

Leaburg-Walterville Strategic Assessment

EUGENE WATER & ELECTRIC BOARD

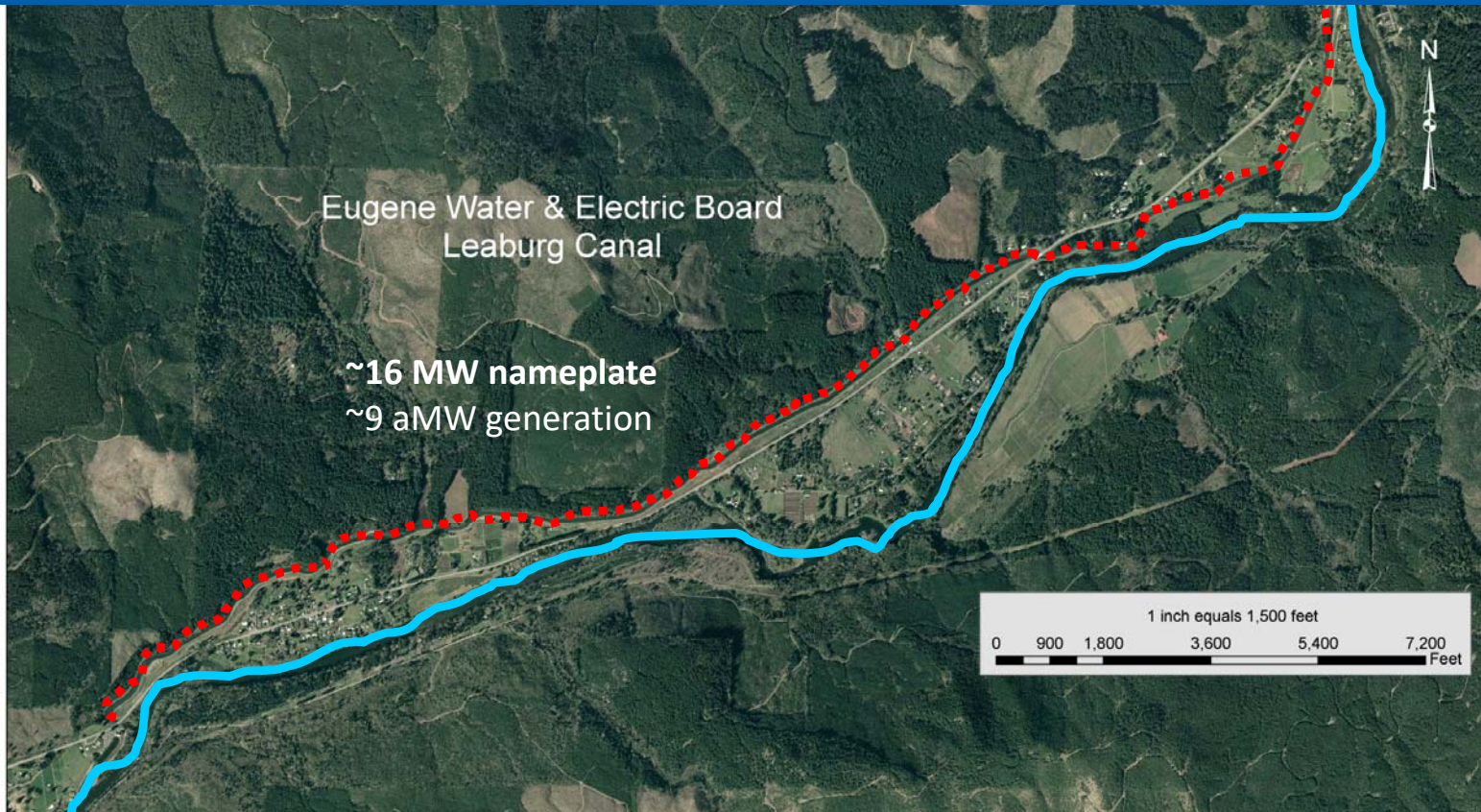


Background



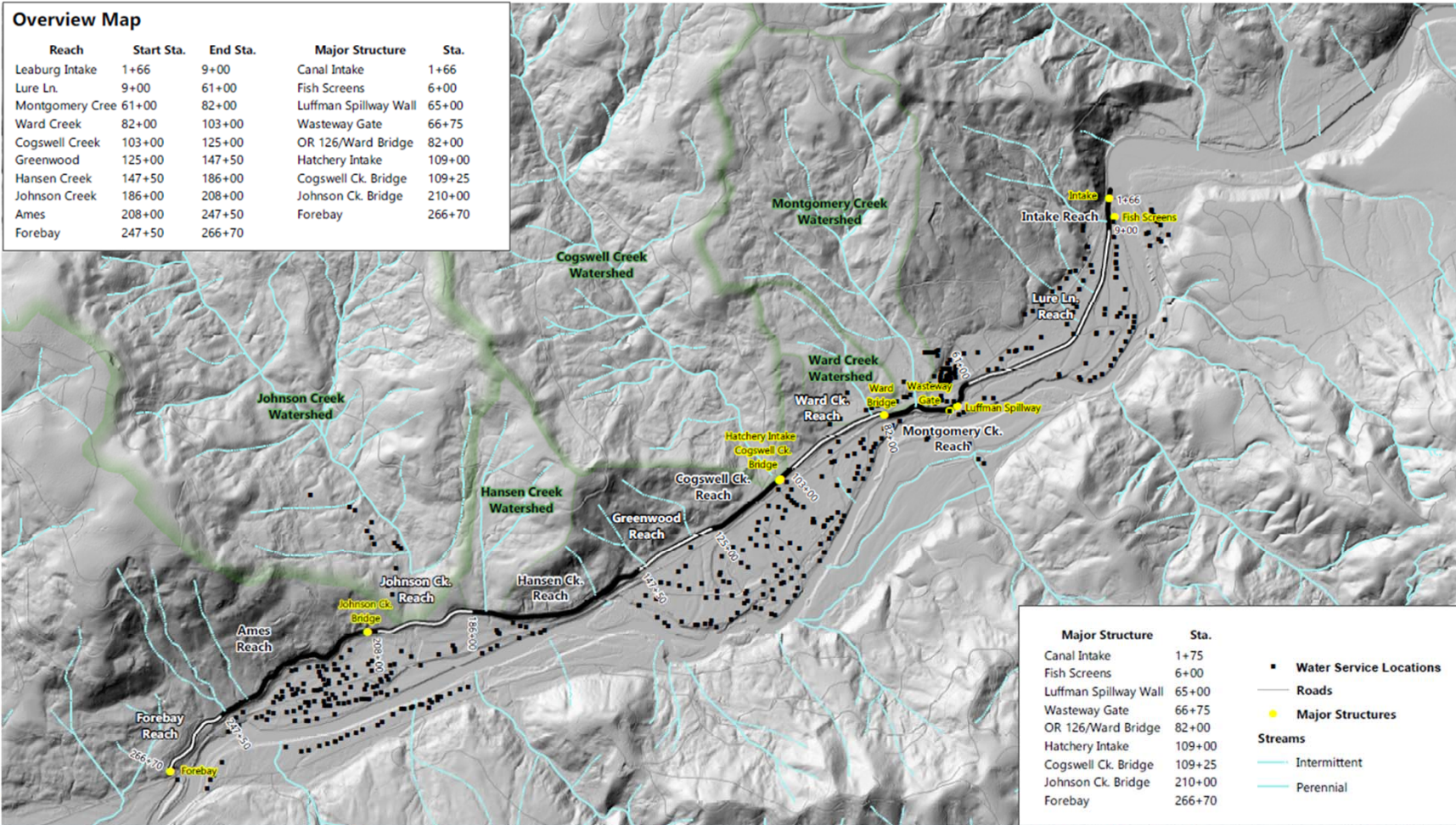
- Approximately 20 years remaining on the joint Leaburg-Waltermville FERC operating license (expires in 2040).
- Operating as a stormwater conveyance facility since October 2018.
- Substantial canal safety improvements are needed to return to safe and reliable power generation.
- Canal safety improvements are necessary for continued safe conveyance of stormwater.
- Many stakeholders are directly impacted by the near- and long-term future of the Leaburg Project. Near term decision impacts long term options.

