

OREGON CITIZENS FOR  
**Energy Security**

PO Box 375, Waltherville, OR 97489

November 27, 2024  
The Secretary of the Commission,  
**Federal Energy Commission**  
888 First Street, N.E.  
Washington DC 20426

Delivered by E-File

**RE: Proposed removal of Leaburg Dam NID OR00553  
Federal ID OR00553**

Dear Secretary,

In January 2023 the board of Eugene Water and Electric Board (EWEB) decided to close the Leaburg hydroelectric plant after deliberations.

In the time since the decision was made, residents, farmers and businesses in the McKenzie Valley to the East of Eugene Oregon, have had time to assess the many implications of the hydroelectric plant removal. That assessment was assisted by experiences shared from residents in the Klamath River basin who saw their community deeply divided. The aftermath of dam removal has devastated the Klamath local economy.

A further Lane County data point was provided in January 2024 when an ice storm, downed power poles and lines over a wide area of the county, clearly demonstrating the exposure of power lines over long distances. Oregon is greatly exposed in that regard due to mainly a single power supplier - Bonneville Power Administration (BPA) .

The Leaburg hydroelectric Plant is intertwined within our local community. Our principal activity is tourism, much of which hinges on Leaburg Lake. Leaburg Lake was created to support the hydroelectric plant. Some 1400 people have signed a petition because they are concerned about the importance of that lake and hydroelectric plant.

In addition to peeling back the layers of the EWEB decision, we engaged the local community, and some of the Klamath community to fully understand the impacts. We attach some of those findings.

Our investigation shows that there is a strong case for an independent Environmental Impact Assessment to be performed. The EWEB view is conflicted in that it has a strictly self centered approach. Their decision does not adequately consider the needs of the County and State. Since EWEB is a charter organization from the City of Eugene, they are not subject to the same considerations a commercial operation would be, such as an Environment Impact Assessment. There are concerns over potentially unnecessary funds being extracted from the public, and the public purse. This is due to an offer to purchase the hydroelectric plant being dismissed by EWEB without investigation. That dismissal could cost all concerned approximately \$200 million, half of which might well be grant money. There are also concerns over unrealistic cost projections.

Subsequent to an Environmental Impact Assessment, we believe that the situation demands an overall review of the decision from the perspective of both Lane County and the State of Oregon. This decision will affect generations to come; it has to be the best quality decision possible. The process also needs transparency so that the entire community can see that the result was reached fairly, and that the best compromise was reached. The removal of the Klamath dams has left a deeply divided and resentful community. There are many aspects involved but it is estimated that over 2,000 people lost their water supply due to the falling water table. The costs to replace those wells - and the costs to the

community are not being met by the dam removals which are causing such privations.

## **Implications to the local Community in the McKenzie Valley**

- Loss of automobile and truck access to home owners, businesses and tourists when the bridge over Leaburg dam is removed
- Loss of a significant attraction drawing in tourists with consequent commercial costs
- Disruption to Lamprey and Bull trout in Leaburg Lake
- Disruption to wildlife now adapted to the lake ecosystem
- Costs caused to the community through water table levels falling (new wells having to be drilled, irrigation suction in the river having to be replaced, new bank/erosion management projects will be required )
- Costs incurred by agriculture due to loss of water in canals, heavy costs to replace commercially required water amounts which may not be bearable for smaller farms
- Potential physical hazards to both people and wildlife under some options under consideration for the canal system
- Elevated utility bills for 30 years which would not be required to the same extent if service is continued or the project sold
- Greater dependence on an exposed power transmission system
- Greater dependence on an already heavily burdened Bonneville Power Authority
- Potential access hazards accessing a very busy Highway 126
- Lack of systemic planning has not integrated EWEB plans into the wider community

- The future of the valley and its residents has largely been determined by a community approximately 30 miles away (Eugene) with little local engagement or understanding

This is not an exhaustive list - but is noted specifically because little attention has been paid to these issues in the EWEB decision-making

We would request that FERC ensure that a non biased solution is reached, understanding that all hydroelectric projects involve compromise. We would also request that the impacts of grants be considered. There is great pressure to remove dams at the moment from various groups. Their views have to be considered, but hydro power continues to have benefits. Additionally, if grants were made to the nation's 91,000 dams the treasury would soon be depleted. In the Leaburg hydroelectric project case potential grants may be affecting clear thinking. It is therefore crucial that no work be undertaken prior to a complete understanding of all issues.

