

AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H. R. 1071
OFFERED BY MR. RADANOVICH

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Desalination Water
3 Supply Shortage Prevention Act of 2005”.

4 SEC. 2. DEFINITIONS.

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

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

11 (2) is owned or operated by—

12 (A) a State or any political subdivision,
13 agency, authority, or instrumentality of a State;

14 (B) an Indian tribe; or

15 (C) a corporation responsible for providing
16 municipal water service pursuant to State or
17 tribal law;



1 (3) is first used to produce commercial
2 desalinated water for sale during the 10-year period
3 beginning on October 1 of the first fiscal year occur-
4 ring after the date of the enactment of this Act; and
5 (4) uses the best available technology as deter-
6 mined by the Secretary.

7 (b) INDIAN TRIBE.—The term “Indian Tribe” means
8 with respect to the contiguous 48 states, any federally rec-
9 ognized Indian tribe, organized band, pueblo, or commu-
10 nity and with respect to Alaska, the Metlakatla Indian
11 Community.

12 (c) SECRETARY.—The term “Secretary ” means the
13 Secretary of Energy.

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

18 **SEC. 3. DESALINATED WATER PRODUCTION INCENTIVE**
19 **PAYMENTS.**

20 (a) INCENTIVE PAYMENTS.—The Secretary shall
21 make incentive payments in an amount determined under
22 subsection (d) to the owners or operators of qualified de-
23 salination facilities to partially offset the cost of electrical
24 energy required to operate such facilities.



1 (b) AGREEMENT; DEADLINE.—The Secretary may
2 not make any payment to the owner or operator of a quali-
3 fied desalination facility under this section, unless, not
4 later than the end of fiscal year 2016, the Secretary enters
5 into a written agreement with the owner or operator to
6 make such payment.

7 (c) PAYMENT PERIOD.—The Secretary may make
8 payments to the owner or operator of a qualified desalina-
9 tion facility under this section for a period not to exceed
10 10 years—

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

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

14 (d) AMOUNT OF PAYMENT.—

15 (1) IN GENERAL.—Payments made by the Sec-
16 retary under this section to the owner or operator of
17 any qualified desalination facility shall be based on
18 the amount of desalinated water produced by the fa-
19 cility during the payment period described in sub-
20 section (c). For any facility, the amount of such pay-
21 ment shall be 62 cents for every thousand gallons of
22 desalinated water produced and sold, adjusted as
23 provided in paragraph (2).

24 (2) ADJUSTMENTS.—The amount of the pay-
25 ment made to any person under this subsection as



1 provided in paragraph (1) shall be adjusted for infla-
2 tion for each fiscal year beginning after calendar
3 year 2006 in the same manner as provided in the
4 provisions of section 29(d)(2)(B) of the Internal
5 Revenue Code of 1986 (26 U.S.C. 29(d)(2)(B)), ex-
6 cept that in applying such provisions the calendar
7 year 2006 shall be substituted for calendar year
8 1979.

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

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

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

24 (1) uses innovative technologies to reduce the
25 energy demand of the project;



1 (2) uses renewable energy supplies in the desali-
2 nation process;

3 (3) provides regional water supply benefits;

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

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

9 (6) uses technologies that minimize the damage
10 to marine life; or

11 (7) provides significant water quality benefits.

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

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

20 **SEC. 4. NOVEL DESALINATION TECHNOLOGY.**

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

24 (b) AUTHORIZATION OF APPROPRIATION.—There are
25 authorized to be appropriated to the Secretary for car-

- 1 rying out this section \$10,000,000 from fiscal year 2006
- 2 through fiscal year 2016.

