

**MINUTES OF THE
ENERGY POLICY TASK FORCE**

Wednesday, August 4, 2004 – 10:00 a.m. – Room W130 House Building

Members Present:

Sen. Leonard M. Blackham, Senate Chair
Rep. Sheryl L. Allen House Chair
Sen. Mike Dmitrich
Sen. Dan R. Eastman
Sen. Ed P. Mayne
Rep. Ralph Becker
Rep. Chad E. Bennion
Rep. David Ure

Members Absent:

Sen. Gregory S. Bell
Rep. Bradley G. Last
Rep. Ty McCartney
Rep. Darin G. Peterson

Staff Present:

Mr. Mark Steinagel, Policy Analyst
Ms. Patricia Owen, Associate General Counsel
Ms. Wendy Bangerter, Legislative Secretary

Note: A list of others present and a copy of related materials can be found by contacting the task force secretary, Wendy Bangerter, at 538-1032 or at <http://www.image.le.state.ut.us/imaging/history.asp>.

1. Task Force Business

Chair Blackham called the meeting to order at 10:15 a.m.

MOTION: Sen. Mayne moved to approve the minutes of the June 30 and May 26, 2004 meetings. The motion passed unanimously with Rep. Allen and Rep. Ure absent for the vote.

2. Acquisition of New Electric Generation for Utah

Ms. Owen gave a presentation introducing the issues related to the acquisition of new electric generation.

Mr. Rich Walje, President, PacifiCorp, introduced Mr. Don Furman, Senior Vice President, PacifiCorp, to outline the current status of PacifiCorp's RFPs (request for proposals). Mr. Furman also addressed concerns that have been raised about PacifiCorp's acquisition of new electric generation.

Mr. Artie Powell, Technical Consultant, Utah Division of Public Utilities, distributed "Acquisition of New Electric Generation for Utah." He explained the technical conferences being held regarding competitive bidding, including a review of the role of an independent evaluator, the bid evaluation methodology, and the information that is disclosed to bidders from the start of the process.

Rep. Ure expressed concern that there are no rules governing the current competitive bidding process. He commented that the regulation of the process could be made more simple by having the Public Service Commission make the rules.

Rep. Bennion highlighted the 2003 legislation he sponsored and requested that Mr. Powell report at the next meeting of the Energy Policy Task Force on the process of the technical conferences examining issues involved with the competitive bidding process.

Rep. Becker expressed the need for all who are interested to be allowed to participate in the technical conferences.

Sen. Eastman expressed strong opposition to the use of an evaluator or monitor.

Mr. Scott Gutting, UAE (Utah Association of Energy Users), explained the efforts of the UAE to monitor cost, risk, and reliability of energy to the user. They are advocates for a competitive process. He outlined four simple statements: 1) a fair competitive process should be encouraged; 2) an independent monitor should be involved; 3) there should be full disclosure of information; and 4) all competitive bids should be evaluated in a fair manner.

Ms. Kelly Francone, Utility Analyst, Committee of Consumer Services, explained that the Committee of Consumer Services is mandated to represent small commercial and residential customers. She discussed issues the Committee of Consumer Services believes are important in addressing the acquisition of new generation resources. She recommended that the stakeholder working group continue to work toward improving the process. At this time, the Committee of Consumer Services favors a commission rule over legislation.

A panel was formed including Ric Campbell, Chair, Public Service Commission; Artie Powell; Kelly Francone; Scott Gutting; and Don Furman to address questions from the task force members.

Sen. Mayne stated that we should define our own policy and consider the broad spectrum, including all forms of energy.

Sen. Blackham asked Commissioner Campbell if the Commission was going to have a report later this month related to rule making or proposed rules.

Commissioner Campbell responded that although the Public Service Commission could write rules under its general powers, he encouraged the Legislature to establish legislative direction.

The panel was invited to return in September's meeting to further discuss and clarify issues of concern.

Mr. Alton Mathe, General Manager, Efficiency Technologies, introduced his company and introduced Dan Robinson who has had success with some of the technologies that reduce power bills. He distributed a copy of a letter and a model process for evaluating facilities. A copy of the materials Mr. Mathe distributed will be included in the task force mailing for September.

3. State Energy Policies

This item will be discussed at the September meeting.

4. Other Items / Adjourn

The Task Force discussed changing the next meeting from September 2, 2004 to September 9, 2004.

Chair Blackham adjourned the meeting at 12:15 p.m.

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