

STATE OF OKLAHOMA

2nd Session of the 49th Legislature (2004)

SENATE CONCURRENT
RESOLUTION 73

By: Corn of the Senate

and

Rice of the House

AS INTRODUCED

A Concurrent Resolution creating the Public Utility Purchased Power Study Commission; stating membership; requiring appointments by certain date; providing for termination of Commission activities; providing for travel reimbursement; defining term; providing for staff and administrative duties; requiring Commission to study certain issues; providing for reports by certain date; and directing distribution.

WHEREAS, there are many independently owned generation facilities currently located in Oklahoma; and

WHEREAS, electric public utility companies in Oklahoma are responsible for system reliability and have a legal obligation to serve their native load customers and have met and can meet those obligations through the construction of power plants owned and operated by the public utility, purchases of all or portions of existing power plants and wholesale power purchases when necessary; and

WHEREAS, it may be beneficial to the citizens of this state to provide public utility companies with incentives to purchase power from independently owned power plants regardless of the source of fuel if such purchase has no operational impact on the public utility's system reliability and the decision is in the best interest of all ratepayers; and

WHEREAS, it is incumbent upon the Legislature to create a commission made up of all interested parties involved in electric

power generation and service, including those representing the public interests who rely on tax revenues relating to electric power and the ultimate consumers of electric power to study these issues and determine if changes in state law are necessary to provide incentives to more broadly utilize independent generation facilities to meet each public utility's obligation to serve.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE 2ND SESSION OF THE 49TH OKLAHOMA LEGISLATURE, THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN:

THAT an interim study commission is hereby created, to be named the Public Utility Purchased Power Study Commission, and composed of the following members:

1. The Governor, or designee;
2. One member of the Oklahoma State Senate, selected by the President Pro Tempore of the Senate, who shall serve as co-chair of the Commission;
3. One member of the Oklahoma House of Representatives, selected by the Speaker of the House of Representatives, who shall serve as co-chair of the Commission;
4. The Chair of the Corporation Commission or designee Commissioner selected by the Chair;
5. The Attorney General, or designee;
6. One representative from a generating public utility selected by the President Pro Tempore of the Oklahoma State Senate;
7. One representative from a generating public utility selected by the Speaker of the Oklahoma House of Representatives;
8. One representative of a non-utility generation facility fueled by fossil fuel having facilities located in Oklahoma selected by the President Pro Tempore of the Oklahoma State Senate;
9. One representative of a non-utility generation facility fueled by fossil fuel having facilities located in Oklahoma selected by the Speaker of the Oklahoma House of Representatives;

10. One representative of a non-utility generation facility fueled by a renewable energy resource selected jointly by the President Pro Tempore of the Oklahoma State Senate and the Speaker of the Oklahoma House of Representatives;

11. One representative of an industrial consumer selected by the President Pro Tempore of the Oklahoma State Senate;

12. One representative of residential electric service consumers selected by the Speaker of the House of Representatives;

13. The Secretary of Commerce, or designee;

14. The Superintendent of Public Instruction, or designee;

15. The Chair of the Oklahoma Tax Commission, or designee Commissioner selected by the Chair.

THAT the Public Utility Purchased Power Study Commission members shall be appointed no later than July 1, 2004, shall meet at the call of the appointed members of the Senate and House of Representatives who shall be co-chairs of the Commission, and the activities of the Commission shall conclude no later than December 15, 2004.

THAT the members of the Commission shall receive no compensation for serving on the Commission, but shall receive travel reimbursement as follows:

1. Legislative members of the Commission shall be reimbursed for their necessary travel expenses incurred in the performance of their duties in accordance with Section 456 of Title 74 of the Oklahoma Statutes;

2. Nonlegislative members of the Commission shall be reimbursed by their respective agencies for their necessary travel expenses in the performance of their duties in accordance with the State Travel Reimbursement Act; and

3. Members of the Commission who are not otherwise officers or employees of the state shall be reimbursed by the Legislative

Services Bureau in accordance with the State Travel Reimbursement Act.

THAT staffing and administrative duties shall be performed by the staff of the Oklahoma State Senate and the Oklahoma House of Representatives and any other state agencies as determined necessary by the Commission.

THAT for all purposes related to this resolution and to the Commission created by this resolution, the term "public utility" shall mean any entity which owns and operates electric generation facilities in the State of Oklahoma and is regulated by the Corporation Commission for the purpose of providing electric service to ultimate consumers of electricity in this state, and those not regulated by the Corporation Commission that elect to participate in the study.

THAT in addition to any other issues that the Commission deems relevant, the Commission shall study the following items and make any necessary reports or legislative recommendations to the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives no later than January 15, 2005:

1. The Commission shall conduct a survey of actions taken by other states that provide incentives for public utilities to purchase power from non-utility generation facilities;

2. The Commission shall determine if this state should adopt incentives for public utilities to purchase power from non-utility generation, and if so, shall recommend what public utilities should be eligible for the incentives recommended by the Commission. In making this determination, the Commission shall consider the impact of recommended incentives on electric consumers, regulated and unregulated public utilities and non-utility generators, and state economic development efforts;

3. If the Commission determines that incentives for public utilities to purchase power from non-utility generation should be

recommended to the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives, the Commission's recommendations shall include an evaluation of the forms of incentives considered by the Commission and a recommendation of the appropriate incentives for Oklahoma's public utilities taking into consideration the impact of such incentives on electric consumers, regulated and unregulated public utilities, non-utility generators and state economic development efforts; and

4. If the Commission determines that incentives for public utilities to purchase power from non-utility generation should be adopted, the Commission's recommendations shall include legislative proposals which authorize incentives for public utilities to meet their obligations to provide electric service in a safe and reliable manner for the ultimate benefit of all their customers.

THAT copies of this resolution be distributed to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Chair of the Corporation Commission, the Attorney General, the Secretary of Commerce, the State Superintendent of Public Instruction and the Chair of the Oklahoma Tax Commission.

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