It is also worthy of note that the national inventory of dams lists the Leaburg Dam as in satisfactory condition and a low hazard. It is also noted that Cougar Dam (NID OR00015), upstream from most in the valley, is deemed a high potential hazard. This dam is maintained by the US Army Corps of Engineers. Noting high confidence in the Corps, it is also noted as low probability. There is a question, however, as to why lives might be placed at risk by demolishing a low-risk dam and not improving a high-risk one. Spending Federal funds on demolishing a low-risk dam must surely raise pertinent questions.

Sincerely, on behalf of Oregon Citizens for Energy security

Robert Weeks

President

# ANALYSIS OF THE EWEB DECISION TO DECOMMISSION THE LEABURG HYDROELECTRIC PROJECT

EWEB decided to decommission the Leaburg Hydroelectric Project in January 2023.

The decision was made after extensive study, but EWEB has not sold their case to many residents in the McKenzie Valley who will be the most impacted.

During the time since the decision, the largest dam demolition in the world was undertaken on the Klamath River. A publicity organization is selling the success of the operation. However, the local community is shattered and deeply split, and the economy has suffered loss.

Since the decision was taken by EWEB, approximately 1300 people have signed petitions expressing concern about the EWEB decision. This should be set against a backdrop of approximately 3000 people who live in the McKenzie Valley.

All Dam demolitions are a compromise. Regarding Leaburg Dam removal, many in the community are doubting that the EWEB decision is the right one. Without taking sides and respecting all views, a higher plane than EWEB is needed to ensure the decision is right for the McKenzie Valley, Lane County and Oregon. In short, it needs an investigation. We request the assistance of the State in achieving that for the future of the valley and Oregon.

## **Decision making process**

EWEB contracted expertise to conduct a Triple bottom line study. This study was used to inform their board. Triple bottom line studies are as good as their framing, and are limited in applicability by their scope. EWEB reports extensive outreach to the public; there was some opinion sought from the river community, but a great deal came from Eugene. For some aspects of the study, using Eugene residents has applicability, but clearly since they are 30 miles away from the Dam they are poorly informed on specific local issues. They could not know the upriver impacts if the Dam is removed, and on this basis alone, the triple bottom line study is not on solid ground. EWEB's own published data shows a significant difference in views between the two communities.

The second part of the triple bottom line is environmental impact. There is little doubt that removing the dam will disturb the environment. The dam has been there for the last 100 years. Mother Nature has long since adapted.

The third leg of the triple bottom line study is economics, and as presented in the decision support package presented to the board, they may be misleading (discussed under a separate section).

There were some factors among the EWEB commissioners themselves which may have contributed to a perceived lack of confidence in their conclusions. The commissioners expertise and knowledge is totally focussed on process. They have limited technical knowledge on any of the subject areas under their authority. In the run up to making a decision, in mid October of 2022, the commissioners decided how to weight each of the attributes being used for decision making. The attribute scores had been developed by the core project team in late July 2022. However their weighting was based on feedback prior to July - which means later comments may have been excluded. Additionally, the use of a weighted scale for commissioners is not consistent with the EWEB charter from the City of Eugene. The charter at that time stated that each commissioner shall have one vote - and that the chair shall carry no more weight than anyone else. Thus, if a commissioner felt something was important, a multiplier brings the consequence of a weighted vote. Similarly, a commissioner who felt something was not of significance may be worth less. This was compounded by the EWEB charter at the time which, in effect, stated that if three commissioners agreed, the other two had to go along with them for a unanimous decision. To compound that still further, once a decision had been reached, a commissioner who had held a minority position on a vote was not allowed to raise the issue again for fear of losing his or her position.

