



# EWEB Will Decommission the Leaburg Hydroelectric Project

## Decommissioning the Leaburg Hydroelectric Project – What’s Around the Bend?

For more information: [eweb.org/LeaburgCanal](http://eweb.org/LeaburgCanal), [LeaburgInfo@eweb.org](mailto:LeaburgInfo@eweb.org)

EWEB Commissioners voted to decommission the Leaburg Hydroelectric Project on January 3, directing the General Manager to develop a Leaburg Hydroelectric Project Decommissioning Action Plan (LDAP). The LDAP will guide staff in creating milestones for reporting progress to the Board and to determine a framework for how the Board can provide oversight on the decommissioning process.

Commissioners also unanimously approved a Record of Decision in support of the “Management Recommendation: Future Disposition of the Leaburg Hydroelectric Project.” The Recommendation advocates:

1. Permanently discontinuing electricity generation at the Leaburg Hydroelectric Project.
2. Removing Leaburg Dam, restoring the McKenzie to a free-flowing river in the area.
3. Developing access to Leaburg Dam Road on the southern side of the river. EWEB will investigate and facilitate all potential options with those agencies responsible for transportation in the area. There will be an alternatives analysis process with opportunities for all participants to help with the identification of important issues to consider during the decision-making process.
4. Modifying the Leaburg Canal for stream and stormwater conveyance (SWC), while preserving the future option to completely restore the site to pre-project conditions.
5. Working with water rights holders to mitigate the effects of dewatering the Leaburg Canal, particularly the Leaburg and McKenzie fish hatcheries.
6. Assessing the Walterville Hydroelectric Project by the early 2030’s.
7. Identifying opportunities and requirements for Board review, guidance, and direction moving forward.

## Leaburg Decommissioning FAQs

### 1. Why did EWEB Commissioners vote to decommission the Leaburg Hydroelectric Project?

a. In short:

- i. Cost of investing in the facility vs. purchasing replacement power.
- ii. Protecting against future liability risks.
- iii. Elimination of long-term, non-mission-based obligations.
- iv. Uncertainty of generation potential due to regulatory and climate concerns.
- v. Alignment with customer values (reduce costs, preserve water quality, environmental stewardship).

b. EWEB conducted a Triple Bottom Line Assessment to identify and compare the financial, environmental, and social impacts of repairing the canal to resume hydropower generation or decommissioning the Project. The detailed multi-year evaluation revealed that the heavy expenses to return the Project to service would commit EWEB to a high cost of electricity (\$117/MWh) for at least the next forty years. Instead, EWEB will seek to purchase electricity from the Bonneville Power Administration (BPA) at a much lower cost while also exploring other lower cost alternatives to BPA. Closing the Leaburg facility would also lower EWEB’s liability to future economic risks, as climate change and increasing regulations on hydropower generation raise further uncertainties as to the economic viability of the Leaburg Hydroelectric Project. Decommissioning the Leaburg Project also aligns with our customers’ values to provide reliable service, protect water quality, and reduce service costs.

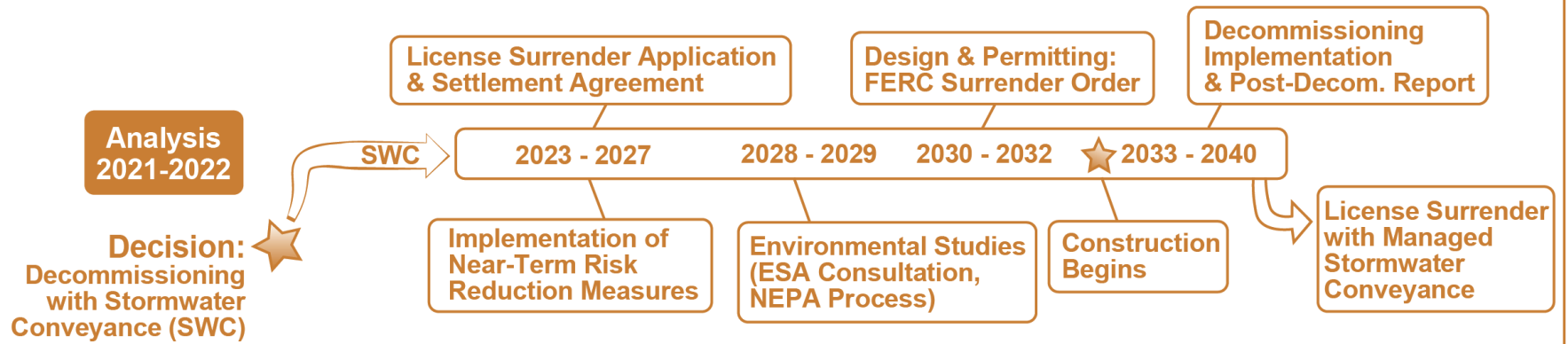
### 2. What will happen to Leaburg Lake? Will Lloyd Knox Park still be open?

a. Removing Leaburg Dam will return the McKenzie River to its natural flow, likely returning to its original channel along the Highway 126 side of this section (river right). During the decommissioning process, EWEB intends to keep Lloyd Knox Park open for recreation unless future construction activities require it closed for safety. Upon completing all decommissioning requirements, EWEB will evaluate whether to retain ownership of the park or seek to transfer ownership to a local recreation or environmental land management entity.

