



**February 9, 2018**

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

**HB 4148: Oppose, as written**

Dear Committee:

The Oregon Progressive Party opposes this bill, which set up an "Oregon Energy Board" as an advisory body for the Oregon Department of Energy.

We oppose it, 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 board; the conflict of interest is apparent and severe. There are about 4 million people in Oregon. Appointing persons with financial conflicts of interest is not necessary, as there are enough qualified persons with vast knowledge about energy who have no such conflicts.

HB 4148's approach to conflicts of interest is both underinclusive and overbroad. It would allow the Governor to appoint 2 utility executives to the new board, but it would also prevent the Governor from appointing more than 2 persons who have "any substantial voluntary transactions" with an entity, anywhere in the word, that has operations similar to a utility or petroleum supplier. Persons in the latter category would not necessarily have a conflict of interest, if serving on the new board.

We further oppose this bill as written, because it does not make organizational sense. Oregon already has an appointed 7-member board to deal with energy issues, the Energy Facility Siting Council (EFSC). And existing law does not allow

the Governor to appoint persons with conflicts of interest to 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.

If Oregon really needs a new board to examine energy issues, the duties of EFSC should be rolled into the new board. That is how the California Energy Commission (CEC) has been structured since its creation in 1974.

This 7-person board would not, however, operate like the CEC. The CEC has 5 full-time, paid Commissioners and its own staff. The new Oregon Energy Board 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 Oregon Energy Board wants, the board will have no power to replace the staff. This is a recipe for gridlock. We suggest that the new board be in charge of hiring and firing the director of ODOE, if indeed a new board is to be created.

## Oregon Progressive Party

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