Leaburg Canal



Tributary Creek Challenges

- PMF inflows exceed normal operations canal flow
- Stormwater PFM's are significant
- Consequences even with canal out of service for power generation



Problem Areas



Internal Erosion





Cogswell Creek Reach
105+00 - 110+00



Ames Beach
225+00 - 230+00

Lower McKenzie Near Term Options

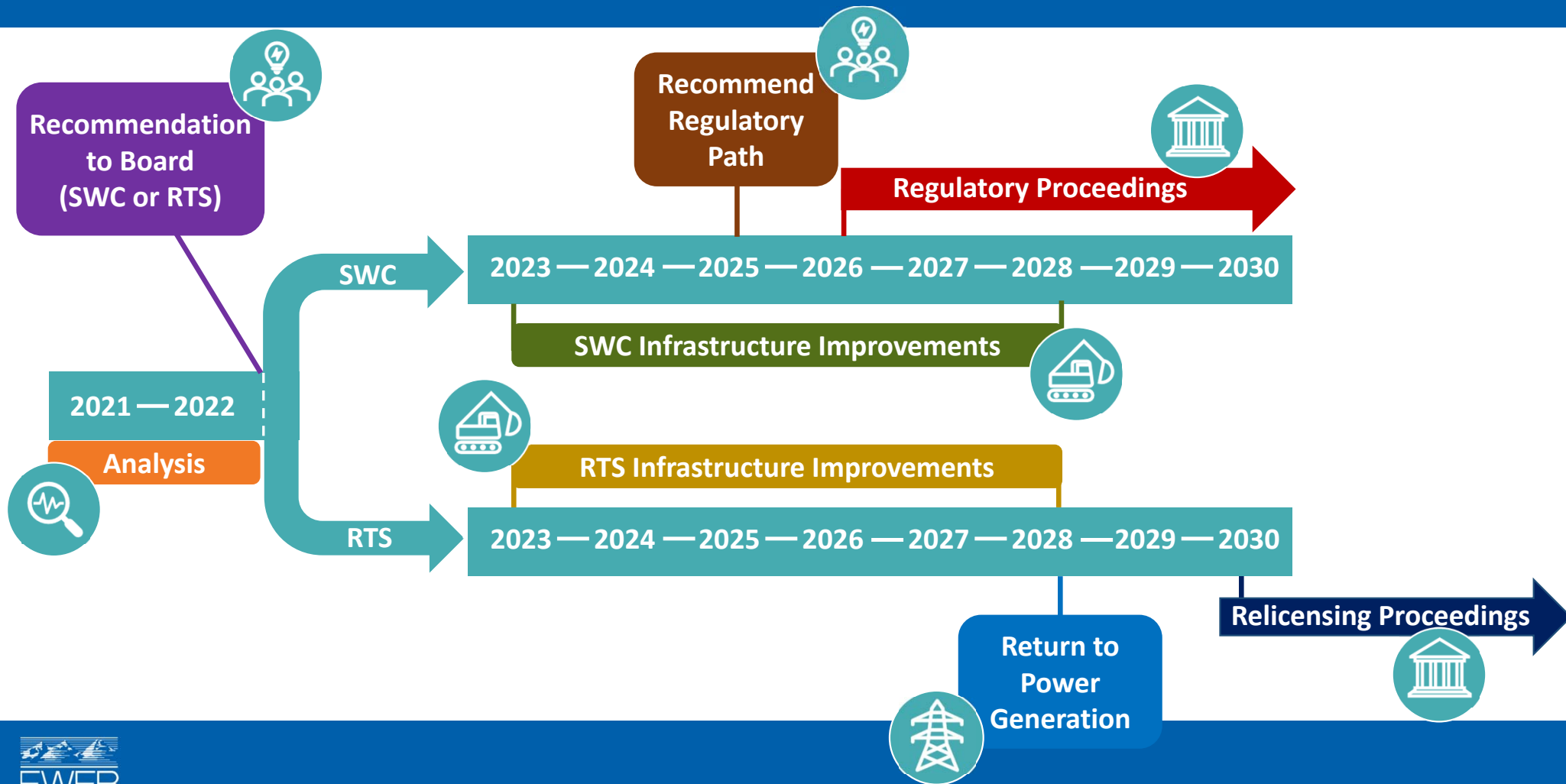
- **Scenario 1 – Return to Service (RTS):** Repair/rebuild portions of canal as necessary for safe power generation.
- **Scenario 2 – Convert to stormwater conveyance (SWC):** No diversion of the McKenzie River in canal. Repair/rebuild portions of canal as necessary for safe stormwater conveyance to river.



