



To: Chair Williamson; Members of the House Rules Committee

From: Tracy Rutten, League of Oregon Cities

Date: February 25, 2016

Re: SB 1547-A – Impacts to Municipal Utility Formation

Thank you for the opportunity to provide written testimony on SB 1547-A, and proposed amendments to the bill. The League of Oregon Cities has testified on the “coal to clean” provisions that were included in HB 4036 (both the bill as introduced, A-Engrossed version, and the adopted -41 amendments).

Our concern throughout this process had been the impact this legislation will have on a city’s ability to form a new, municipal electric utility in the future.

We feel it is important to state for the record, that we believe the proposed deal, as reflected in the A-13 amendments, would still make it significantly more challenging for a city to acquire territory and form a new, municipal electric utility.

While the amendments address one specific concern of the League by deleting language that would have resulted in some newly formed municipal electric utilities having to reduce available, lowest-priced hydroelectricity from Bonneville Power Administration (BPA) in order to meet the “large utility” RPS requirement. The amendments, unfortunately, fail to delete language that will require newly formed municipal utilities to meet the “large utility” RPS requirement at the beginning of the calendar year following acquisition. This creates logistical issues as there is a three-year waiting period to acquire BPA hydroelectricity. In addition, this means that if a city has a proposed utility formation on a November ballot, they will have to meet the RPS requirement by January 1 following the election.

We appreciate the work that has been done on this issue and efforts to address our concerns.

If you have any questions, please contact Tracy Rutten at trutten@orcities.org.