

Focus on: Water Power License Fees



WHY IT MATTERS

Hydropower dams manage their impact on water quality and habitat by maintaining compliance with federal licenses. Fees assessed on the water rights to produce energy provide 55% of the funds that state agencies need to support hydropower facility operators and protect water quality. This funding expires on June 30, 2023. If this funding ends, state agencies will have limited capacity to support dam certification and protect our states' people, fish, and wildlife.

Eliminating the sunset date on water power license fees maintains necessary funding for state agencies to support hydropower facilities and operators so that we can protect states' waters.

Proposed Legislation

The Department of Ecology (Ecology), in coordination with the Department of Fish & Wildlife (WDFW), seek authority to eliminate a sunset date on water power license fees so that we can continue to support hydropower facilities with certifications, permitting, and federal regulation compliance.

The problem

Hydropower dams have the potential to impair habitat, water quality, and fish survival through the ways they affect water temperature, sediments, oxygen levels, total dissolved gas, and the potential for leaks or spills.

Water power license fees are required for Federal Energy Regulatory Commission (FERC) licensed dams (Revised Code of Washington 90.16.050). These fees, initiated in 2007 and extended in 2016, will expire June 30, 2023. The revenue from these fees enable Washington State agencies to help the hydropower industry meet federal licensing requirements that protect water quality and the protection, mitigation, and enhancement of fish, wildlife, and habitat.

In the last biennium, fees covered about 55% of staff and administrative costs of the workload. If these fees sunset, this lack of revenue would reduce the state's ability to assist dams with certifications, permits, and approvals of federal regulations for which the state is responsible to provide.

Dams operate on the very waters salmon and other species depend on for migration and habitat. Without proper funding, the state will not be able to perform its critical oversight role for protecting state waters.

The solution

Operators of hydropower facilities need ongoing support from Ecology and WDFW in maintaining compliance with state certification and federal licensing. Continuing reliable fees based on water usage will provide ongoing support to meet implementation and compliance needs for environmental protection at hydropower facilities. Additionally, these fees allow us to represent public, stakeholder, and tribal input on water quality conditions necessary to protect aquatic life resources.

Ecology's proposal

We propose to eliminate the sunset date of fees in RCW 90.16.050 to ensure funds are available for dams to meet the requirements of the water quality permits (known as "401 certifications") within the terms of their FERC licenses. This will enable Ecology and WDFW to continue responding to the needs of hydropower operators to implement permit conditions, settlement agreements, water quality compliance schedules, and other federal license requirements.

How it will work

Once the sunset fee date is eliminated, fees will continue to be assessed as established in 2007. Implementation of environmental goals will continue for decades into these 30-50 year licenses. Existing and proposed hydropower projects can continue to rely on participation by state agency staff to effectively develop and implement water quality certification conditions and other environmental FERC license requirements.

How it will benefit Washington

Eliminating the sunset of these license fees maintains the necessary resources to allow Ecology and WDFW to be responsive to the hydropower industry and to ensure the state is taking needed steps to protect state waters' designated uses, including protecting and enhancing aquatic life.

Sustaining this funding allows Washington to continue generating power from our rivers while keeping them healthy for people, fish, and wildlife.

More information

[Waterpower License Fees Report to the Legislature](https://ecology.wa.gov/Regulations-Permits/Permits-certifications/401-Water-quality-certification/Certifications-for-hydropower-licenses/Water-power-licensing-fees)

<https://ecology.wa.gov/Regulations-Permits/Permits-certifications/401-Water-quality-certification/Certifications-for-hydropower-licenses/Water-power-licensing-fees>

[Clean Water Act - Section 401 WQ Certifications](https://ecology.wa.gov/Regulations-Permits/Permits-certifications/401-Water-quality-certification)

<https://ecology.wa.gov/Regulations-Permits/Permits-certifications/401-Water-quality-certification>

[WA Department of Fish & Wildlife Conservation](https://fortress.wa.gov/dfw/score/score/habitat/habitat.jsp)

<https://fortress.wa.gov/dfw/score/score/habitat/habitat.jsp>

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ADA Accessibility

To request an ADA accommodation, contact Ecology by phone at 360 701-3958 or email at david.giglio@ecy.wa.gov, or visit <https://ecology.wa.gov/accessibility>. For Relay Service or TTY call 711 or 877-833-6341.