh	Taking recommendations, will write that one in.
182	Eisdorfer	States problem with deferring "just about everything" to PUC. States willing to move consumer satisfaction index to Section 9.
194	McPhail	Asks why need to put this "stuff on bill."
201	Eisdorfer	States competitive market fails if consumers are not informed.
225	Rep. Welsh	If add regulations, complicate, increase costs. Discusses wanting level playing field.
232	Eisdorfer	Discusses consumer satisfaction index having enough information that is clear, complete, accurate for the consumer.
270	Rep. Welsh	Discusses putting note that PUC will make sure go out first.
278	Julie Brandis	Associated Oregon Industries. Asks how criteria is built.
285	McPhail	Already made commitment, or would not be getting bill.
TAPE 104, A		
002	Sarah Baker-Sifford	Oregon Rural Electric Cooperative Association. Asks why has to be in bill.
011	Eisdorfer	Discusses list.
030	Paul Murphy	PG & E Energy Service. States concern with consumer index. Suggests drop for now and get some experience first.

045	Steven Weiss	Fair and Clean Energy Coalition. Perception of small consumer important politically.
066	Murphy	Discusses costs - consumer not being well served.
072	Tom Grim	Eugene Water, Electric Board. Discusses consumer satisfaction - make simple with back up information consumer can get if want.
092	Rep. Welsh	Comments on progress. Discusses future billings.
105	Eisdorfer	Discusses have right kind of information simply, in uniform style. Asks to move on. 9(e) to put word "disconnection."
131	Weiss	Discusses serious red-lining issue worried about. Discusses Section 11. Worried about suppliers not serving customers. Deposit policy, disconnection, reconnection, collections, uncollectable accounts - handled by distribution utility. Will not pass costs to suppliers so suppliers are neutral to credit rating, history of customer. Discusses needing uniform policies.
186	Warren	Discusses being leary of adding costs as relate to uncollectable accounts, and suggests should be placed elsewhere.
195	Weiss	States innocent people will be harmed. Supplier uses information to red-line. States just talking about uncollected accounts.
218	Jim Paine	Asks if anticipate being any way anti-competitive.
229	Rep. Welsh	Asks what do about that situation today.
236	Work Group	Discussion.
253	Weiss	States as long as spread out, whatever is easiest.
272	McPhail	Asks to bring proposal on Thursday on work in this area.
276	Thomas Grim	Eugene Water and Electric Board. Discusses being spread over rates does not seem favorable for customers - burden should be on suppliers, not on the distribution utility or rate payers.
290	Rep. Welsh	Discusses concern of red lining.
TAPE 103, B		
001	Eisdorfer	Discusses consolidated bill, consumer sends portion, how do you split it up.
012	Weiss	Discusses distribution utility aggressively pursuing people who do not pay, disconnecting.
015	McPhail	Asks if distribution utility rendering consolidated bill.
018	Murphy	States thought agreed to customer has right to decide who does billing. Disagrees with Mr. Weiss.
021	Weiss	Asks question of who disconnects consumer.
030	Murphy	States complexities raised here need more evaluation. States best to leave to commission to deal with.

039	Rep. Welsh	States should at this point and move on.
043	Grim	Discusses proposed language on consumer protection. Follow-up to vote on Friday regarding billing practices. May be confusion as to separate or consolidated bill. States comfortable with consolidated billing only by distribution company. Discusses consolidating billing, company going bankrupt. Discusses proposed amendment - rights of non-billing service provider not extinguished against customer.
071	Murphy	States no objection to this language.
089	Dan Meek	Residential energy service companies. Submits (EXHIBIT A). Proposing bill create category of Energy Efficiency Service Providers. Gives definition. Discusses what providers can do.
138	Meek	States would like to make market work better for small customer to overcome transaction costs by allowing energy efficiency providers same status as energy service providers.
148	Work Group	Questions.
169	Dan Meek	Discusses treating low income homes.
183	McPhail	Asks how uncollectibles circulate.
205	Dan Meek	Having opportunity to attach cost to bill what is important. Would attach to residents of homes because improvements permanent.
221	Steve Munson	Vulcan Power Company. States excellent idea.
230	Murphy	Discusses who bears costs of billing.
240	Meek	Discusses costs, billing agent.
257	Fred Gordon,	
	Fred Heutte	Northwest Energy Efficiency Council. Submits (EXHIBIT B). Not sure where issue fits. Discusses issue is role of distribution company, access to customers.
277	Weiss	Discusses some of this has been dealt with.
287	Heutte	Continues discussion of access.
TAPE 104, B		
002	Warren	PUC. Submits (EXHIBIT C).
		(information similar to franchise fees - current commission fee structure based on gross revenues of regulative utilities
		(discusses fees, budgetary requirements
		(problem is seeing industry to be restructured, see much of revenue base go away, be provided in competitive environment - statutes not allow to assess fees on competitive
		(discusses exhibit graph, fees, statistics

