



PGE Comments on House Bill 2143 - Hydroelectric Program Fees

February 17, 2021

Portland General Electric owns and operates seven large hydroelectric projects, including the Pelton/Round Butte project on the Deschutes River near Madras, Oregon, four plants on the Clackamas River, and one on the Willamette River. PGE holds renewed licenses from the Federal Energy Regulatory Commission (FERC) for each of these projects.

The Departments of Environmental Quality (ODEQ), Fish and Wildlife (ODFW), and Water Resources (OWRD) operate state hydroelectric programs funded by a central fee structure. The current statutorily defined fee structure is complex and leads to relicensed projects paying substantially higher fee rates. For relicensed projects, fees can be increased through consent of a review panel. Fees for projects that have not been relicensed can only be changed through legislation. The fees for projects that have not been relicensed have remained static, while the fees paid after a project goes through relicensing have increased over time through inflation adjustments.

This session, the agencies have proposed legislation to simplify the annual fees paid by hydroelectric projects and raise the fees paid by large projects such that all large projects pay the same rate regardless of relicensing. While this will result in a fee increase for PGE for our hydroelectric projects, we believe it is a reasonable approach to make the fee structure simpler and more equitable.