^{113TH CONGRESS} 1ST SESSION H.R. 1963

AN ACT

- To amend the Water Conservation and Utilization Act to authorize the development of non-Federal hydropower and issuance of leases of power privileges at projects constructed pursuant to the authority of the Water Conservation and Utilization Act, and for other purposes.
 - 1 Be it enacted by the Senate and House of Representa-
 - 2 tives of the United States of America in Congress assembled,

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the "Bureau of Reclamation
3 Conduit Hydropower Development Equity and Jobs Act".
4 SEC. 2. AMENDMENT.

Section 9 of the Act entitled "An Act authorizing
construction of water conservation and utilization projects
in the Great Plains and arid semiarid areas of the United
8 States", approved August 11, 1939 (16 U.S.C. 590z-7;
9 commonly known as the "Water Conservation and Utiliza10 tion Act"), is amended—

- (1) by striking "In connection with" and inserting "(a) In connection with"; and
- 13 (2) by adding at the end the following:
- 14 "(b) Notwithstanding subsection (a), the Secretary is 15 authorized to enter into leases of power privileges for elec-16 tric power generation in connection with any project con-17 structed under this Act, and shall have authority in addi-18 tion to and alternative to any authority in existing laws 19 relating to particular projects, including small conduit hy-20 dropower development.
- "(c) When entering into leases of power privileges
 under subsection (b), the Secretary shall use the processes
 applicable to such leases under section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)).

25 "(d) Lease of power privilege contracts shall be at
26 such rates as, in the Secretary's judgment, will produce
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revenues at least sufficient to cover the appropriate share
 of the annual operation and maintenance cost of the
 project and such fixed charges, including interest, as the
 Secretary deems proper. Lease of power privilege con tracts shall be for periods not to exceed 40 years.

6 "(e) No findings under section 3 shall be required7 for a lease under subsection (b).

8 "(f) All right, title, and interest to installed power 9 facilities constructed by non-Federal entities pursuant to 10 a lease of power privilege, and direct revenues derived 11 therefrom, shall remain with the lessee unless otherwise 12 required under subsection (g).

"(g) Notwithstanding section 8, lease revenues and
fixed charges, if any, shall be covered into the Reclamation
Fund to be credited to the project from which those revenues or charges were derived.

17 "(h) When carrying out this section, the Secretary 18 shall first offer the lease of power privilege to an irrigation 19 district or water users association operating the applicable 20 transferred conduit, or to the irrigation district or water 21 users association receiving water from the applicable re-22 served conduit. The Secretary shall determine a reason-23 able timeframe for the irrigation district or water users 24 association to accept or reject a lease of power privilege 25 offer. If the irrigation district or water users association

elects not to accept a lease of power privilege offer under
 subsection (b), the Secretary shall offer the lease of power
 privilege to other parties using the processes applicable to
 such leases under section 9(c) of the Reclamation Project
 Act of 1939 (43 U.S.C. 485h(c)).

6 "(i) The Bureau of Reclamation shall apply its cat7 egorical exclusion process under the National Environ8 mental Policy Act of 1969 (42 U.S.C. 4321 et seq.) to
9 small conduit hydropower development under this section,
10 excluding siting of associated transmission facilities on
11 Federal lands.

12 "(j) Nothing in this section shall obligate the Western 13 Area Power Administration or the Bonneville Power Ad-14 ministration to purchase or market any of the power pro-15 duced by the facilities covered under this section and none 16 of the costs associated with production or delivery of such 17 power shall be assigned to project purposes for inclusion 18 in project rates.

19 "(k) Nothing in this section shall alter or impede the 20 delivery and management of water by Bureau of Reclama-21 tion facilities, as water used for conduit hydropower gen-22 eration shall be deemed incidental to use of water for the 23 original project purposes. Lease of power privilege shall 24 be made only when, in the judgment of the Secretary, the 25 exercise of the lease will not be incompatible with the pur-

poses of the project or division involved and shall not cre-1 2 ate any unmitigated financial or physical impacts to the 3 project or division involved. The Secretary shall notify and 4 consult with the irrigation district or legally organized 5 water users association operating the transferred conduit 6 in advance of offering the lease of power privilege and 7 shall prescribe such terms and conditions necessary to 8 adequately protect the planning, design, construction, op-9 eration, maintenance, and other interests of the United States and the project or division involved. 10

"(l) Nothing in this section shall alter or affect any
agreements in effect on the date of the enactment of the
Bureau of Reclamation Conduit Hydropower Development
Equity and Jobs Act for the development of conduit hydropower projects or disposition of revenues.

- 16 "(m) In this section:
- "(1) The term 'conduit' means any Bureau of
 Reclamation tunnel, canal, pipeline, aqueduct, flume,
 ditch, or similar manmade water conveyance that is
 operated for the distribution of water for agricultural, municipal, or industrial consumption and not
 primarily for the generation of electricity.

23 "(2) The term 'irrigation district' means any ir24 rigation, water conservation or conservancy, multi25 county water conservation or conservancy district, or

any separate public entity composed of two or more
 such districts and jointly exercising powers of its
 member districts.

4 "(3) The term 'reserved conduit' means any
5 conduit that is included in project works the care,
6 operation, and maintenance of which has been re7 served by the Secretary, through the Commissioner
8 of the Bureau of Reclamation.

9 "(4) The term 'transferred conduit' means any 10 conduit that is included in project works the care, 11 operation, and maintenance of which has been trans-12 ferred to a legally organized water users association 13 or irrigation district.

14 "(5) The term 'small conduit hydropower'
15 means a facility capable of producing 5 megawatts
16 or less of electric capacity.".

Passed the House of Representatives December 3, 2013.

Attest:

Clerk.

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