050	Warren	(discusses red bar of graph as alternative proposed - transforms collection of fees from revenue based to kilowatt hour based
		(discusses second page of exhibit
090	Warren	(discusses amendment - taking PUC fee statute, changing to reflect what just discussed - separate new section - states wants to assure relating clause of bill indicates this issue addressed if put into bill
		(in Subsection 2 a new provision would be added wherein commission could assess on kilowatt hours or therms
		(Subsection 3 sets the maximum limits the commission to assess
		(Section 3(b) , maintaining rate relationships - intent to make fee revenue neutral in total
140	Warren	(discusses naming year for standard fee for all customers
150	Anderson	Asks if will cause to refer to Revenue, Ways and Means.
152	Rep. Welsh	Will propose separate bill. Doesn't want whole bill to run through revenue.
158	Brandis	Questions.
197	McPhail	Asks if should recover regulatory fees from those broadly regulated.
218	Murphy	Asks if any reason not to do surcharge.
220	Work Group	Discussion.
277	John Savage	Department of Energy. Submits (EXHIBIT D), Governance of Pooled Public Purposes Funds.
		(describes concept
		(discusses first issue, who or what is entity, many ways to create - exhibit sets out one model
TAPE 105, A		
001	Savage	(discusses with model legislature would create state board
		(discusses two options for board make-up, policy issue 2
		(third issue is how broad are the authorities of such a board
058	Savage	(discusses board support, financial management
		(discusses other provisions
		(discusses what is not included
096	Work Group	Questions/discussion regarding energy proposal.
148	Savage	Discusses agreement to pool monies.
155	Meek	Discusses agreements/disagreements with proposal.
205	Meek	Continues discussing agreements/disagreements.
210	Libby Henry	Question of relationship to state statute.

232	Meek	Discusses eliminating state requirements.
252	Fred Gordon	Northwest Efficiency Council. Submits (EXHIBIT E).
		(discusses way customer gets value
		(discusses concern about mixed purposes
283	Gordon	(discusses technical advisory groups to advise board
TAPE 106, A		
002	Gordon	Continues discussion of technical advisory group and preference of board.
028	Jim Payne	PacifiCorp. Question on where we are about existing mandatory programs in statute.
039	McPhail	Questions about natural gas deregulation. Asks if have to go to Ways and Means with separate Board.
049	Brandis	Asks if budget has been approved.
051	Steve Munson	Vulcan Power. Submits (EXHIBIT F). States statute should require in-state expenditure of conservation and renewable dollars.
068	McPhail	States preference to keep within the department - not with a board.
076	Larson	Asks to deal with dollars kept within state.
079	Munson	States will benefit substantially if projects built in this state.
090	McPhail	Discusses pooling of funds.
100	Munson	Continues discussion of projects built in state.
119	Savage	States bulk of renewable funds will not go to pool.
126	Munson	States original agreement was State of Oregon or four-state northwest region, don't believe funds should go out of that area.
128	Murphy	Discusses how monies should be spent.
156	Rachel Shimshak	Renewable Northwest Project. Comments on priority for projects in region.
180	Larson	Asks if sense of group that money should be spent in Northwest.
183	McPhail	States conservation yes, renewables no.
186	Savage	Discusses being to benefit of people of Oregon.
189	Larson	Asks for agreement on that. States appears to be. Asks when money will be in fund. Discusses open access fund - do we need to discuss how monies will be spent now knowing will be revisiting this issue.
209	Meek	States should take place as soon as possible and not depend on date for open access.
233	Murphy	States earlier date measurement date; date for mandatory collection always tied to open access.
244	Munson	States with renewables it is a contract issue. Don't need funds for approximately 18 months. Need to get "cracking on contract."
260	Heutte	Phase in very important here.

269	Work Group	Continues discussion of access dates.
291	Brad VanCleve	OEC. Discusses recognizing 3% public purpose funding.
TAPE 105, B		
002	Shimshak	Discusses access dates.
026	Larson	Clarifies collecting three percent at time of access.
030	Baker-Sifford	Gives book recommendation.
044	Larson	Back to how to administer funds. Reviews suggestions. Asks if sense of group on board versus director.
049	McPhail	States Director.
057	Work Group	Discussion.
060	Eisdorfer	States likes board.
061	Larson	Don't have a director, do we have a board? States have impasse.
067	Savage	States board represents broad ownership.
092	McPhail	Gives position. Goes to accountability. Wants Department of Energy accountable, not hand-picked board.
110	Heutte	Discusses citizen boards work well in Oregon.
126	Munson	Needs to be broad board with expertise on board.
140	Larson	Have impasse on whether board or director. Asks if any strong objections to what Savage's proposal does.
150	Munson	Would like to see determination of split in use of funds between renewables, conservations.
158	Murphy	Asks if envisions entity picking, choosing among suppliers of services. Asks about emphasis for suppliers or making competitors.
208	Murphy	Gives example of developing markets - let market operate.
215	Munson	Comments on non-market transactions.
221	Meek	Funds ought to go where transaction costs are highest.
258	McPhail	States office shall not fund competing projects or services.
264	Heutte	Discusses having board with public accountability.
273	Larson	Asks if any objections to overall approach.
276	McPhail	Wants legislation to define, not leave up to board. Some direction about competitive products so not making market that is already made or providing competition.
285	Anderson	Pacificorp. Would agree with "other provisions." Not a question of repealing those statutes.
TAPE		

106, B		
013	Murphy	Critical provide for credits to purchasers if their supplier is directly funding public purposes - shouldn't be hit twice.
031	Baker-Sifford	Discusses members contributing to regional market transformation fund today.
048	Larson	If no strenuous objections, will ask to have amendments made. Intention to deliver bill to LC on Friday. Expect to go to committee the 17th. Discusses days of work group. Need to walk through policy statement. Asks each to bring three issues. Still several issues.
102	Warren	Asks about discussing implementation schedule that does not work, Section 15.
136	Rep. Welsh	Discusses going through process.
155	Warren	Discusses bringing concerns on Section 15 tomorrow, states concerns on Section 9.
167	Rep. Welsh	Adjourns meeting 5:15 p.m.

Submitted By, Reviewed By,

Shirley Spendal John Larson,

Administrative Assistant Administrator

EXHIBIT SUMMARY

A - Handout, Daniel W. Meek, 1 pg.

B - Handout, Fred Gordon, 3 pg.

C - Handout, Bill Warren, 8 pg.

D - Handout, John Savage, 3 pg.

E - Handout, Fred Gordon, 1 pg.

F - Handout, Steve Munson, 1 pg.