

PUBLIC HEARING & WORK SESSION: SB 892-A, (HB 3396-A)

TAPES 227 A, 228 A

HOUSE REVENUE COMMITTEE

JUNE 18, 1997 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

MEMBERS PRESENT: Rep. Tony Corcoran

Rep. Randall Edwards

Rep. Anitra Rasmussen

Rep. Lane Shetterly (Arrived 9:12 a.m.)

Rep. Mark Simmons

Rep. Ken Strobeck

MEMBERS EXCUSED: Rep. Tom Brian, Chair

Rep. Lee Beyer, Vice-Chair

Rep. Leslie Lewis

WITNESSES PRESENT: Mike Grainey, Office of Energy

Steve Vincent, Washington Water Power

Brent Gunderson, Sun, Wind and Fire, Portland

Diane Cowan, Oregon PUD Association

Jack McIsaac, Pope & Talbot

STAFF PRESENT: Brian Reeder, Economist

Barbara Guardino, Committee Assistant

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TAPE 227 SIDE A

012 Rep. Strobeck Called meeting to order at 9:00 a.m. Subcommittee for purpose of public hearing.

PUBLIC HEARING -- SB 892A (HB 3396A)

- 020 Mike Graine
Gave overview of SB 892A. Refer to written testimony (EXHIBIT A). Bill makes changes to residential and business tax credit programs to encourage solar energy, energy conservation, and alternative fuels.
- (note: HB 3396 was rolled into SB 892)
- 063 Steve Vincent
Refer to written testimony (EXHIBIT B) in support of HB 3396 and SB 892. Interest relates to ability to sell natural gas vehicles. Urged adoption of SB 892 -A3 amendments (EXHIBIT F).
- 106 Rep. Edwards
Referred to SB 892 -A, page 4, regarding energy efficient appliances. Asked why this is in bill.
- 109 Graine
This is consistent with policy intent. Also, would help reduce price for energy efficient appliances.
- 129 All
Questions and discussion concerning energy efficient appliances.
- 171 Rep. Strobeck
Requested change 2008 sunset date to 2001.
- 181 Graine
Department of Energy would not object to this.
- 202 Brent Gunderson
Testified in support of SB 892A. Gave overview of solar power industry. Showed samples of solar roof shingles, not available last session. Asked for continued property tax exemption for solar purchases. Industry is shrinking due to decrease in tax credits. Development is taking place. Would like to see solar cell plant locate in Oregon.
- 257 Rep. Simmons
Asked, what does it cost per kWh to install shingles.
- 260 Gunderson
Currently, very expensive. Average utility customer could not purchase this today. Technology is increasing, price is decreasing. As industry standardizes, price decreases. Target market is rural customers who may not have access to public power.
- 322 Rep.
Questions and discussion interspersed.
In favor of alternative energy credit.

Corcoran

**PROPOSED CONCEPTUAL AMENDMENTS TO SB 892 -A3
AMENDMENTS:**

347 Rep. Rasmussen **PAGE 3, LINE 28, CHANGE "1,000" TO "1,500"; LINE 29, RAISE "40 CENTS" TO "60 CENTS".**

PAGE 4, LINE 9, CHANGE "1,000" TO "1,500."

375 Rep. Strobeck Committee will discuss this change later during work session.

Refer to written testimony paraphrased "OPUDA Testimony Before House Revenue Committee" (EXHIBIT C). Testified in opposition to SB 892 -A4 amendments (EXHIBIT G).

378 Diane Cowan

Summarized, deregulation should not occur in piecemeal fashion. Asked committee to reject -A4 amendments and maintain status quo.

TAPE 228 SIDE A

040 Rep. Edwards Questions and discussion concerning -4 amendments.

Testified in opposition to SB 892 -A4. Refer to written testimony verbatim (EXHIBIT E) which is a customer of PacifiCorp. Claimed, this amendment is an attempt to circumvent litigation. Pope & Talbot believes this issue should be resolved in courtroom, not in legislature.

