



Hydropower Relicensing Consulting Services Contract

NOVEMBER 1, 2023

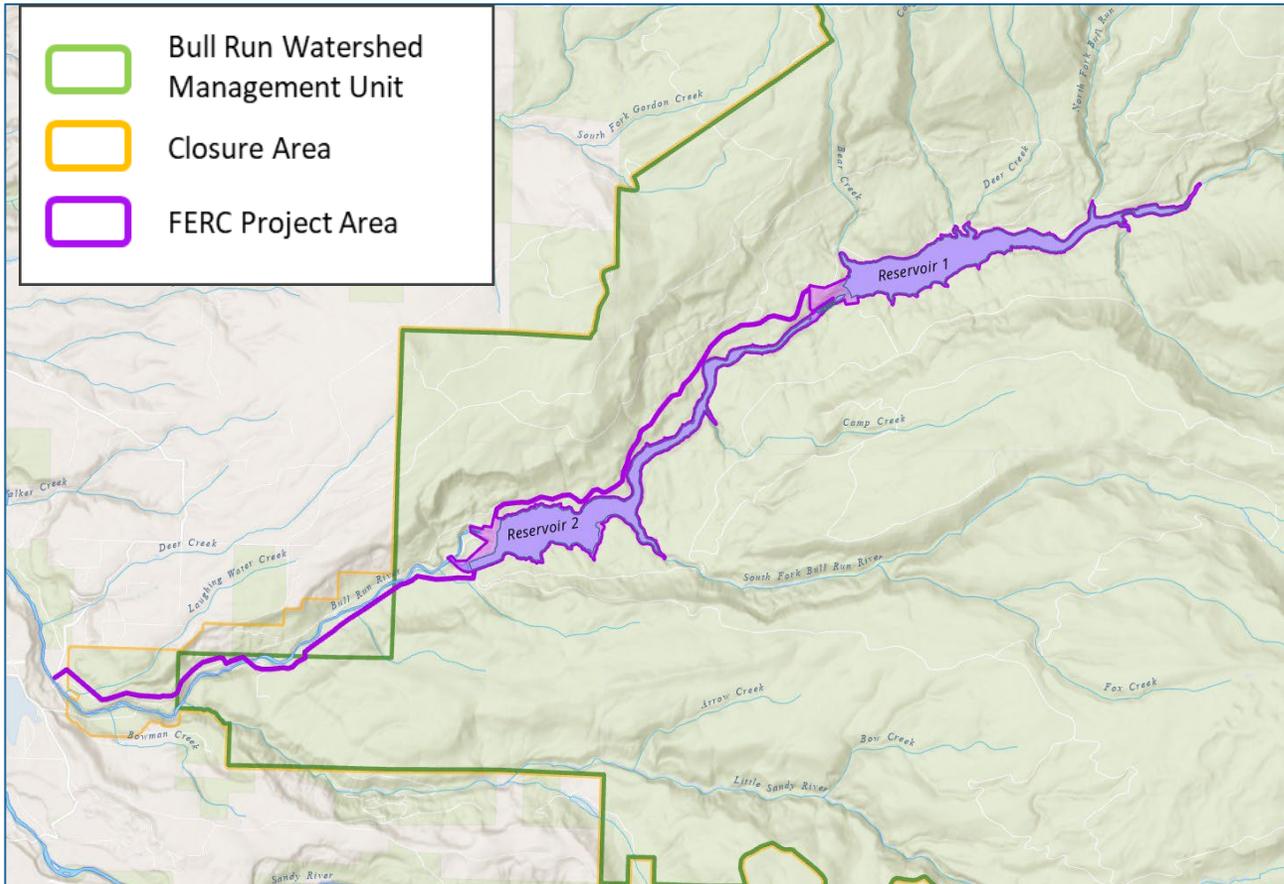
CITY COUNCIL MEETING

EDWARD CAMPBELL, DEPUTY DIRECTOR

LIANE DAVIS, ENVIRONMENTAL COMPLIANCE MANAGER

PORTLAND WATER BUREAU

Portland Hydroelectric Project: The Basics



- Began production in 1982
- Separate enterprise from Water Bureau
- 36-megawatt facility-- 2 powerhouses
- Average monthly output enough to power 8,000 to 10,000 homes
- \$13 million net return to general fund
- Important non-emitting regional resource

Federal Relicensing Process

- **Portland generates hydropower under license** issued by Federal Energy Regulatory Commission (FERC)
- Current license **expires in February 2029**
- **February 2024 is deadline** to start the formal relicensing process
- **Relicensing is rigorous 5-year regulatory process** that has to be completed prior to February 2029
- **Council authorized** initiating the relicensing process in July
- Process **allows for future decision by Council to surrender license** if terms and financial outlook are unfavorable

Contract Ordinance

- FERC hydro power relicensing occurs **very infrequently** for City
- The City does not currently have **sufficient staff capacity or expertise** to execute the process alone
- Consulting services necessary to complete the federally-mandated process steps **on time and with correct documentation**
- Ordinance authorizes a Professional Services contract with **HDR Engineering, Inc.**

Professional Services

Services include but are not limited to:

- **Project management**
- **Outreach**
- **Formal consultation with Tribal nations and state and federal regulatory agencies**
- **Managing required studies and completing study reports**
- **Developing draft and final relicensing documents**
- **Technical support for National Environmental Policy Act (NEPA)**
- **Similar services if Council decides to surrender license**

Contract Costs

- Total amount of the contract is **\$2,833,575 for 5 years**
- Funds are available in Portland Water Bureau and Bureau of Hydroelectric Power current year Budgets.
- Additional funding authorizations will be requested in the FY 2024–25 through FY 2028–29 Budgets
- The initial cost-of-service assignment for the license renewal is estimated to be equal (50/50 split of costs) between the Portland Water Bureau and Bureau of Hydroelectric Power, pending cost of service analysis (Resolution No. 37626).

Oregon Equity Contractors

- The **current contract includes \$684,937, or 24%** for Diversity Disadvantaged, Minority, Women, Emerging, or Service-Disabled Veteran Owned Businesses (D/M/W/E/SDV/ESB) subconsultants.
- HDR Engineering, Inc. - recently **awarded the 2023 Diversity and Inclusion Award** for a Large Firm from the American Council of Engineering Companies of Washington.

Relicensing Timeline

Pre-licensing

Relicensing



July 2023
Council Action to Initiate Relicensing



February 2024
Deadline to submit pre-application documents



2024–2026

- Tribal Consultation
- Regulator and Interested Parties Input
- Required studies
- City initiated studies



2027

- **February 2027 – License Application**
- License Application review and comment (tribes, regulators, interested parties)



2028

- Environmental analysis
- Tribal, Regulator, and Interested Party comment period
- New license terms and conditions issued
- City Financial Analyses of Opportunities, Risks, and Costs
- **Final Decision** (By Council) to license or surrender



February 2029
Expiration of Current License / New License Terms In Place (if Council Approves)

For More Info

www.portland.gov/hydroelectricity/ferc