### 3. When will EWEB decommission the Project?

a. In short - not for at least a decade. Before EWEB begins any work on the ground, we’ll have years of investigations and studies to conduct and extensive negotiations with various regulators, agencies, partners and interest groups.

## Leaburg Decommissioning Timeline: 2040 Road Map



### 4. What will happen to Leaburg Dam Road?

a. The Leaburg Dam serves as a bridge to connect Leaburg Dam Road to Highway 126. Leaburg Dam Road serves several residential homes, as well as Lloyd Knox Park, the Leaburg Hatchery, and Whitewater Ranch. EWEB will collaborate with the agencies responsible for transportation in the area, including Lane County Public Works (LCPW) and the Oregon Department of Transportation (ODOT), to develop an access route that maintains connection between Leaburg Dam Road and Highway 126. EWEB will work with LCPW and ODOT to explore all feasible concepts. There will be an alternatives analysis process with opportunities for all stakeholders to help identify important issues to consider during the decision-making process. At the end of decommissioning, it is EWEB's intent to not own, operate, or maintain non-mission-supporting assets including those exclusively used for transportation or recreation. EWEB would like to emphasize:

- i. EWEB must collaborate with other agencies (LCPW and ODOT).
- ii. This decision is not up to EWEB alone.
- iii. EWEB intends to reduce our liability footprint with decommissioning the Project and does not intend to be responsible for long term maintenance of the selected access solution.
- iv. We have already made contact with LCPW and ODOT.
- v. EWEB and partner agencies will identify the most appropriate solution, aiming to reduce social, environmental, and financial impacts.

### 5. How will EWEB replace the electricity that the Leaburg Project generated?

a. The Leaburg Project had a rated capacity – its maximum ability to produce energy – of 15.9 Megawatts (MWs). But like most other energy generation resources, Leaburg rarely produced the maximum amount possible. Assuming normal water supply conditions, Leaburg could produce, on average, 92,000 Megawatt hours (MWhs) of electricity per year, which represented 4% of EWEB's annual electricity demand – or enough electricity to power about 13,000 average single-family homes. Currently, EWEB's power supply portfolio (owned generation and power supply contracts) exceeds what the community is using, on average. As such, EWEB has not needed to replace the electricity that the Project contributed towards EWEB's local demand. Instead, EWEB simply had less excess electricity to sell to other utilities. With the Leaburg Project offline, EWEB used more of our excess electricity to satisfy local power demands, rather than selling it to other utilities. In the long term, as local power demand increases, EWEB will pursue an expanded BPA contract, or comparably low-priced power supply sources, to replace the electricity once supplied by the Leaburg Project.

### 6. How will rates be affected?

a. EWEB assessed the economic, environmental, and social impacts in its decision to decommission the Project. The chosen alternative to decommission the Project and modify the Leaburg Canal to convey tributary stormwater was the lowest-cost of the proposed alternatives. Nevertheless, the work to remove the Leaburg Dam and work to modify the canal system will be costly. EWEB estimates that the project will cost around \$160M and will necessitate approximately an 11% increase to EWEB electric rates from 2024 to 2040 without other financial mitigation, including the postponement of other capital investments and/or pursuit of external funding (e.g., state or federal grants).

### 7. What will happen to the Art Deco façade on the Leaburg Powerhouse?

a. The Power Plant was designed in 1929 by noted Oregon architect Ellis F. Lawrence in the Art Deco style and includes motifs from Greek mythology. The Project is on the National Register of Historic Places. EWEB will abide by all regulations and make all necessary and prudent attempts to preserve the artwork as much as possible, but the fate of the building and future disposition of the art is yet to be determined. As with all of the critical decisions on decommissioning details, EWEB will consider all options and provide opportunities for participants to help with the identification of important issues to consider during the decision-making process.

### 8. How will this decision affect the Leaburg and McKenzie Hatcheries?

a. EWEB, the United States Army Corps of Engineers (USACE) and Oregon Department of Fish and Wildlife (ODFW) have maintained long-term discussions about the vulnerability of the hatcheries to rely solely on the Leaburg Project for water supply. EWEB is not legally obligated to provide the hatcheries with water. Moving forward, ODFW and USACE are aware that they will need to transition to new solutions for their water supplies. EWEB will continue to work together to support these facilities during their transition.