There is also the matter of knowing the right questions to ask, backed by knowledge. Driven by the Federal Government, States have been addressing resiliency this year. In this process, key resources needed by emergency responders are being identified for use were a major emergency to occur. EWEB participated in that. The board, however, did not raise questions during the examination of the facts on its own resiliency. The proposal before them was to reduce their own generating ability, and lean more heavily on Bonneville Power Authority (BPA). BPA is largely the sole provider of power for the entire state of Oregon. There are a few small generators of power. BPA is nearing maximum capacity, which is especially important with the increasing numbers of electric cars. Any power failure would halt large numbers of electric vehicles. Single source reliability is also compromised by long power lines on electric poles. These would be highly susceptible to damage from natural causes, and in this day and age, also to bad actors such as terrorism. The board in its entirety was silent and asked no questions. A large project like this would have required an Environmental Impact Assessment for a commercial company, but the EWEB board has not demanded anything like it prior to their decision.

Tourism is a major industry for the McKenzie River Valley. It is an area of outstanding beauty. No questions seem to have been asked about the wisdom of leaving miles of open canal as "storm drainage." Questions should have been asked about the notion of doing that - colliding as it does with the State of Oregon's goal 5 (allowing wildlife to roam freely) - along with other issues. Similarly, few residents seem to feel they were engaged prior to the decision

being made. Great efforts have been made by EWEB since the decision to sell it to the McKenzie community.

In summary, the decision was compromised. The opinions obtained to make the decision were not specific to the affected area exclusively. Secondly, the methodology used on key metrics was not consistent with the EWEB charter allowing only one vote per person. The weighted numbers compromised key determinants in the process. Both of these factors serve to undermine confidence in the outcome.

## **Economic Considerations**

The Economics presented to the EWEB board in a decision support package were incomplete. The same decision support package was made available to the public

They portrayed particularly:

*Option 1 - (Decommission to pre project)* The explanation was not complete, since the supporting roads and bridge issues had not been completely addressed. In recent months, surveyors acting on behalf of EWEB, have been examining the roads and bridges around Leaburg Dam and Lake. This is to allow a decision to be made by EWEB. Some assumptions appear to have been made with assumed rights of way over neighboring properties. This option has also left unaddressed issues surrounding restoration of banks and maintenance, restoration of the original channel, and restoration of fish and hatcheries (especially bearing in mind that dams will continue to remain on the McKenzie River). The restoration of all water streams and channels draining to the McKenzie, and in existence prior to the canal were not discussed. Similarly, making whole those farms bisected by canal installation were unaddressed.

Thus option 1 is not complete with actual numbers; some of the numbers are not known. As represented, however, this option is already the most expensive option. While some typical costs to customers are shown, it does not make clear when those costs would end. Some documentation indicates the amount would be funded with 30 year commercial funding - taking payments out to 2055.

*Option 2 - (Full return to service).* This option was presented in a misleading manner. The illustrated numbers were curtailed at the end of the license period in 2040. That date alone would not be relevant if a full return to service was contemplated. FERC would most probably grant a ten year extension for such work to be completed (Source FERC). There is no sum shown in the calculations for demolition. Absent any change, the refurbished power station would likely continue generating to 2080. This completely alters the presented economics.

Thus option two would be much cheaper per MWh than quoted. That longer comparison means that there is more recovery. Aspects of this option have changed since the decision was made. The ice storm January 13th, 2024 highlighted wide scale pole failure. Global tensions have become greatly changed, as has the US risk profile.

Option 3 - (Partial return to service) - This option did not receive much attention from EWEB, Consequently more data would be needed to evaluate this

Option 4 - (Storm Water Conveyance) - The described term is misleading in that original water courses are not proposed to be restored. The open canals are vastly oversized for storm drainage needs. The canals would be left open for many miles, which is hazardous, both for people and wildlife. and would be contrary to Oregon's goal 5 aims for migration of wildlife. There have already been accidents reported by the local fire department with people falling into the empty canal. This is, in effect, what is now in existence: empty miles of abandoned canal. Similar considerations similar to option 1 apply also. When the canals were built in the 1920's they cut through many creeks - not just big ones. Some agreements were made to supply the farmers with water, but in other cases not. If the canal is not restored, then the water courses are not restored. Agricultural water and food production is impacted. It is one matter for EWEB to state they will work with the agreements they have - but not all creeks cut through when the canal was installed were subject to agreement. Similarly, some farms were cut in half by the canal and continuity of the land for agriculture should be restored.