NPV Analysis- Conclusions of February Board Meeting

- In the near term – Converting to Stormwater Conveyance is the better choice economically.
- SWC has a negative Net Present Value (NPV) of \$50 Million; RTS has a negative NPV of up to \$80 million.
- Power values would need to be 2.5 to 4.5 times higher than they are today for Leaburg to break even by the end of the license period.
- Additional information on decommissioning or relicensing is needed before the long term economic picture is complete.

2021 to 2030 Road Map



Analysis Objectives

- Evaluate long-term viability of Leaburg
- Coordinate near-term investment with long-term strategy
- Consider broad range of scenarios ending in either relicensing or decommissioning, including hybrid possibilities
- Develop planning level costs
- Characterize viable scenarios from TBL perspective

RTS – Reconfigured (Hybrid)



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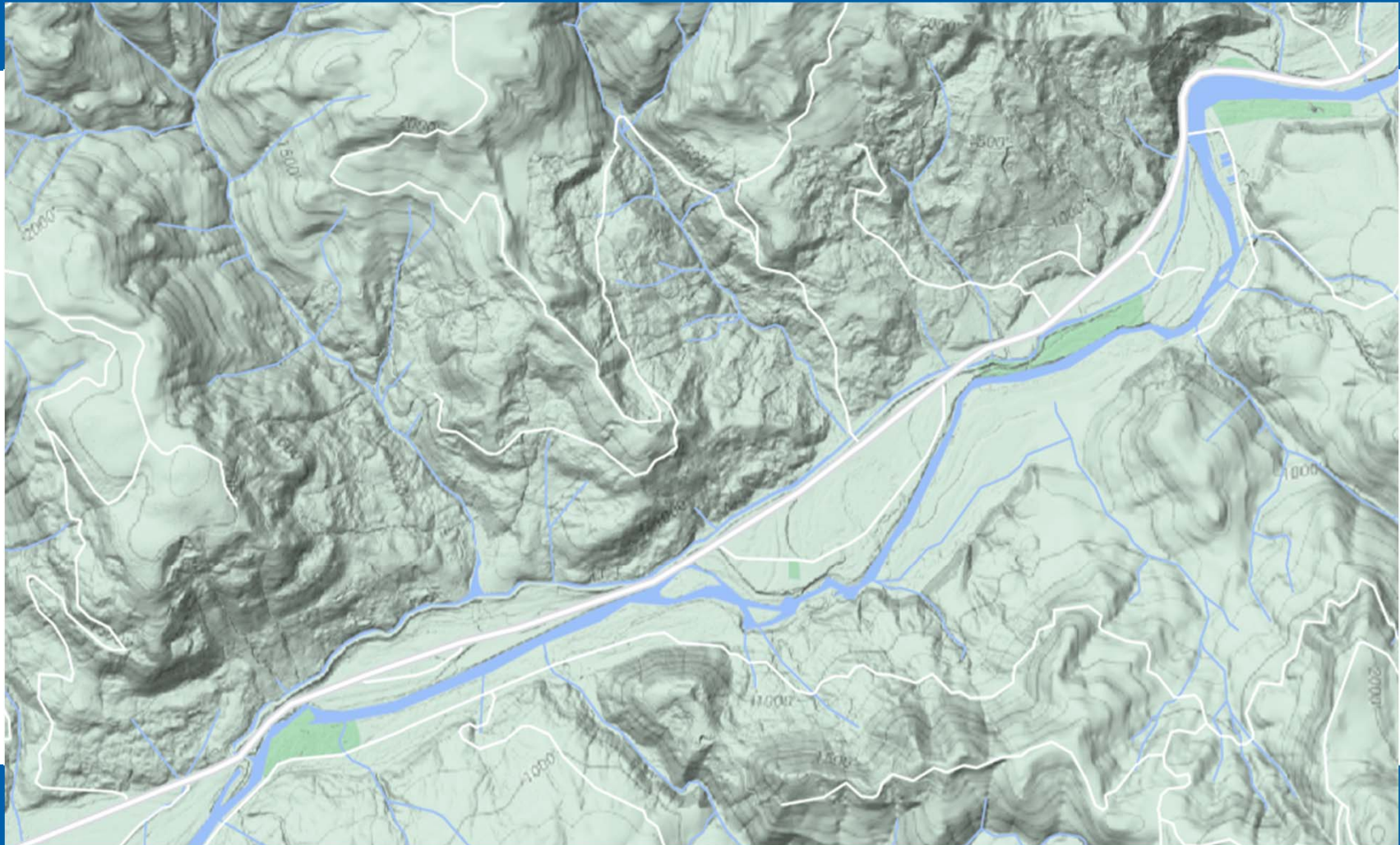
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RTS – Reconfigured (Hybrid)



