



For immediate release: February 23, 2009

EID joins opposition to higher federal fees at hydroelectric power facilities

Placerville, CA... The El Dorado Irrigation District (District) Board of Directors today voted to join a coalition to challenge greatly increased federal land fees for hydroelectric power systems licensed by the Federal Energy Regulatory Commission (FERC).

“Last year, we paid the federal government \$166,391 to operate our Project 184 hydro-power system on Forest Service lands,” said John Fraser, EID Board Vice President. “FERC says it’s raising that amount to \$282,306 this year. That’s a 70-percent increase. And in 2010, the fee will be \$352,883, more than 100 percent above the 2008 fee.”

“In these difficult economic times, and especially when the administration in Washington, DC, is focusing on economic recovery, I fail to see any justification for such a huge jump in fees. It’s even more troubling because, in the past, FERC rejected the same type of index it plans to use to calculate the new fees.”

Fraser was referring to FERC’s recent adoption of the U.S. Forest Service’s approach to charges for the use of national forest lands. In short, the Forest Service incorporates the value of agricultural land in a given county to determine what it will charge per acre for projects located on national forests. FERC adopted the Forest Service method wholesale, without an independent review—or public comment—to determine whether the charges are reasonable, as required by law.

“FERC rejected the use of an agricultural index to calculate land values before,” said Tom Cumpston, the District’s general counsel, “and we believe they should again. Our facilities are located mostly in alpine environments and canyons on Eldorado National Forest. Agriculture there is simply not practical, and so we are being charged based on land values that don’t exist where we operate.”

“We also object to the assumption in the Forest Service method that all of the Project 184 lands are devoted entirely to power production and therefore are not available for other uses,” Cumpston emphasized. “That is not the case. Recreation opportunities abound on the lakes and in the rivers that also support our power production. Furthermore, FERC and the Forest Service require us to spend millions of dollars during the life of our 40-year license on recreation projects such as the Caples Lake Boat Launch, the reconstruction of Forest Service campgrounds at Silver Lake and Caples Lake, improvements to the Caples Lake Dam and Pyramid Creek trailheads, constructing a new crossing for the Pacific Crest Trail, and more.”

The Board vote to oppose the fees came in closed session during the February 23 Board meeting. The unanimous decision authorized the District’s general manager to join a coalition of hydroelectric licensees in Washington state, Oregon, Idaho, and California. The coalition will be represented by the law firm of Van Ness Feldman of Washington, DC and Seattle, WA. “We expect others to join the coalition in the next few days,” Cumpston said. “All coalition members will share the costs of legal actions to contest the short-cut measures that FERC took to set its new and, in our view, highly unreasonable fees.”

For more information, contact Deanne Kloepfer at 530-622-4513.