

# HB 2143: Hydroelectric Annual Fees



## House Committee on Energy and Environment

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# Overview

- **Background**
- **Agency Services & Capacity**
- **Current Fee Structure**
- **Budgetary Shortfalls**
- **Proposed Solution**



# Background

- Three state agencies participate in hydroelectric project licensing and oversight
- Approximately 100 operators and 160 active projects in State of Oregon
  - Public and private utilities, municipalities, irrigation districts, private citizens
  - Do not license or oversee federal projects

# Background – Program Purposes

## **ORS 543.015 & ORS 543A.020**

- Promote the public benefits of hydropower while minimizing the public costs
- Protect Oregon's natural resources
- Protect the health and safety of Oregonians
- Participate in any local, state, or federal proceedings related to hydroelectric power development
- Provide recommendations on and ensure compliance with state and federal laws

## Water rights and program administration

- Water right compliance
- Represents State joint position during Federal Energy Regulatory Commission processes
- Administers Hydroelectric Fund
- 2.1 FTE







## Agency Services: Department of Fish and Wildlife

### Fish and Wildlife protection and mitigation

- Protects, mitigates, and enhances fish and wildlife and habitat
- Ensures compliance with all state and federal fish and wildlife laws
- Conducts fish and wildlife facilities engineering reviews and site visits
- 7.00 FTE





State of Oregon  
Department of  
Environmental  
Quality

# Agency Services: Department of Environmental Quality

## **Preserving and protecting water quality**

- Clean Water Act Section 401 Water Quality Certification and Implementation
- Evaluate Environmental Protection Agency Total Maximum Daily Load requirements
- 2.05 FTE

# Background – Annual Fees

- Annual fee supports programs
  - Established in 1911
  - Statute last updated in 1999
  - Depends on size and relicensing status



# The Need for Change: Complicated and Unequal Fee Structure

Applicable ORS	543.078(2)(a)	543A.415	543.710	543.078 (2)(b)	543.500(5)	543A.415(1)
<b>Relicensed</b>	Yes	No	No	Yes	No	No
<b>2021 Fee Notes</b>	\$0.608/THP in 2020	\$0.28/THP	\$0.28/THP	\$50	\$1 up to 25 THP, then \$0.20/THP	\$15
<b>Fees last increased</b>	2020	1999				
<b>Inflation</b>	Yes	No				
<b># of Projects</b>	54	9	12	53	10	9
<b>THP Range</b>	164-591,818	100-500,852	801-36,363	1-110	17-99	0-12

# The Need – Increasing Costs

- Agency costs, such as personnel costs, increasing at a faster rate than the inflation adjustment
- In addition, increased legal expenses:
  - DOJ costs
  - Project relicensing
  - Project decommissioning
- Need to address revenue shortfall to maintain services

# The Need: Maintain Services

- Agencies anticipate budgetary shortfalls in the coming biennia
  - DEQ in 2019-2021
  - ODFW and OWRD in 2021-2023
- May inhibit current services

# Simplify & Increase Fees

Applicable ORS	543.078(2)(a)	543A.415	543.710	543.078 (2)(b)	543.500(5)	543A.415(1)
<b>2020 Fee</b>	\$0.608/THP in 2020	\$0.28/THP	\$0.28/THP	\$50	\$1 up to 25 THP, then \$0.20/THP	\$15
<b>New Fee</b>	\$0.687/THP in 2020			\$50		\$15
<b>Inflation</b>	Yes			No		

**Revenue Increase: \$1,287,004 for 21-23 biennium**

# Conclusion

State agency services are necessary to obtain the benefits of hydroelectric power while minimizing impacts by preserving natural resources and public health and safety.



# Questions?



## Oregon Water Resources Department

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