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Decommissioning – Return to Pre Project



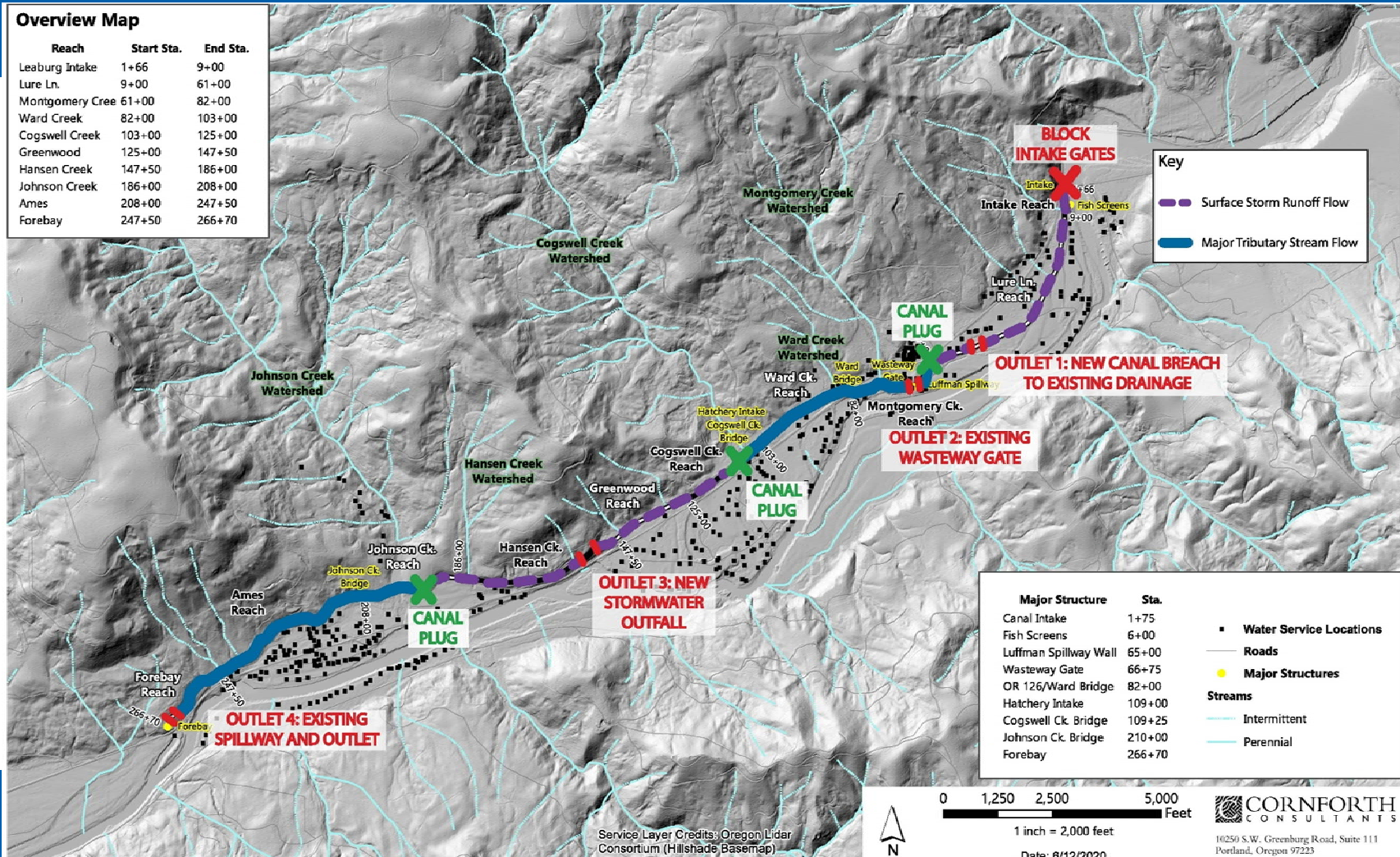
Decommissioning – Flow Control Ended



Decommissioning – Flow Control Continued



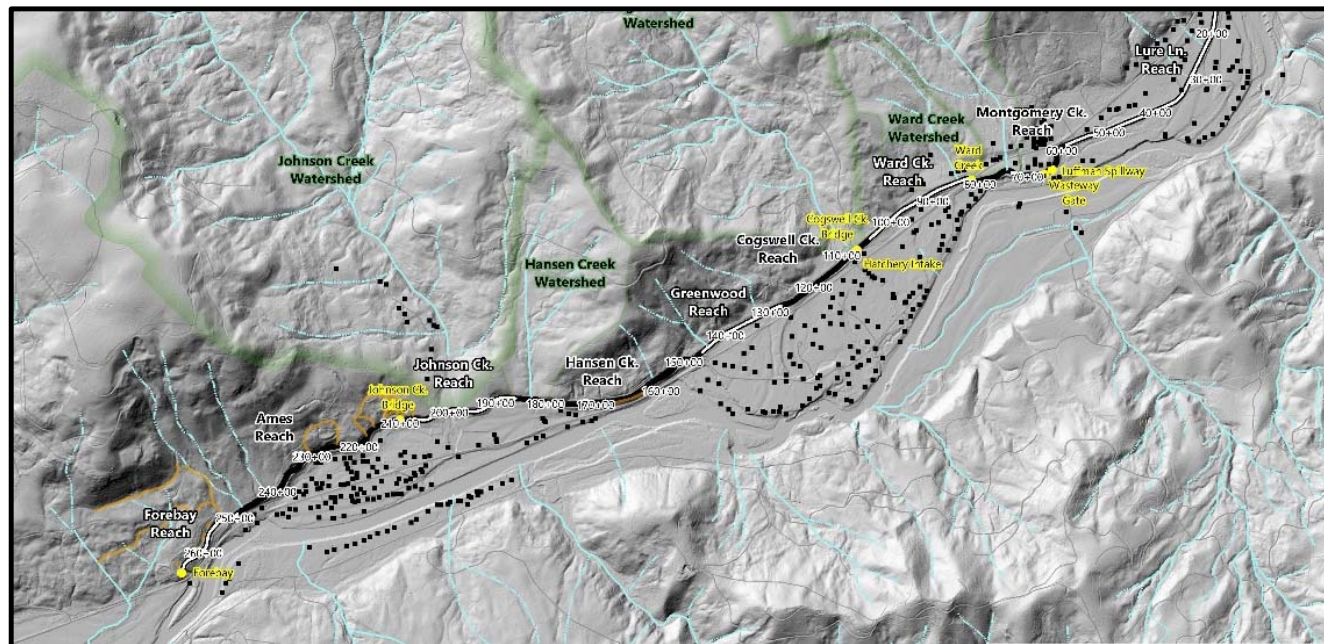
Decommissioning – Perpetual SWC



Convert to Hatchery Supply/Side Channel Habitat



Triple Bottom Line Analysis



- Both RTS and SWC options have environmental, social, and economic consequences.
- Many items identified in preliminary TBL require further research to understand the nature and scope of the impact.

