



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 20, 2013

H.R. 678 **Bureau of Reclamation Small Conduit Hydropower Development and Rural Jobs Act**

*As ordered reported by the Senate Committee on Energy and Natural Resources
on May 8, 2013*

CBO estimates that enacting H.R. 678 would increase federal offsetting receipts by about \$1 million over the 2014-2023 period because it would authorize the Bureau of Reclamation to permit private entities to develop hydropower at certain facilities owned by the bureau. Pay-as-you-go procedures apply because enacting the legislation would increase offsetting receipts (a credit against direct spending). Enacting the bill would not affect revenues.

H.R. 678 would clarify that the jurisdiction over small hydropower development by private entities on all bureau irrigation canals and conduits lies solely with the bureau. Under current law, the bureau or the Federal Energy Regulatory Commission (FERC) has jurisdiction over hydropower development at such facilities. CBO expects that this change would result in a small increase in receipts from hydropower development because the federal government collects no funds from project developers if a project is authorized by FERC.

Typically the bureau's agreements with private developers of hydropower facilities on small conduits generate annual receipts to the federal government ranging from about \$10,000—at most facilities—up to \$100,000 for a few larger sites. Selecting the lessee, negotiating the leasing contract, and constructing new facilities usually takes two to four years depending on the size of the project. Under the legislation, CBO expects that the federal government would receive some additional receipts beginning two years after enactment and that those additional collections would grow to about \$200,000 a year by 2023.

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. H.R. 678 would increase offsetting receipts beginning in 2015. The budgetary changes that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for H.R. 678, as ordered reported by the Senate Committee on Energy and Natural Resources on May 8, 2013

	By Fiscal Year, in Millions of Dollars											2013-	2013-
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018	2023
NET INCREASE OR DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	0	0	0	0	0	0	0	0	0	0	0	-1

H.R. 678 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.

On March 25, 2013, CBO transmitted a cost estimate for H.R. 678, the Bureau of Reclamation Small Conduit Hydropower Development and Rural Jobs Act, as ordered reported by the House Committee on Natural Resources on March 20, 2013. On May 17, 2013, CBO transmitted a cost estimate for S. 306, the Bureau of Reclamation Small Conduit Hydropower Development and Rural Jobs Act, as ordered reported by the Senate Committee on Energy and Natural Resources on May 8, 2013. All three pieces of legislation are similar and CBO's costs estimates are the same.

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