



Frequently Asked Questions about Hydropower Fees

from Ecology's Water Resources Program

In April 2007, Governor Christine Gregoire signed a new law that updates the fee structure for hydropower fees. This is the first time fees have been updated since 1929.

Substitute Senate Bill 5881 amended two sections of Chapter 90.16 RCW, "Appropriation of water for public and industrial purposes" (RCW 90.16.050 and .090).

Q: When does the new fee structure go into effect?

A: The new fees are effective on July 22, 2007 -- 90 days after the 2007 Legislature adjourned.

Q: What are the new fees?

A: The fees for projects in operation and Federal Energy Regulatory Commission (FERC) projects are:

For projects in operation:

For each and every theoretical horsepower (hp) claimed	Fee per horsepower
From 51 to 1,000 hp	18 cents
From 1,001 to 10,000 hp	3.6 cents
Over 10,000 hp	1.8 cents

For FERC projects in operation, the following fee schedule applies **in addition to** the above fees:

For each and every theoretical horsepower (hp) of capacity	Fee per horsepower
From 51 to 1,000 hp	32 cents
From 1,001 to 10,000 hp	6.4 cents
Over 10,000 hp	3.2 cents

Q: Are there any fee exemptions or reductions for undeveloped or partly developed projects?

A: Yes.

- For undeveloped projects: the fee is 1/2 the rates for projects in operation (see first table, above).
- For projects partly developed and in operation:
 - for the developed and in operation portion: the fees are the same as the fees for projects in operation (see first table, above)
 - for the remainder of the power claimed under such project: the fees are 1/2 the rates for projects in operation.

Q: Are there any fee exemptions or reductions for irrigation districts or other entities developing power primarily for pumping water for irrigation?

A: Yes.

- The required fees for projects developed by an irrigation district for their water conveyance system will be reduced by 50% to reflect the portion of the year when the project is not operable.
- Any irrigation district, or other municipal subdivision of the state, developing power chiefly for use in pumping of water for irrigation, is exempt from fees for the portion of the project which produces power for irrigation pumping.

Before the exemption is allowed, the irrigation district or other municipal subdivision must file a statement showing the amount of power used for irrigation pumping.

Q: Are there any other fee exemptions or reductions?

A: Yes.

- The required fees do not apply to any hydropower project owned by the United States.
- The required fees do not apply to the use of water for the generation of 50 horsepower or less.

Q: Are any of the fees refundable?

A: No.

Q: What happens to the collected money?

A: All hydropower fees will be used by the Department of Ecology for:

- Investigations and surveys of natural resources, including stream gauging, hydrographic, topographic, river, underground water, mineral and geological surveys; and
- Expenses associated with staff at Ecology and the state Department of Fish & Wildlife working on FERC relicensing and license implementation.

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