

### At a Glance

## **S. 1882, a bill to make available the continued use of Pick-Sloan Missouri Basin Program project use power by the Kinsey Irrigation Company and the Sidney Water Users Irrigation District, and for other purposes**

As reported by the Senate Committee on Energy and Natural Resources on November 21, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2024	2020-2030
Direct Spending (Outlays)	0	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	0	0	0
Statutory pay-as-you-go procedures apply?	Yes	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

\* = between zero and \$500,000.

S. 1882 would direct the Bureau of Reclamation (BOR) to treat the operators of certain irrigation pumping units as priority customers; such customers are eligible to purchase power under the Pick-Sloan Missouri Basin Program at the lowest available rate. Over the past seven decades, the Kinsey Irrigation Company and the Sidney Water Users Irrigation District have been treated as priority customers under their contracts with the BOR, which has allowed them to purchase power from the Western Area Power Administration (WAPA).<sup>1</sup> They have paid \$7,500 per year for electricity in recent years.

The irrigation units will face higher electricity rates when their contracts expire in December 2020 because they will no longer be treated as priority customers. The two irrigation districts could purchase federal power from WAPA at a higher price if their alternative suppliers qualify as “preference customers.” Otherwise, those entities would need to purchase their power at market rates from nonfederal entities.

1. WAPA is an agency within the Department of Energy that markets electricity produced at federally owned dams in several western states.

Under current law, WAPA is required to recover all its power-generating and marketing costs over time from the sale of electricity. As a result, the agency routinely adjusts the prices it charges for electricity to reflect any changes in its costs or income. Enacting S. 1882 would have an insignificant net cost because any subsidized rate for the irrigation districts would be offset by an increase in rates paid by other customers.

The CBO staff contact for this estimate is Aurora Swanson. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director for Budget Analysis.