



February 18, 2021

Representative Pam Marsh, Chair  
Representative Ken Helm, Vice-Chair  
Representative David Brock-Smith, Vice-Chair  
House Committee on Energy and the Environment

Re: Trout Unlimited Comments on HB 2143

Dear Chair Marsh and Members of the Committee,

Thank you for the opportunity to present testimony on House Bill (HB) 2143. My name is Chandra Ferrari and I represent Trout Unlimited, a non-profit organization dedicated to the conservation of cold-water fishes, such as trout and salmon, and their habitats. Trout Unlimited has more than 300,000 members and supporters nationwide including over 3,000 in Oregon. Trout Unlimited is also a member of the Hydropower Reform Coalition (HRC), a diverse coalition of more than 160 national, regional and local organizations with a combined membership of more than one million people. HRC members jointly have an interest in protecting and restoring rivers that are impacted by hydropower dams.

TU strongly supports HB 2143 which simplifies and increase the annual fees paid by hydroelectric projects to maintain current agency service levels and further a more equitable fee structure. These fees support Oregon Department of Fish and Wildlife (ODFW), Oregon Department of Environmental Quality (ODEQ) and Oregon Water Resources Department (OWRD) engagement in state hydropower matters to ensure compliance with water quality standards and water rights conditions and adequate mitigation for impacts to fish and wildlife, recreation, aesthetics, public access, and other beneficial uses. There is a critical need for dedicated hydropower fees to continue at a sufficient level so that agency staff can retain participation and resource protections in the face of a sizable hydropower workload in Oregon. Agency costs have increased due to several factors including personnel costs and legal expenses. Yet, the hydropower fee structure has not been updated since 1999 and is currently structured in a manner that disproportionately affects certain large hydropower operators (mainly those that have undergone relicensing through the Federal Energy Regulatory Commission (FERC)).

The footprint of a hydropower project can be large with commensurate harm to local ecosystems and communities. Hydroelectric dams block migration of economically, culturally, and ecologically important fish such as salmon; reservoirs turn rivers into warm, still lakes that grow algae affecting drinking water; and hydropower generation can significantly change the timing, volume, and duration of flows in a river, disrupting biological cues for wildlife and the surrounding ecosystem. At the same time, hydropower projects provide critical energy generation and grid reliability services that have a place in a clean energy economy, however that

place must be carefully determined to avoid exacerbating and to help minimize the worst impacts from this source of electrical generation. The site-specific nature of hydroelectric projects is one of the reasons that it is so critical to have agency engagement in the FERC licensing/relicensing and post-licensing processes. Each project must be considered on its own merits including but not limited to, whether the project has adverse impacts to public values such as water quality, water quantity, flow regime, fish and wildlife, cultural resources, environmental justice and/or recreation. Accordingly, Oregon's resource agencies must have the staff and resources needed to evaluate projects individually, establish protective terms and conditions in the licensing/relicensing process and maintain a seat at the post-licensing table to guarantee that the improvements to natural resources and water quality contained in FERC licenses are being realized over the term of the license (which can extend to 50 years).

HB 2143 raises the annual hydropower fee levels to ensure that these critical agency services can be maintained going forward. It also seeks to remedy structural inequities that exist in the current fee structure where large hydropower projects that are undergoing relicensing pay significantly lower annual fees than large hydropower projects that have completed relicensing. FERC relicensings are complex, particularly for large projects, and can often take decades to complete especially when there are significant disputes over resource protections. It is common for hydropower projects to operate on annual licenses while undergoing lengthy relicensing processes. This results in an inequitable situation where certain large hydropower projects are paying significantly less in annual hydropower fees than other similarly situated projects. HB 2143 would remedy this by ensuring that all large hydropower projects pay the same rate per THP (theoretical horsepower) generated by the project.

TU appreciates the opportunity to comment on HB 2143. We look forward to engaging in constructive discussions to ensure that an equitable hydropower fee structure that maintains sufficient agency engagement in hydropower proceedings is established.

Thank you for the opportunity to testify.



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