2021 to 2022 Road Map



Regulatory Options

Communication & Stakeholder Engagement Strategy



Scenario Development



Scenario Financial Analysis



Analysis Complete

Q4 2021

Q1 2022

Q2 2022

Q3 2022

Q4 2022

Preliminary Triple Bottom Line

Water Rights Evaluation



Water Quality Technical Analysis



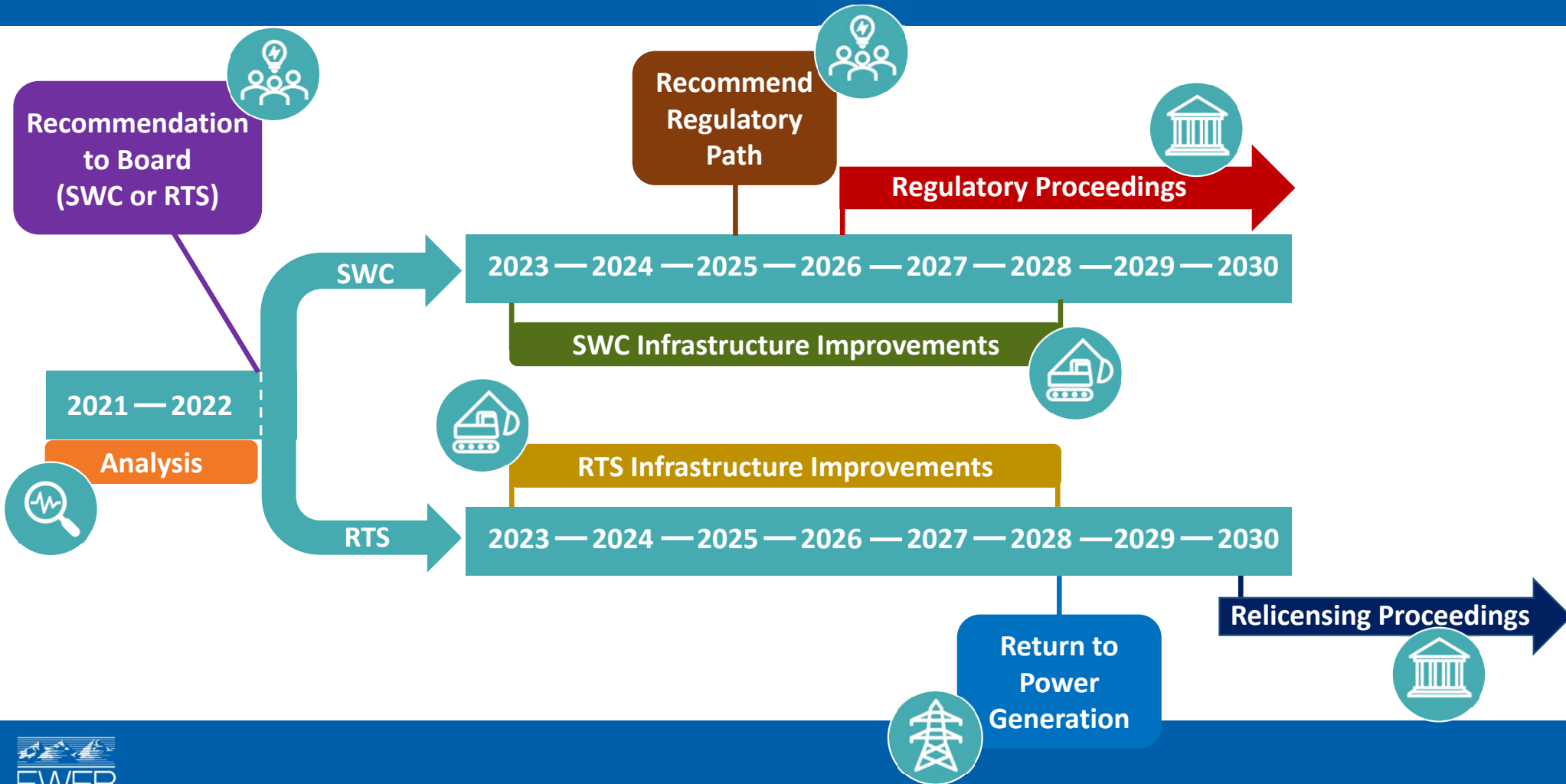
Expanded Triple Bottom Line



Recommendation to Board (SWC or RTS)



2023 to 2030 Road Map



Project Schedule

Tentative Project Schedule

Workshops with EWEB staff	November/December 2021
Submittal of preliminary scenarios	January 2022
Submittal of refined scenarios/preliminary costs	April 2022
Submittal of preliminary TBL assessment	June 2022
Presentation of preliminary findings to EWEB Board/Public	July 2022
Submittal of draft report	August 2022
Presentation of final draft results to EWEB Board/Public	September 2022
Submittal of final draft report	October 2022
Submittal of final report and presentation to EWEB Board	November 2022

Questions and Discussion

