

Union Calendar No. 272

109TH CONGRESS
2^D SESSION

H. R. 1071

[Report No. 109–380, Part I]

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.

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 2005

Mr. DAVIS of Florida (for himself and Mr. GIBBONS) introduced the following bill; which was referred to the Committee on Resources

FEBRUARY 28, 2006

Reported with an amendment and referred to the Committee on Energy and Commerce for a period ending not later than March 31, 2006, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(f), rule X

[Strike out all after the enacting clause and insert the part printed in italic]

MARCH 31, 2006

Referral to the Committee on Energy and Commerce extended for a period ending not later than May 26, 2006

MAY 26, 2006

Additional sponsors: Mr. MCGOVERN, Ms. ROYBAL-ALLARD, Mrs. NAPOLITANO, Mr. HAYWORTH, Mr. CALVERT, Mr. BROWN of South Carolina, Mr. FOLEY, Ms. GINNY BROWN-WAITE of Florida, Mr. CASE, Ms. ROS-LEHTINEN, Mr. LINCOLN DIAZ-BALART of Florida, Mr. HASTINGS of Florida, Mr. FILNER, Mrs. DAVIS of California, Mr. HUNTER, Mr. CUNNINGHAM, Mr. ISSA, Mr. BOYD, Mr. SHAW, Mr. DOOLITTLE, Mr. MARIO DIAZ-BALART of Florida, Ms. HARMAN, Mr. COSTA, Mr. GARY G. MILLER of California, Mr. GONZALEZ, Mr. INSLEE, and Mr. BILIRAKIS

MAY 26, 2006

Committee on Energy and Commerce discharged; committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on March 3, 2005]

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,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Desalination Water*
5 *Supply Shortage Prevention Act of 2005”.*

6 **SEC. 2. DEFINITIONS.**

7 *(a) QUALIFIED DESALINATION FACILITY.—The term*
8 *“qualified desalination facility” means a facility that—*

9 *(1) produces for sale to domestic customers*
10 *desalinated seawater, brackish groundwater, or sur-*
11 *face water whose source water is greater than 1000*
12 *parts per million total dissolved solids; and*

13 *(2) is owned or operated by—*

14 *(A) a State or any political subdivision,*
15 *agency, authority, or instrumentality of a State;*

16 *(B) an Indian tribe; or*

1 (C) a corporation responsible for providing
 2 municipal water service pursuant to State or
 3 tribal law;

4 (3) is first used to produce commercial
 5 desalinated water for sale during the 10-year period
 6 beginning on October 1 of the first fiscal year occur-
 7 ring after the date of the enactment of this Act; and

8 (4) uses the best available technology as deter-
 9 mined by the Secretary.

10 (b) *INDIAN TRIBE*.—The term “Indian Tribe” means
 11 with respect to the contiguous 48 states, any federally recog-
 12 nized Indian tribe, organized band, pueblo, or community
 13 and with respect to Alaska, the Metlakatla Indian Commu-
 14 nity.

15 (c) *SECRETARY*.—The term “Secretary ” means the
 16 Secretary of Energy.

17 (d) *STATE*.—The term “State” means the several
 18 States, the District of Columbia, Puerto Rico, American
 19 Samoa, the Virgin Islands, Guam, and the Northern Mar-
 20 iana Islands.

21 **SEC. 3. DESALINATED WATER PRODUCTION INCENTIVE**
 22 **PAYMENTS.**

23 (a) *INCENTIVE PAYMENTS*.—The Secretary shall make
 24 incentive payments in an amount determined under sub-
 25 section (d) to the owners or operators of qualified desalina-

tion facilities to partially offset the cost of electrical energy required to operate such facilities.

(b) *AGREEMENT; DEADLINE.*—The Secretary may not make any payment to the owner or operator of a qualified desalination facility under this section, unless, not later than the end of fiscal year 2016, the Secretary enters into a written agreement with the owner or operator to make such payment.

(c) *PAYMENT PERIOD.*—The Secretary may make payments to the owner or operator of a qualified desalination facility under this section for a period not to exceed 10 years—

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

(2) ending not later than September 30, 2026.

(d) *AMOUNT OF PAYMENT.*—

(1) *IN GENERAL.*—Payments made by the Secretary under this section to the owner or operator of any qualified desalination facility shall be based on the amount of desalinated water produced by the facility during the payment period described in subsection (c). For any facility, the amount of such payment shall be 62 cents for every thousand gallons of desalinated water produced and sold, adjusted as provided in paragraph (2).

1 (2) *ADJUSTMENTS.*—*The amount of the payment*
2 *made to any person under this subsection as provided*
3 *in paragraph (1) shall be adjusted for inflation for*
4 *each fiscal year beginning after calendar year 2006*
5 *in the same manner as provided in the provisions of*
6 *section 29(d)(2)(B) of the Internal Revenue Code of*
7 *1986 (26 U.S.C. 29(d)(2)(B)), except that in applying*
8 *such provisions the calendar year 2006 shall be sub-*
9 *stituted for calendar year 1979.*

10 (e) *APPLICATION.*—*The Secretary may not make a*
11 *grant to the owner or operator of a qualified desalination*
12 *facility under this section unless the facility submits an ap-*
13 *plication to the Secretary in such form, at such time, and*
14 *containing such information and assurances as the Sec-*
15 *retary may require.*

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

22 (g) *PRIORITY.*—*In awarding incentive payments*
23 *under this section, the Secretary shall give priority to any*
24 *application for a project that—*

1 (1) *uses innovative technologies to reduce the en-*
 2 *ergy demand of the project;*

3 (2) *uses renewable energy supplies in the desali-*
 4 *nation process;*

5 (3) *provides regional water supply benefits;*

6 (4) *provides a secure source of new water sup-*
 7 *plies for national defense activities;*

8 (5) *reduces the threat of a water supply disrup-*
 9 *tion as a result of a natural disaster or acts of ter-*
 10 *rorism;*

11 (6) *uses technologies that minimize the damage*
 12 *to marine life; or*

13 (7) *provides significant water quality benefits.*

14 (h) **BUDGET ACT COMPLIANCE.**—*The authority pro-*
 15 *vided by this section may be exercised only in such amounts*
 16 *or to such extent as provided in advance in appropriations*
 17 *Acts.*

18 (i) **AUTHORIZATION OF APPROPRIATIONS.**—*There are*
 19 *authorized to be appropriated to the Secretary \$200,000,000*
 20 *to carry out this section from fiscal year 2006 through fiscal*
 21 *year 2016.*

22 **SEC. 4. NOVEL DESALINATION TECHNOLOGY.**

23 (a) **IN GENERAL.**—*The Secretary shall support re-*
 24 *search and development of promising novel technology ap-*
 25 *proaches for the cost-effective desalination of water.*

1 **(b) AUTHORIZATION OF APPROPRIATION.**—*There are*
2 *authorized to be appropriated to the Secretary for carrying*
3 *out this section \$10,000,000 from fiscal year 2006 through*
4 *fiscal year 2016.*

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