



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 20, 2010

H.R. 4349 **Hoover Power Allocation Act of 2010**

As ordered reported by the House Committee on Natural Resources on May 5, 2010

H.R. 4349 would update the statutory allocation of electric power generated at the Hoover Dam among various users. The current allocation expires at the end of fiscal year 2017. The legislation would increase the amount of electricity to be marketed by the Western Area Power Administration (WAPA) and would allocate much of the dam's currently unallocated electricity to Native American Indian tribes and other entities. The revised allocations would remain in effect from 2017 through 2067. Based on information from WAPA, CBO estimates that implementing this bill would have a negligible effect on net direct spending and spending subject to appropriation.

In the absence of this legislation, CBO expects that WAPA would allocate the electricity from the Hoover Dam by regulation. CBO estimates that any differences between the electricity allocation under H.R. 4349 and the allocations developed under such regulations would have a negligible effect on offsetting receipts (an offset to direct spending) from electricity sales because the agency is required by law to keep electric rates as low as possible while recovering all costs of generation and marketing over time. CBO also estimates that implementing the bill would have no significant impact on WAPA's administrative costs, which are funded by appropriations and offset by proceeds from the sale of electricity.

The Statutory Pay-As-You-Go Act of 2010 establishes budget reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for H.R. 4349 as ordered reported by the House Committee on Natural Resources on May 5, 2010

	By Fiscal Year, in Millions of Dollars											2010-	2010-
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2015	2020
NET INCREASE OR DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	0	0	0	0	0	0	0	0	0	0	0	0

H.R. 4349 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Kathleen Gramp. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.