071 Jack McIsaac

WORK SESSION SB 892A

154 Rep. Rasmussen **ASKED FOR SUSPENSION TO RULES IN ORDER TO CONCEPTUALLY AMEND SB 892 -A3 AMENDMENTS. HEARING NO OBJECTION, CHAIR SO ORDERED.**

**PROPOSED CONCEPTUAL AMENDMENTS TO SB 892 -A3
AMENDMENTS:**

158 Rep. Rasmussen **PAGE 3, LINE 28, CHANGE "1,000" TO "1,500"; LINE 29, RAISE "40 CENTS" TO "60 CENTS".**

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169 Brian Reeder Refer to Revenue Impact statement (EXHIBIT H), roughly \$1.2 million in 1998-99; \$2.5 million for 1999-01.

199 Rep. Strobeck **ASKED MEMBERS FOR ANY OBJECTION TO CONCEPTUAL AMENDMENTS TO SB 298 -A3 AMENDMENTS. REP. SHETTERLY OBJECTED.**

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IN A ROLL CALL VOTE, MEMBERS VOTING AYE: REPS. CORCORAN,

EDWARDS, RASMUSSEN.

MEMBERS VOTING NO: REPS. SHETTERLY, STROBECK.

205 VOTE

MEMBERS EXCUSED: REPS. LEWIS, SIMMONS; VICE CHAIR BEYER, CHAIR BRIAN.

MOTION CARRIED.

212 Rep.
Strobeck

ASKED MEMBERS FOR ANY OBJECTIONS TO CONCEPTUAL AMENDMENT TO PAGE 1 LINE 13, CHANGE YEAR "2008" TO "2002." HEARING NO OBJECTIONS, CHAIR SO ORDERED.

218 Rep.
Strobeck

Gaveled out of rule suspension.

219 Rep.
Rasmussen

MOTION TO MOVE SB 892 -A3 AMENDMENTS AS CONCEPTUALLY AMENDED INTO SB 892.

221 Rep.
Strobeck

ASKED FOR ANY OBJECTION TO MOVING SB 892 -A3 AMENDMENTS INTO SB 892A. HEARING NO OBJECTION, CHAIR SO ORDERED.

222 Rep.
Rasmussen

MOTION TO MOVE SB 892A AS AMENDED TO THE FLOOR WITH A DO PASS RECOMMENDATION.

5 - 0 - 4

IN A ROLL CALL VOTE, MEMBERS VOTING AYE: REPS. CORCORAN, EDWARDS, RASMUSSEN, SHETTERLY, STROBECK.

226 VOTE

MEMBERS EXCUSED: REPS. LEWIS, SIMMONS; VICE CHAIR BEYER, CHAIR BRIAN.

MOTION CARRIED.

223 Rep.
Strobeck

Adjourned at 9:45 a.m.

Submitted by, Reviewed by,

Barbara Guardino Kim James

Committee Assistant Revenue Office Manager

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EXHIBIT SUMMARY:

- A. SB 892, Graine, Oregon Department of Energy testimony from Mike Graine, 3 pp.
- B. SB 892, Vincent, Testimony in Support of HB 3396 and SB 892, Steve Vincent, Representing Washington Water Power/WP Natural Gas, 1 p.
- C. SB 892, Cowan, OPUDA, Testimony Before House Revenue Committee, Opposition to PacifiCorp Amendment to SB 892, 1 p.
- D. SB 892, Cowan, House Revenue Committee Testimony in Opposition of SB 892, Win Denham, 2 pp.
- E. SB 892, McIsaac, Testimony in Opposition to the A-4 Amendments to SB 692 by Jack McIsaac for Pope & Talbot before the House Revenue Committee, 3 pp.
- F. SB 892, Rasmussen, Proposed Amendments: SB 892 -A3, 24 pp.
- G. SB 892, PacifiCorp, Proposed Amendments: SB 892 -A4, 1 p.
- H. SB 892, Reeder, Revenue Impact of Proposed Legislation, 2 pp.
- I. HB 3396, Waters, Revenue Impact of Proposed Legislation, 1 p.
- J. HB 3396, Waters, Proposed Amendments: HB 3396 -A3, 1 p.