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Landmark Agreement to Remove 4 Klamath River Dams

By COLIN SULLIVAN of [Greenwire](#)

SAN FRANCISCO -- In a development that could herald the largest dam removal in modern history, 29 parties signed a draft agreement today to destroy four dams on the Klamath River to restore salmon and steelhead runs that have been partially blocked for the better part of the past century on the California-Oregon border.

The agreement is the product of years of often bitter negotiations among electric utilities, government officials, commercial fishers, farmers, native tribes and environmental groups. It calls for the breaching and removal of four Klamath River hydroelectric plants owned and operated by PacifiCorp.

PacifiCorp, which is owned by Warren Buffett's Berkshire Hathaway Inc., appears ready to go along with the agreement when -- and if -- officials from Oregon, California and the Interior Department make the pact official through a number of policy measures.

"If the federal government and the states of California and Oregon sign onto this negotiated final settlement, then we will join with them and all the other stakeholder groups that may choose to sign this agreement," said Greg Abel, chairman and CEO of PacifiCorp.

Abel went on to say his company's top priority is "to keep our customers out of legal harm's way and keep their costs and risks as low as possible when compared against the option of relicensing the dams."

Translation: PacifiCorp executives appear ready to remove the dams rather than pursue expensive fish-saving modifications that would have cost the utility more than \$300 million. A study by the California Energy Commission determined that dam removal would cost about \$100 million less than the modifications.

The Klamath River was once home to one of the most vibrant salmon runs in the West. But since the first dam was erected in 1908, the region has been host to a nasty battle over water rights, with wildlife and commercial fishers ultimately bearing the worst scars as regulators were forced to repeatedly close salmon fishing along 700 miles of the Oregon-California coast.

Officials from the Interior Department, the National Marine Fisheries Service, the California Department of Fish and Game, and the Oregon Department of Fish and Wildlife were listed as signatories on a copy of the agreement secured by E&E last night. Also on the list were a number of environmental groups, native tribes, and irrigation and water districts in both states.

"If it was not for the good-faith efforts of a wide range of stakeholders and the engagement of the public, we would not have reached this milestone" Interior Secretary Ken Salazar said in a press release. "It is vital that all parties stay engaged, lend their ideas and views on this draft agreement and -- importantly -- complete the Klamath Basin Restoration Agreement as well."

California Gov. Arnold Schwarzenegger (R) and Oregon Gov. Ted Kulongoski (D) signaled official support today in complementary statements. "The agreement calls upon each of us to do our part," said Kulongoski, whose constituents would largely finance the effort.

But before actual dam removal can take place, the deal calls for the secretary of the Interior to confirm by March 31, 2012, that the project is in the public interest. After that takes place, PacifiCorp would transfer title of the dams to the federal government, which would oversee their destruction.

Under the agreement, PacifiCorp's ratepayers in Oregon would foot much of the bill, contributing up to \$200 million for dam removal and river restoration. The agreement calls for proceedings at the Oregon and California public utilities commissions to raise money for removal through customer surcharges.

Oregon ratepayers would be responsible for up to \$184 million of the project's cost. California ratepayers would be on the hook for far less, at no more than \$16 million of the total cost.

If the project's costs go higher, the California Legislature would be expected to pass a bond for an additional \$250 million, which is no easy feat in Sacramento's budget-constrained environment. Most estimates peg the cost of dam removal at no more than \$200 million, making the bond issue unlikely.

Steve Rothert, California director for American Rivers, said today's signing means "the finish line is in sight." The group insists that PacifiCorp will be able to replace the lost power, which serves about 70,000 customers, with efficiency and renewable power.

"When the Klamath dams come down, it will be the biggest dam removal project the world has ever seen," Rothert said.

Glen Spain, of the Pacific Coast Federation of Fishermen's Associations, reiterated the same feeling that a breakthrough had been reached and said the draft represents "nearly nine years total of negotiations over the fate of these dams."

"And I am feeling every meeting," Spain wrote in an e-mail.

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