

# SENATE BILL REPORT

## EHB 1931

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As Reported by Senate Committee On:  
Ways & Means, February 28, 2022

**Title:** An act relating to sustaining hydropower license fees.

**Brief Description:** Sustaining hydropower license fees.

**Sponsors:** Representative Fey; by request of Department of Ecology.

**Brief History:** Passed House: 2/15/22, 95-2.

**Committee Activity:** Ways & Means: 2/24/22, 2/28/22 [DP, w/oRec].

### Brief Summary of Bill

- Extends the expiration date of hydropower projects licensed by the Federal Energy Regulatory Commission from June 30, 2023, to June 30, 2029.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Capital; Robinson, Vice Chair, Operating & Revenue; Wilson, L., Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Ranking Minority Member, Capital; Billig, Braun, Carlyle, Conway, Dhingra, Gildon, Hasegawa, Hunt, Keiser, Mullet, Muzzall, Pedersen, Rivers, Van De Wege, Wagoner, Warnick and Wellman.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Schoesler, Assistant Ranking Member, Capital.

**Staff:** Jed Herman (786-7346)

**Background:** The Department of Ecology (Ecology) issues Clean Water Act water quality

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

certifications to hydropower project operators licensed by the Federal Energy Regulatory Commission (FERC). After the FERC license and water quality certificate have been issued for a project, the water quality protection standards are monitored, and permit condition compliance is overseen by Ecology and the Washington Department of Fish and Wildlife (WDFW).

Most hydropower project operators are required to pay an annual fee to Ecology, which is deposited into a dedicated account. The fees for hydropower project development are based on a two-step model that considers theoretical horsepower generated. The first step is the base fee paid by all hydropower projects. Base fees are calculated using a formula based on anticipated power generated.

In addition to the base fee, all hydropower projects that are required to be licensed by the FERC must pay an additional fee. The additional fees are calculated using a similar formula as the first step. The base fee and the second fee paid by facilities licensed by the FERC are additive until June 30, 2023, when the additional fee expires and all facilities are only required to pay the base fee. These funds are used by Ecology and the WDFW to assist power generation facilities in meeting environmental regulatory requirements and other requirements associated with the FERC licensing process. Ecology submits a biennial report to the Legislature describing how license fees were spent by Ecology and the WDFW on water quality certification work for the FERC-licensed hydropower projects.

**Summary of Bill:** The secondary fee, paid by FERC-licensed hydropower projects expires on June 30, 2029, rather than June 30, 2023.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: The fee is vitally important as it allows us to ensure there are viable amounts of water flow for fish and wildlife species. We feel that having a sunset date is important, as it helps maintain the kind of basis we need for our relationship with the state agencies. The bill is good for helping to maintain in-stream flow work which is good for fish.

**Persons Testifying:** PRO: Michael Garrity, Washington Dept. of Fish & Wildlife; Dave Arbaugh, Chelan PUD; Alexei Calambokidis, Trout Unlimited.

**Persons Signed In To Testify But Not Testifying:** No one.