

February 16, 2021

Members of the House Committee on Energy and Environment
900 Court Street NE
Salem, OR 97301

Subject: Idaho Power Opposition to HB 2143 Hydro Fee Increase

Members of the House Committee on Energy and Environment:

Thank you for the opportunity to comment on HB 2143 which proposes hydroelectric fee increases. Idaho Power Company (IPC) is a largely hydro-based investor-owned utility, with a majority of the production coming from the company's three-dam Hells Canyon Complex (HCC) located on the Oregon and Idaho border. IPC has significant interest and concern about the proposed increase in hydro fees and the impacts those fees have on our customers in Oregon and Idaho.

If this bill proposed by Oregon Department of Environmental Quality (ODEQ), Oregon Water Resources Department (OWRD) and Oregon Fish and Wildlife (ODFW) were to pass it would increase IPC's hydro fees from \$296,000 annually to over \$700,000 annually. This more than double rate increase directly impacts all of Idaho Power's customers, including those located in Oregon. This cost increase is targeted specifically at Idaho Power customers due to the fact that HCC is the only large project, as defined by the proposed legislation, that is still in the relicensing process. All other proposed fee changes in this proposal are nominal.

Further, Idaho Power has fully reimbursed all ODEQ's costs for the agency's work associated with relicensing HCC through the agency's reauthorization fees. These fees total nearly \$700,000 in the last 10 years of relicensing work and are in addition to the \$296,000 hydroelectric fee IPC pays annually. As such, we do not believe that the agencies shortfalls are due to work associated with Idaho Power and HCC. IPC customers should not subsidize the agencies operating costs for work they do on smaller hydro projects who are only required to pay between \$15 to \$50 annually in hydro fees.

Idaho Power and its customers would like equitable treatment by the state agencies and request that this proposed fee increase be postponed until the issuance of a license for HCC so that the hydro fees Idaho Power pays are in line with the hydro fees paid by all other large-scale projects that have recently been relicensed. We understand that the agencies are facing extraordinary times, but so are our rural, predominately low-income customers. Please consider the impact this fee increase will have on them.

Sincerely,



Brett Dumas
Environmental Affairs Director Idaho Power Company