Option 4 was the cheapest of all the options - but it is believed that EWEB will be filling in part of the canal in response to pressure. Each time money is spent on this, the cheapest of option illustrations, its price moves closer to the restoration of power options.

There was no consideration at all in the package for local economic impacts, or the potential loss of water table height leading to well failures. Tourism is the local major industry - and Leaburg Lake is the jewel in the crown. Over 100,000 people each year stop by the lake to enjoy it.

There was no discussion that could be seen on home values and agricultural land values. These will be greatly diminished and could yet prove a significant cost to EWEB through inverse condemnation.

If either option 1 or 4 is selected, water levels at Leaburg Lake would fall to river levels. This level was seen during the Holiday Farm fire 2020. The natural channel course has changed due to so many years with the dam. The natural channel restoration would require specialist help. Once restored, significant piles of driftwood will gather on the banks as the river swells and recedes. No plan was outlined for this.

The economics also showed a reference to the possibility of grant funding. Although just a brief entry, without detail, this is likely to be a significant number and (on the basis of Klamath Dam history) perhaps 50% of the costs- or +/- \$100 million. This funding, in fact, has quite probably swayed the decision in favor of removal. Oregon's contribution (on that basis) is likely to be approximately \$50 million. This would mean EWEB customers pay extra to remove the dam and



extra taxes, in effect indirectly subsidizing EWEB's operations. Federal grant money would spread that subsidy nationally.

There are serious questions in that the true cost of purchase of power from BPA has to include consideration of all costs. EWEB has asserted that they can buy power cheaper from BPA than they could make it at Leaburg. For options 1 and 4, however, additional millions will be paid by the account holders and taxpayers. Those millions are sunk costs with no offset as exists with the generating options.

In the EWEB paper entitled "Decommissioning the Leaburg Hydroelectric Project", they lay out their vision of the future. Amongst their reasons for dam removal is stated " The FERC mandated process will explore any other options that meet EWEB's needs, including sale, related to the future disposition of this asset.

Were the whole operation to be sold it could save approximately \$200 million and grave disruption. Such an approach was made by Special Project Delivery (SPD). It was reviewed by the EWEB board on June 4th, 2024 and dismissed out of hand. No cooperation was extended for discovery.

### **Environmental considerations**

Leaburg Dam and Lake are highly integrated into the McKenzie Valley. Any changes made will directly and indirectly impact the lives of many people.

Removing Leaburg Dam and Canal would be a major environmental change. Yet there are few safeguards here. Essentially, the process has required the agreement of only three people to get a green light.

Those three people are EWEB commissioners. Their internal protocols required only three people to agree and the other two are then obligated to agree. They are elected to the board of EWEB. They have no authority beyond EWEB. If the Dam is removed, and the Lake drained, the impacts from that will endure for generations. Any large project of this scope, when performed in a civil setting, will require an Environmental Impact Assessment (EIA). This has not been done here and involves public consultation. It is usual for an EIA to be performed prior to making any final decisions. In this case, it has been bypassed, leaving approximately 1300 residents feeling their views have not been adequately represented. Conducting an EIA after the decision effectively says that no matter the findings of the EIA - the plan will proceed.

It is usual in any industrial project of this scope to have a well thought out plan prior to project execution. Key elements are missing in the overall plan - the Dam presently has a roadway over its top. If the Dam is removed, the road will be removed also. The road is the only means of ingress and egress for residents and businesses on the east side of the river and south side of the Lake. There are presently no other roads, and road alternative routes all have impacts to the built up areas around. The decision was made before a solution was found, and

contractors have been surveying the area since. When the decision was taken to remove the Dam its full impacts were not known.

During the 2020 Holiday Farm Fire, Leaburg Lake was drained. Photographs show the river split in two, with a wide mudbank between two shallow channels. The river slowed, depositing sediment on the river bed before passing through the roll gates over almost a hundred years. Restoring the original water course requires specialist advice on the lamprey beds and bull trout. The McKenzie River banks before Leaburg Dam will require remediation. Neither aspect was addressed prior to the decision.

