

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

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<b>Action:</b>	Do Pass the A-Engrossed Measure
<b>Vote:</b>	4 - 0 - 1
<b>Yeas:</b>	Atkinson, Beyer, Prozanski, Avakian
<b>Nays:</b>	0
<b>Exc.:</b>	Bates
<b>Prepared By:</b>	Sue Marshall, Administrator
<b>Meeting Dates:</b>	5/22

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**WHAT THE MEASURE DOES:** Allows a water right holder to apply to the Water Resources Department through an expedited application process for a certificate to appropriate water for hydroelectric purposes. Provides that eligible project must be within an artificial water delivery system, fall under an existing water right and meet Federal Energy Regulatory Commission license exemption. Provides that certificate issued under the expedited application process may not have its own priority date and does not grant a right to divert water for hydroelectric purposes. Allows the department to charge a \$500 processing fee. Attaches conditions regarding development and use, cancellation or revocation, and review.

**ISSUES DISCUSSED:**

- Length and complexity of existing application process
- Ability of irrigators to offset water conservation costs by installation of small hydroelectric projects
- Resource protection

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Applications for certificates for hydroelectric projects placed in existing water delivery systems are subject to a consolidated review process by several state agencies including Water Resources Department, Department of Environmental Quality, Oregon Department of Fish and Wildlife and Oregon Parks and Recreation Department. Following agency review of the application, a contested case hearing is held to determine if the project meets statutory and rule standards. Upon determination that standards are met, the department issues a hydroelectric certificate. The application process may take several months and costs approximately \$1,000.

The Federal Energy Regulatory Commission (FERC) licenses and inspects private, municipal and state hydroelectric projects. A licensing exemption may be granted to hydroelectric projects with a generating capacity of less than five megawatts under certain conditions.

House Bill 2785-A establishes an expedited process for a hydroelectric certificate under certain conditions. To be eligible for the expedited process, a proposed project must be within an artificial water delivery system, fall under an existing water right and meet FERC license exemption. Under the expedited process and upon receipt of a complete application including a \$500 processing fee, the department then notifies the Department of Fish and Wildlife and provide a 30-day period for public comment. A certificate is then issued by the department based on a determination that the project is not detrimental to the public interest. The process allows for a contested case hearing if the project is determined to be detrimental to the public interest. The measure requires the department to publish a notice of hydroelectric certificates issued. Those granted hydroelectric certificates under the expedited process are required to measure and report the quantity of water diverted.

5/25/2007 3:12:00 PM

***This summary has not been adopted or officially endorsed by action of the committee.***