

2015 USGO OKLAHOMA REPORT



Norwich, Connecticut
OKLAHOMA AT A GLANCE
July 12 – 15, 2015

STATE PROFILE

Capitol City	Oklahoma City
Governor	Mary Fallin
General Elections	November 8, 2016
Legislature Convenes	February 4, 2016

SENATE

Republicans	40
Democrats	8
Term	4 Years
Presiding Officer	President Pro Tempore, Brian Bingman
Majority Leader	Mike Schulz
Minority Leader	Randy Bass
Major Utility Committee	Energy Committee, Bryce Marlatt (Chair)

HOUSE

Republicans	72
Democrats	29
Term	2 Years
Presiding Officer	Speaker, Jeff Hickman
Majority Leader	Charles Ortega
Minority Leader	Scott Inman
Major Utility Committee	Utilities, Todd Thomsen (Chair)

REGULATORY BODY

Members	Bob Anthony – R (Chair) Dana Murphy – R Todd Hiatt - R
Method of Selection	Election
Current Issues	Regional Haze Compliance (OGE requested \$1.1 Billion pre approval), Distributive Energy Resources & Net-Metering, and Opting-Out of Smart Grid

2015 OKLAHOMA LEGISLATIVE SUMMARY

The first Session of the 55th Legislature of Oklahoma convened on February 2, 2015, and Adjourned Sine Die 16 weeks later on May 22.

UTILITY COALITION LEGISLATION

Top Priority – OAEC, OGE & PSO – We ran no legislation this Session; rather we focused our efforts on defeating adverse legislation as discussed below:

- **Smart Meter “Opt-Out” Requirement** – Legislation was introduced again this year requiring utilities to offer customers the opportunity to opt-out of having a Smart Meter on their property for monitoring and reporting electricity usage. We finally convinced the legislators that the optimal place to address this issue was at the regulatory commission. This legislation did not move forward.
- **Shielding the Grid from Electromagnetic Pulses (EMP)** – Also introduced again this year was legislation that would require the state’s electricity providers to shield the grid from EMPs; either solar flares or terrorist attacks. We opposed this legislation; although it didn’t move forward, we are, however, expecting to see similar legislation in the future.

UTILITY ISSUES

Oklahoma Clean Air – EPA Overreach (SIP / FIP) – Had the Governor not VETOED Senate Bill 676 (SB676), it would have required the Oklahoma Department of Environmental Quality (DEQ) to develop a State Implementation Plan (SIP) to comply with EPA rules. The legislation gave the Attorney General (AG) an opportunity to reject the SIP if they found it to be unconstitutional.

During the Bill’s progress through the legislative process, the Governor issued **Executive Order 2015-22**, which prohibited the DEQ from beginning efforts to develop a SIP related to Section 111(d) of the Clean Air Act, in response to finalization of the Clean Power Plan rules. The Executive Order further stated that development of a SIP could only proceed if such action was determined to be required by the AG or a court of competent jurisdiction. Additionally, such action could not begin absent express written authority of the Governor.

SB676 continued its journey through the legislative process, ultimately gaining approval in both chambers and it was submitted to the Governor for her signature. Instead, the **Governor vetoed SB676**, stating the “...development of such a SIP involves dozens of state and private entities and thousands of hours of study and negotiations. It is a massive undertaking and requires the commitment of untold...resources”. The Governor said SB676 was unnecessary, “...given that the Legislature, AG and I are in agreement that the State should, in fact, not implement a SIP”.

The Legislature has yet to attempt a Veto Override.

2015 OKLAHOMA LEGISLATIVE SUMMARY

- **Mutual Assistance – Eliminate Withholding State Income Taxes from Out-of-State Workers** – We supported legislation, Senate Bill 499, which provides an exemption to out-of-state workers who are working at the request of in-state utility companies, providing temporary relief efforts during a declared disaster or state of emergency. Conceptually, similar legislation will be passed in all 50 States, or those that have state income taxes. Given the temporary nature of the work being done, the out-of-state worker doesn't typically make enough money to actually owe state income taxes, but in order to get a refund of the taxes withheld, they must file an Oklahoma state income tax return. The passage of SB499 will improve the efficiency of our state government, as the state will not have to process the income tax returns of the out-of-state workers who do not owe any taxes.

OTHER

- **Ban on Texting while Driving** – Given our commitment to safety, we supported legislation that made it unlawful for any person to operate a moving vehicle while using a hand-held electronic communication device to manually compose, send, or read an electronic message. Similar legislation had been introduced in previous years, but had not passed. This year however, the tragic death of a State Trooper who was hit while working a roadside accident prompted the passing of the new law. The motorist admitted that the cause of the accident was due to him updating his social media page while driving. One Trooper lost his life and another was critically wounded.