

2018 USGO OKLAHOMA REPORT



**Farmington, PA
July 21 – 25, 2018**

OKLAHOMA AT A GLANCE

STATE PROFILE

Capitol City	Oklahoma City
Governor	Mary Fallin
General Elections	November 6, 2018
Legislature Convenes	February 4, 2019

SENATE

Republicans	39
Democrats	8
Vacant	1
Term	4 Years
Presiding Officer	President Pro Tempore, Mike Schulz
Majority Leader	Greg Treat
Minority Leader	John Sparks
Major Utility Committee	Energy Committee, Mark Allen (Chair)

HOUSE

Republicans	72
Democrats	28
Vacant	1
Term	2 Years
Presiding Officer	Speaker, Charles McCall
Majority Leader	Jon Echols
Minority Leader	Steve Kouplen
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.

2018 OKLAHOMA LEGISLATIVE SUMMARY

The second Session of the 56th Legislature of Oklahoma convened on February 5, 2018, and Adjourned Sine Die on May 3, 2018 (3 weeks early).

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:

- **SUPPORTED** measures that would have extended the “Clean-Burning Motor Fuel” Tax Credit (HB 1532 and HB2756) and included Electric Vehicles; **Status: DEAD**
- **SUPPORTED** measures that would have placed a \$100 annual vehicle registration fee (tax) on Electric Vehicles to support roads and bridges infrastructure (HB 1449 and HB26384); **Status: ENACTED, OVERTURNED (on technicality), REFILED, DEAD**
- **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: DEAD**
- **Opposed** measure that would have implemented a new “BTU Tax” on all forms of energy produced in Oklahoma (HB 2854); **Status: DEAD**
- **Opposed** measures that would have required utilities to allow customers to “opt-out” of Advanced Metering Infrastructure (HB 1435 & SB 601); **Status: DEAD**
- **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: DEAD**

2018 OKLAHOMA LEGISLATIVE SUMMARY

OTHER NOTABLE LEGISLATION

SB 888 – Depending on the version of the bill, would have either implemented a “Gross Production Tax” on renewables, or retroactively eliminated the “refundability” of Zero-Emission Tax Credits for the Wind Industry (currently, even when the owner of the turbines pays “ZERO” in State Income Taxes, the State “refunds” the value of the tax credits to the owner based on \$5 / MWHR. This is currently costing the State approximately \$75 million annually. **Status: DEAD**

SB 893 – Placed a \$500,000 annual CAP on all Zero-Emission Tax Credits excluding Wind (Solar, Hydro, etc...). **Status: ENACTED**

“Step Up Oklahoma” was a package of legislation proposed to provide for a Teacher Pay Raise (prior to the Teacher Walkout. The Proposal was offered by the business community, which would have raised various taxes and implemented numerous Reform measures). **Status: DEAD**

SESSION OVERVIEW

Last year the Oklahoma Legislative Session was, as described by the TulsaWorld newspaper, “Dysfunctional. Tough. Difficult.” The 2018 Session was even worse!

The Session included:

- two lengthy Special Sessions to address budgetary issues and to fund a Teacher Pay Raise
- a very large class of freshman legislators (a combined 33% turnover in Members in both Chambers; largely due to term limits and the resignation of several disgraced legislators);
- a Teacher Walkout, during which 20,000 – 30,000 teachers, support staff and other State employees took over the Capitol for 2 weeks, protesting, picketing, and demanding certain legislation be passed and a \$10,000 raise for teachers;
- a stalemate over raising taxes, primarily resulting from an existing State Constitutional requirement that any legislation to raise taxes must have the support of 75% of the Members in each Chamber, or be approved by a vote of the people.

STATE QUESTION

SQ 788, which is an attempt to legalize “Medical Marijuana”, will be on the June 26th Primary Ballot. However, as drafted, the measure appears to resemble recreational marijuana, disguised as medical marijuana. The polling indicates that the measure will likely be supported by the majority of voters, although several groups have launched a campaign in opposition.