

108TH CONGRESS  
2D SESSION

# H. R. 3834

To direct the Secretary of Energy to make incentive payments to the owners or operators of qualified desalination facilities to partially offset the cost of electrical energy required to operate such facilities, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 2004

Mr. DAVIS of Florida (for himself, Mrs. WILSON of New Mexico, Mr. HASTINGS of Florida, Mr. SHAW, Mr. CASE, Ms. GINNY BROWN-WAITE of Florida, Ms. ROYBAL-ALLARD, Mr. CUNNINGHAM, Mr. HINOJOSA, Mr. ISSA, Mr. GREEN of Texas, Mr. FOLEY, Mr. FILNER, Ms. ROS-LEHTINEN, Ms. CORRINE BROWN of Florida, Mr. MICA, Mrs. DAVIS of California, Mr. LINCOLN DIAZ-BALART of Florida, Mr. CRENSHAW, Mr. HUNTER, Mr. DOOLITTLE, and Mr. POMBO) introduced the following bill; which was referred to the Committee on Resources

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## A BILL

To direct the Secretary of Energy to make incentive payments to the owners or operators of qualified desalination facilities to partially offset the cost of electrical energy required to operate such 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Desalination Energy  
3 Assistance Act of 2004”.

4 **SEC. 2. DESALINATED WATER PRODUCTION INCENTIVE**  
5 **PAYMENTS.**

6 (a) INCENTIVE PAYMENTS.—The Secretary of En-  
7 ergy (in this section referred to as the “Secretary”) shall  
8 make incentive payments in an amount determined under  
9 subsection (e) to the owners or operators of qualified de-  
10 salination facilities to partially offset the cost of electrical  
11 energy required to operate such facilities.

12 (b) QUALIFIED DESALINATION FACILITY.—For pur-  
13 poses of this section, the term “qualified desalination facil-  
14 ity” means a facility that—

15 (1) produces for sale to domestic customers  
16 desalinated seawater, brackish groundwater, or sur-  
17 face water whose source water is greater than 1,000  
18 parts per million total dissolved solids;

19 (2) is owned or operated by—

20 (A) a State or any political subdivision,  
21 agency, authority, or instrumentality of a State;  
22 or

23 (B) a corporation responsible for providing  
24 municipal water service pursuant to State law;  
25 and

1           (3) is first used to produce desalinated water  
2           during the 10-year period beginning on October 1 of  
3           the first full fiscal year occurring after the date of  
4           the enactment of this section.

5           (c) AGREEMENT; DEADLINE.—The Secretary may  
6           not make any payment to the owner or operator of a quali-  
7           fied desalination facility under this section, unless not  
8           later than the end of fiscal year 2015 the Secretary enters  
9           into a written agreement with the owner or operator to  
10          make such payment.

11          (d) PAYMENT PERIOD.—The Secretary may make  
12          payments to the owner or operator of a qualified desalina-  
13          tion facility under this section for a period not to exceed  
14          10 years—

15                (1) beginning on the date on which the facility  
16                is first used to produce desalinated water; and

17                (2) ending not later than September 30, 2015.

18          (e) AMOUNT OF PAYMENT.—

19                (1) IN GENERAL.—Payments made by the Sec-  
20                retary under this section to the owner or operator of  
21                any qualified desalination facility shall be based on  
22                the amount of desalinated water produced by the fa-  
23                cility during the payment period described in sub-  
24                section (d). For any facility, the amount of such  
25                payment shall be 62 cents for every thousand gallons

1 of desalinated water produced and sold, adjusted as  
2 provided in paragraph (2).

3 (2) ADJUSTMENTS.—The amount of the pay-  
4 ment made to any person under this subsection as  
5 provided in paragraph (1) shall be adjusted for infla-  
6 tion for each fiscal year beginning after calendar  
7 year 2005 in the same manner as provided in the  
8 provisions of section 29(d)(2)(B) of the Internal  
9 Revenue Code of 1986 (26 U.S.C. 29(d)(2)(B)), ex-  
10 cept that in applying such provisions the calendar  
11 year 2005 shall be substituted for calendar year  
12 1979.

13 (f) APPLICATION.—The Secretary may not make a  
14 grant to the owner or operator of a qualified desalination  
15 facility under this section unless the facility submits an  
16 application to the Secretary in such form, at such time,  
17 and containing such information and assurances as the  
18 Secretary may require.

19 (g) LIMITATION.—In any fiscal year not more than  
20 60 percent of the funds made available by the Secretary  
21 under this section shall be made available to the owners  
22 or operators of qualified desalination facilities that obtain  
23 source water directly from the sea, an estuary, or from  
24 in-bank extraction wells that are of seawater origin.

1       (h) BUDGET ACT COMPLIANCE.—The authority pro-  
2 vided by this section may be exercised only in such  
3 amounts or to such extent as provided in advance in ap-  
4 propriations Acts.

5       (i) AUTHORIZATION OF APPROPRIATIONS.—There is  
6 authorized to be appropriated to the Secretary  
7 \$200,000,000 to carry out this section for the period of  
8 fiscal years 2005 through 2015.

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