



February 12, 2018

Oregon Progressive Party
Position on Bill at 2018
Session of Oregon Legislature:

SB 1519: Neutral; support -1 amendment

Dear Committee:

The Oregon Progressive Party is neutral on this bill, which:

- Creates Oregon Energy Commission as policy and rulemaking body for State Department of Energy.
- Transfers certain duties of State Department of Energy and Director of State Department Energy to commission.
- Modifies state energy policy.
- Modifies general duties of department.
- Requires department to develop statewide strategic energy report. Requires commission to adopt report no later than January 1, 2021. Requires department to present draft report to Legislative Assembly no later than September 15, 2020. Requires commission to periodically review and update report.
- Modifies biennial comprehensive energy report requirements.
- Transfers certain State Department of Energy programs to other agencies. Repeals certain State Department of Energy programs.
- Reduces, to 0.1 percent, percentage of energy resource supplier's gross operating revenue that annual energy resource supplier assessment may not exceed. Changes calculated share of annual energy resource supplier assessment below which energy resource supplier is exempt from payment assessment from \$250 to \$2,500.
- Modifies definition of "gross operating revenue" for purposes of energy resource supplier assessment.
- Applies to annual fees due on or after July 1, 2019.
- Requires State Department of Energy to study further restructuring of department. Requires department to present results of study to interim committee of Legislative Assembly no later than September 15, 2019.

We are opposed to HB 4148, because it allows the Governor to appoint two members to the 7-person board who have "who hold a pecuniary interest in, have any contract of employment with, or have any substantial voluntary transactions with a business entity conducting operations that, if conducted in this state, would be subject to the energy resource supplier assessment imposed under ORS 469.421(8)."

(A) "Energy resource supplier" means an electric utility, natural gas utility or petroleum supplier supplying, generating, transmitting or distributing electricity, natural gas or petroleum products

in Oregon.

Electric utilities, natural gas utilities, and petroleum suppliers should not have their persons on this commission; the conflict of interest is apparent and severe. SB 1519, if altered by the proposed -1 amendment, would not have this severe defect and would not have voting appointees to the board representing utilities. SB 1519 would be improved by adding an explicit prohibition on appointing persons with conflicts of interest, much like the statute already applicable to the Energy Facility Siting Council (EFSC).

469.450 Energy Facility Siting Council; appointment; confirmation; term; restrictions. (1)

There is established in the State Department of Energy an Energy Facility Siting Council, consisting of seven public members, who shall be appointed by the Governor, subject to confirmation by the Senate in the manner prescribed in ORS 171.562 and 171.565.

. . .

(3) No member of the council shall be an employee, director or retired employee or director of, or a consultant to, or have any pecuniary interest, other than an incidental interest which is disclosed and made a matter of public record at the time of the appointment to the council, in:

(a) Any corporation or utility operating or interested in establishing an energy facility in this state; or

(b) Any manufacturer of equipment related to the operation or establishment of an energy facility in this state.

(4) No member shall for two years after the expiration of the term of the member accept employment with an owner or operator of an energy facility that is subject to ORS 469.300 to 469.563, 469.590 to 469.619, 469.930 and 469.992.

(5) Employment of a person in violation of this section shall be grounds for revocation of any license issued by this state or an agency of this state that is held by the owner or operator of the energy facility that employs the person.

We further question this bill as written, because it does not make organizational sense. Oregon already has an appointed 7-member board to deal with energy issues, EFSC. If Oregon really needs a new commission to examine energy issues, the duties of EFSC should be rolled into the new commission. That is how the California Energy Commission (CEC) has been structured since its creation in 1974.

This 7-person commission would not, however, operate like the CEC. The CEC has 5 full-time, paid Commissioners and its own staff. The new commission would consist of volunteers and would not have its own staff. Instead, it would depend upon the Oregon Department of Energy for staff. If the ODOE staff fails to provide information or other assistance that the new commission wants, it will have no power to replace the staff. This is a recipe for gridlock. We suggest that the new commission be in charge of hiring and firing the director of ODOE, if indeed a new commission is to be created.

Oregon Progressive Party

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