

H.R. 1607, a bill to clarify jurisdiction with respect to certain Bureau of Reclamation pumped storage development, and for other purposes

As ordered reported by the House Committee on Natural Resources on July 19, 2023

By Fiscal Year, Millions of Dollars	2023	2023-2028	2023-2033
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Statutory pay-as-you-go procedures apply?	No
		Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

* = between zero and \$500,000.

H.R. 1607 would direct the Forest Service to withdraw land, which CBO expects would total about 17,000 acres, from the National Forest System in an area adjacent to the Salt River Project (SRP) in Arizona and transfer it to the Bureau of Reclamation (BOR). The bill also would clarify that regulatory jurisdiction to develop hydroelectricity and power transmission on that land would be the responsibility of BOR.

The SRP is owned and regulated by BOR and jointly operated by the Salt River Valley Water User’s Association and the Salt River Project Agricultural Improvement and Power District. The project consists of seven dams and reservoirs, 1,300 miles of conveyance infrastructure, and five hydroelectric plants on the Salt and Verde Rivers that supply water and power to central Arizona.

Two agreements signed in 1917 and 1979 among the association, the district, the Forest Service, and BOR set guidelines for managing the lands withdrawn from the National Forest System for SRP purposes; such withdrawals have occurred about 50 times since 1903. The agreements also authorize the association and district to construct power infrastructure and retain receipts from power sales for the SRP.



Under current law, the association is pursuing hydropower development on the Salt River that will require a license from the Federal Energy Regulatory Commission (FERC) because the project will involve constructing a reservoir on land partly owned and administered by the Forest Service. Enacting H.R. 1607 would simplify the regulatory process because transferring the land would give BOR sole jurisdiction for the project and the association would no longer need to obtain a FERC license.

Using information from the affected agencies, CBO estimates that the Forest Service would incur insignificant costs to transfer the land and prepare new maps; any spending would be subject to the availability of appropriated funds. BOR would not incur additional costs because the association would be required to cover all costs incurred by BOR to approve and oversee the project.

Finally, FERC recovers 100 percent of its costs, which are controlled by annual appropriations, through user fees. Thus, any reduction in FERC's costs resulting from shifting its licensing responsibilities to BOR would be offset by an equal change in fees, resulting in no net change in discretionary spending.

The CBO staff contact for this estimate is Aurora Swanson. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

A handwritten signature in black ink that reads "Phillip L. Swagel". The signature is fluid and cursive, with a long horizontal flourish at the end.

Phillip L. Swagel
Director, Congressional Budget Office