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(Original Signature of Member)

118TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To direct the Administrator of the Western Area Power Administration to reduce rates for firm electric service customers due to shortfalls in generation from certain Bureau of Reclamation hydroelectric facilities, and for other purposes.

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**IN THE HOUSE OF REPRESENTATIVES**

Ms. MALLOY introduced the following bill; which was referred to the Committee  
on \_\_\_\_\_  
\_\_\_\_\_

**A BILL**

To direct the Administrator of the Western Area Power Administration to reduce rates for firm electric service customers due to shortfalls in generation from certain Bureau of Reclamation hydroelectric facilities, 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,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Hydropower Delivery  
5       Rate-reduction Offset Act of 2024” or the “HYDRO Act  
6       of 2024”.

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

3 (1) the sale of hydropower from Federal facili-  
4 ties at cost-based rates to project use and firm elec-  
5 tric service customers has financed Federal projects  
6 and programs that are not strictly necessary for, or  
7 related to, the production of hydropower;

8 (2) maintaining a mutually beneficial contrac-  
9 tual relationship with project use and firm electric  
10 service customers is beneficial for the integrity of  
11 the Federal hydropower program;

12 (3) long-term drought conditions in the Western  
13 United States have produced untenable conditions  
14 for the delivery of hydropower; and

15 (4) the conditions referred to in paragraph (3)  
16 make the recovery of costs unrelated to the produc-  
17 tion of Federal hydropower inconsistent with sound  
18 business principles.

19 **SEC. 3. SENSE OF CONGRESS RELATING TO THE ADMINIS-**  
20 **TRATOR OF THE WESTERN AREA POWER AD-**  
21 **MINISTRATION.**

22 It is the sense of Congress that—

23 (1) the Administrator of the Western Area  
24 Power Administration (referred to in this Act as the  
25 “Administrator”) has the discretion to exclude

1 nonpower-related costs from power rate repayment  
2 studies; and

3 (2) the Administrator should exercise the dis-  
4 cretion of the Administrator—

5 (A) to reduce unnecessary expenditures  
6 during periods of extreme drought; and

7 (B) to exclude costs from hydropower rates  
8 that are inconsistent with an equitable alloca-  
9 tion or assignment of nonpower-related costs to  
10 project use and firm electric service rates.

11 **SEC. 4. HYDROPOWER DROUGHT MITIGATION.**

12 (a) NOTIFICATION OF PREDICTED AVAILABLE  
13 POWER.—

14 (1) IN GENERAL.—Not later than 30 days after  
15 the date of enactment of this Act, and each January  
16 1 thereafter, the Administrator shall notify project  
17 use and firm electric service customers of each of the  
18 Bureau of Reclamation projects described in para-  
19 graph (2) of the quantity of energy predicted to be  
20 available for delivery from the applicable Bureau of  
21 Reclamation project during the 1-year period begin-  
22 ning on the date of the notification, based on the  
23 most recent August 24-month study of the Bureau  
24 of Reclamation.

1           (2) DESCRIPTION OF PROJECTS.—The Bureau  
2           of Reclamation projects referred to in paragraph (1)  
3           are the following:

4                   (A) The Colorado River Storage Project,  
5                   the Collbran Project, and the Rio Grande  
6                   Project (collectively referred to in this Act as  
7                   the “Salt Lake City Area Integrated Projects”).

8                   (B) The Boulder Canyon Project.

9                   (C) The Parker-Davis Project.

10          (b) CONDITIONS WARRANTING RATE REDUCTION.—

11               (1) SALT LAKE CITY AREA INTEGRATED  
12               PROJECTS.—If a notification under subsection (a)(1)  
13               indicates that the annual quantity of energy pro-  
14               duced by the Salt Lake City Area Integrated  
15               Projects is predicted to be less than 4,900,000  
16               MWh, the Administrator shall reduce rates for each  
17               project use and firm electric service customer of the  
18               Salt Lake City Area Integrated Projects in each  
19               monthly invoice for firm electric service until such  
20               time as the expected annual energy production re-  
21               turns to levels equal to or greater than 4,900,000  
22               MWh.

23               (2) BOULDER CANYON PROJECT.—If a notifica-  
24               tion under subsection (a)(1) indicates that the an-  
25               nual quantity of energy produced by the Boulder

1 Canyon Project is predicted to be less than  
2 3,600,000 MWh, the Administrator shall reduce  
3 rates for each project use and firm electric service  
4 customer of the Boulder Canyon Project in each  
5 monthly invoice for firm electric service until such  
6 time as the expected annual energy production re-  
7 turns to levels equal to or greater than 3,600,000  
8 MWh.

9 (3) PARKER-DAVIS PROJECT.—If a notification  
10 under subsection (a)(1) indicates that the annual  
11 quantity of energy produced by the Parker-Davis  
12 Project is expected to be less than 1,400,000 MWh,  
13 the Administrator shall reduce rates for each project  
14 use and firm electric service customer of the Parker-  
15 Davis Project in each monthly invoice for project use  
16 and firm electric service until such time as the ex-  
17 pected annual energy production returns to levels  
18 equal to or greater than 1,400,000 MWh.

19 (c) RATE REDUCTION.—

20 (1) IN GENERAL.—For purposes of calculating  
21 a rate reduction required under subsection (b), the  
22 Administrator shall reduce rates for each project use  
23 and firm electric service customer in accordance with  
24 the principles described in sections 2 and 3.

1           (2) LIMITATION ON RATE REDUCTION.—The  
2 Administrator may not reduce rates as required  
3 under subsection (b) by an aggregate amount great-  
4 er than any unobligated balances associated with the  
5 projects described in subsection (a)(2).

6           (d) TERMINATION OF EFFECTIVENESS.—Subsections  
7 (a) through (c) shall cease to be effective on December  
8 31, 2031.

9 **SEC. 5. EFFECT.**

10          (a) COST RECOVERY.—Nothing in this Act preempts  
11 the obligations of the Administrator to set rates to recover  
12 costs as may be required by law.

13          (b) FUNDING.—

14               (1) IN GENERAL.—Nothing in this Act author-  
15 izes additional appropriations for the Western Area  
16 Power Administration.

17               (2) USE OF EXISTING FUNDS.—The Adminis-  
18 trator shall use any funds authorized and appro-  
19 priated to the Western Area Power Administration  
20 on an annual basis to carry out the duties of the Ad-  
21 ministrator under this Act.

22          (c) NO RETROACTIVE RATES.—Notwithstanding any  
23 other provision of law, the Administrator shall not recover  
24 any rate reduction provided pursuant to this section in fu-  
25 ture rates.

1 (d) EFFECT ON WATER RIGHTS.—Nothing in this  
2 Act—

3 (1) alters or affects any water rights held by—

4 (A) the United States;

5 (B) any Indian Tribe, band, or community;

6 (C) any State or political subdivision of a  
7 State; or

8 (D) any person;

9 (2) authorizes the Secretary of the Interior to  
10 change or otherwise modify operations at Bureau of  
11 Reclamation facilities in the Colorado River Basin;  
12 or

13 (3) authorizes a change in the terms of the  
14 agreement entitled the “Second Memorandum of  
15 Agreement Concerning the Upper Colorado River  
16 Basin Fund” and dated June 10, 2020.