Around Leaburg, farms have already lost their water due to Leaburg Canal being dry. The canals formerly provided water. When the canals were built, they cut off many streams and creeks, In many cases the ranches were allowed to take suction from the canal. Some were documented, but not all. Now the canal is dry. Some of the ranches are faced with very costly well drilling. Margins are thin in today's farming and the canal and dam closure may well be too much for some farms to continue.

To the south of Oregon is the Klamath River project, where the dams owned by PacifiCorp have been removed. The local economy is shattered, and so is community harmony. Some very raw edges exist between the different factions. Repairing peoples spirits will take years. Klamath occupies a far bigger 12,000 square mile watershed area than the much smaller Leaburg Dam. At Klamath, it is reported that over 2000 people have lost their wells, and most will have to fund their own re-drilling. Local residents do not support the glossy success story being trumpeted by demolition interests.

## Social Considerations

The local fishing community is also concerned that fish will not return in any numbers if the dam is removed. The reasons for this include, modern longline factory fishing on fish migratory routes deep ocean, a proliferation of seals off the Pacific Coast, and climate change. The fish hatcheries will have no water with the dam removed, but may be a much needed lifeline for river life.

Some hold the view that Leaburg dam should be removed for reasons of fish restoration. This view must be considered in any discussion.

If Leaburg generated power is taken out from the equation, greater dependence is placed on relatively few Bonneville Power Authority (BPA) lines. EWEB did not discuss the quality, reliability and resiliency of service as far as could be seen in this connection. They have recently been on a program to encourage customers to get standby generators. Retaining Leaburg power station could provide power for thousands of homes, and avoid thousands of generators running quite as much. EWEB estimates the clean hydro power provides for some 13,000 homes.

There was no defined plan in the decision support package to replace the bridge. There was an assessment that building a bridge could cost \$20 million more than

a road. Unfortunately, EWEB does not own the land needed to do that, in consequence intimidating a fire ravaged neighborhood with road plans - potentially through peoples homes and gardens. This is to save EWEB money at the expense of local property owners. If the true cost of building a bridge replacing the old one is factored in - The demolition decision economics alter in favor of power generation.

Local farmers have long memories. EWEB used to drain the canals each year and repair any holes in the canal. That process is believed to have stopped in the late 1970's, and thus lack of maintenance may be at the root of why the canals were leaking quite as much

## **Conclusion**

There is some evidence that EWEB will commence work much sooner than expected, possibly as soon as 2025. There are also reports circulating within the power generation industry that EWEB has signed a contract for the demolition of Leaburg Dam early in November 2024.

The first point is that no work should be undertaken until a full Environmental Impact Assessment has been performed. This is no more or less than would be expected of any major company performing such work.

There are many questions unanswered by EWEB. A public external review is needed to validate their conclusions. All dam removal decisions are a compromise, and such an externally run (non EWEB) investigation would be better able to review the facts with an objective view for the good of the State of Oregon. The State may feel compelled to have a competent body perform such review.

This necessity is driven by a number of factors.

- Insufficient engagement with stakeholders in the decision to demolish a highly integrated Dam
- The use of public funds, probably around \$100 million to demolish a Dam that could be sold without the need for EWEB drawing down the public purse
- EWEB customer money to pay off the 30 year note financing EWEB's share of option 1 or 4 if the dam could be avoided entirely if the dam were to be sold. No detail was provided on costs if the generation was continued to 2080.
- Severe damage to the principal industries of tourism and fishing in the McKenzie Valley.
- Potential for severe damage to the community by pushing roads through private property to save money.

A review would allow a more global view of the proposal, and it would allow consideration of all aspects - including those beyond the boundaries of EWEB's facility. Above all, it should be impartial and binding. It is urgent that any proposed work be halted until conclusion of a review.

Support an in depth study of the decision to remove Leaburg Dam and power station - cast a vote for an independent review at [www.leaburglake.com](http://www.leaburglake.com)

You can write to us at [upstreamchatter@proton.me](mailto:upstreamchatter@proton.me)

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