



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 11, 2013

H.R. 1963 **Bureau of Reclamation Conduit Hydropower Development** **Equity and Jobs Act**

*As ordered reported by the House Committee on Natural Resources
on July 31, 2013*

H.R. 1963 would authorize the Bureau of Reclamation to enter into leases with nonfederal entities to develop hydropower at 11 water project facilities owned by the government. Based on information from the bureau, CBO estimates that enacting the bill would have an impact on direct spending; therefore, pay-as-you-go procedures apply. However, we estimate such effects would not be significant. Enacting the legislation would not affect revenues or discretionary spending.

In 2011, the bureau completed an assessment of the 11 facilities and found the potential to develop hydropower at seven of the locations. Under current law, the bureau is authorized to develop federally financed and owned hydropower production at those seven facilities; however, it has no plans to do so. Under the bill, the bureau would also be authorized to work with nonfederal entities to develop hydropower through lease agreements at the 11 facilities. Under such agreements, which we expect the bureau would take advantage of, nonfederal entities would finance the necessary hydropower improvements and own the electricity derived from those improvements in exchange for a lease payment to the federal government. CBO estimates that those lease payments would increase federal receipts. However, because the receipts would be available to the bureau to be spent without further appropriation on rehabilitation work at the facility where they were collected, we expect H.R. 1963 would have a negligible net impact on the budget.

H.R. 1963 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Aurora Swanson. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.