

2017 USGO OKLAHOMA REPORT



**Hershey, PA
July 9 – 12, 2017**

OKLAHOMA AT A GLANCE

STATE PROFILE

Capitol City	Oklahoma City
Governor	Mary Fallin
General Elections	November 12, 2018
Legislature Convenes	February 5, 2018

SENATE

Republicans	40
Democrats	6
Vacant	2
Term	4 Years
Presiding Officer	President Pro Tempore, Mike Schulz
Majority Leader	Greg Treat
Minority Leader	John Sparks
Major Utility Committee	Energy Committee, Bryce Marlatt (Chair)

HOUSE

Republicans	72
Democrats	26
Vacant	3
Term	2 Years
Presiding Officer	Speaker, Charles McCall
Majority Leader	Jon Echols
Minority Leader	Scott Inman
Major Utility Committee	Utilities, Todd Thomsen (Chair)

REGULATORY BODY

Members	Dana Murphy – R (Chair) Todd Hiatt - R Bob Anthony – R
Method of Selection	Election
Current Issues	Comprehensive Review of Agency; specifically addressing Mission, Staffing, Performance, Structure, and Funding. Also, continuing to address seismicity issues resulting from waste water injection wells.

2017 OKLAHOMA LEGISLATIVE SUMMARY

The first Session of the 56th Legislature of Oklahoma convened on February 6, 2017, and Adjourned Sine Die on May 26, 2017.

ELECTRIC UTILITY COALITION LEGISLATION

OAEC, OGE & PSO make-up the Electric Utility Coalition and we generally coordinate our legislative efforts. This year (along with members from the natural gas utilities or LDCs) we:

- **Opposed** measures that would have eliminated our ability to implement interim rates, if the State regulatory body failed to issue Orders within the 180-day window as prescribed by law (HB 1891 & SB 282); **Status: DORMANT**
- **Opposed** measures that would have required utilities to allow customers to “opt-out” of Advanced Metering Infrastructure (HB 1435 & SB 601); **Status: DORMANT**
- **Opposed** measure that would have allowed any person or entity to utilize public roads and right-of-ways (HB 1827 CCR1); **Status: DORMANT**
- **Opposed** measures restricting the industry from flying Unmanned Aerial Vehicles (“UAVs” or “Drones”) over existing easements (**without prior notice to landowners**) (HB1326 & SB 660); **Status: DORMANT**
- **Opposed** measures infringing upon rights of those entities having Eminent Domain authority, as well as a measure to REPEAL a moratorium against a municipality’s condemnation of a utility’s infrastructure when it will be used for the same purpose (HB 1287, HB 2194, HB 2195, and HB 1271); **Status: DORMANT** and
- **Opposed** measures allowing the expansion of State-owned electricity generation and distribution; in addition to thwarting efforts to implement **Retail Wheeling** (HB 2390) **Status: DORMANT.**

2017 OKLAHOMA LEGISLATIVE SUMMARY

OTHER NOTABLE LEGISLATION

HB 1377 – Sought to create a Task Force to perform a Comprehensive Review of the State Regulatory Agency, specifically addressing Mission, Staffing, Performance, Structure, and Funding. Although the Governor was supportive of the Legislation, she thought the process would be better-handled via Executive Order, which is expected in the coming weeks, so the legislation did not move forward during the last week of Session. Bill is **DORMANT**.

HB 2298 – Accelerated the sunset of Zero-Emission Tax Credits for the Wind Industry (prospectively ONLY); in order to be eligible for the existing Tax Credits, turbines must be in service by July 1, 2017. **SIGNED** by Governor.

HB 1449 – Implemented a “Gasoline Tax Equivalent” Annual Fee on Electric Vehicles (EVs) and Hybrid Vehicles (\$100 and \$30, respectively) for the purpose of raising funds for the maintenance of Roads and Bridges. **SIGNED** by Governor.

HB 2132 – Initially proposed as an Economic Development tool across several States, Bill proponents sought to create a “Prosperity States Compact” that provided a standard methodology whereby a landowner (or group of landowners) could declare themselves to be in a “Prosperity District”. None of the current laws, rules, regulations or taxes, would apply to those inside the boundaries of that District. Thankfully, Bill is **DORMANT**.

HB 1570 – Oklahoma is reportedly one of the first States in the nation to reform the “Discovery Code” for state courts, which should reduce frivolous lawsuits. All Oklahoma businesses should view this major reform as a success. **SIGNED** by Governor.

HB 1845 - Adopt the federal REAL ID ACT security requirements for Oklahoma’s driver licenses and identification cards. Provides an opt-out provision for those wishing to only receive a state-compliant ID. **SIGNED** by Governor.

SESSION OVERVIEW

The 2017 Oklahoma Legislative Session was, as described by the TulsaWorld newspaper, “Dysfunctional. Tough. Difficult.” The Session included:

- a very large class of freshman legislators (a combined 33% turnover in Members in both Chambers; largely due to term limits);
- over 2,500 pieces of legislation;
- a projected Budget Gap of nearly \$900 Million;
- a required \$200 Million repayment of a loan from the State’s “Rainy Day Fund”;
- the death of a sitting legislator;
- the resignation of 3 Members amid controversy during Session; 2 Members for improper sexual relationships / activity, and 1 Member for inappropriate use of campaign funds; and
- the Budget wasn’t passed until the very last day of Session; and certain Revenue measures included in the Budget are already being challenged (which, if successful, may result in either a Special Session to correct, or across-the-board budget cuts to all State agencies).