

Legislative Fiscal Office

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Joint Committee on Ways and Means

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To: Natural Resource Subcommittee

From: Matt Stayner, Legislative Fiscal Office

Date: Tuesday, June 16, 2021

Subject: HB 2143– Relating to Work Session Recommendations

HB 2143 increases the annual fees on hydroelectric projects. Large projects that are being relicensed starting at a base rate of \$0.687 times the theoretical horsepower (THP). The bill also requires that a Fee Review Panel convene at least every eight years to adjust the fee based on programmatic need and as the impacted agencies' hydroelectric project portfolio changes. The measure provides a two-year exemption for the fee increase on certain qualifying larger projects, allowing these projects to pay \$0.48/THP through 2023 or upon relicensing.

The Water Resource Department (WRD) estimates the fee increase will result in an additional \$759,344 Other Funds in the 2021 biennium. The fee revenue is split between WRD (9%), Oregon Department of Fish and Wildlife (ODFW) (25%), and Department of Environmental Quality (DEQ) (66%). WRD will transfer funds to ODFW and DEQ.

Final Subcommittee Action

LFO recommends that HB 2143 be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____