



TESTIMONY OF BETH VARGAS DUNCAN, EXECUTIVE DIRECTOR  
OREGON MUNICIPAL ELECTRIC UTILITIES ASSOCIATION

HOUSE COMMITTEE ON RURAL COMMUNITIES, LAND USE  
AND WATER

FEBRUARY 5, 2015

Chair Clem, Vice Chairs, Members of the Committee, I am Beth Vargas Duncan, Executive Director of the Oregon Municipal Electric Utilities Association. I appreciate the opportunity to be here today and express OMEU's concerns regarding HB 2460.

**Who are we?**

Eleven of Oregon's municipally owned and operated electric utilities joined to form the Oregon Municipal Electric Utilities Association (OMEU) via an intergovernmental agreement (IGA) authorized by ORS 190. OMEU supports the collective interests of its members and their customer owners at the state legislature, state agencies, various trade associations and the Bonneville Power Association (BPA). A twelfth municipally owned electric utility in Oregon, the Eugene Water and Electric Board (EWEB), maintains independent representation and coordinates with OMEU.

**OMEU Priorities – Affordable, Reliable and Safe Energy**

Starting over 100 years ago, advocates of public power fought to form municipal utilities. Today, municipally owned utilities are governed by their city council or utility board comprised of community members who set rates, regulatory policies, develop programs and services and respond to the specific customer needs – with the primary focus of maintaining current authorities enabling delivery of affordable, reliable and safe electricity.

**HB 2460 Fiscally Impacts City Utilities**

In its current form, ORS 758.010 does not impose fees to municipalities. We understand that this statute has been in force in similar form since before 1900. HB 2460 would change this legislation by adding fees to city municipalities.

Although HB 2460 applies "except within cities," some municipal electric utilities provide affordable and very clean (95% emission free) energy outside of their city limits, too.

- Examples of municipal electric utilities servicing state lands outside the city limits include:
  - City of Bandon (population 3,105) services an Oregon Department of Transportation (ODOT) weigh station, a fish hatchery and a state park outside the city limits;
  - City of Cascade Locks (population 1,235) services about 26 miles (by one half mile wide) of state and federal land in a national scenic area; and
  - City of Drain (population 1,160) provides electric service to state highway right of way(s).
- These cities will experience a fiscal impact if the Department of State Lands adopts fees as currently written in HB 2460.
- Without specific costs regarding the proposed fees, affected cities cannot estimate the related administrative burden and fiscal impact.

Municipal utilities strive to keep rates as low as possible, but these new costs would likely be passed on to ratepayers in the form of higher rates.

Please retain the statute (ORS 758.010) in its current form without the addition of the fees proposed in HB 2460. This statute has been in force in a similar form since before 1900. In addition, we understand that the “except within cities” language has been in force since the first electricity lines were strung.

The OMEU Board has not had the opportunity to convene and take an official position opposing this legislation, but individual members have expressed their opposition to OMEU staff.

Thank you for your time and attention. I am happy to answer any questions.

Beth Vargas Duncan, Executive Director  
Oregon Municipal Electric Utilities Association