



# CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 11, 2018

## **S. 1336** **Reliable Investment in Vital Energy Reauthorization Act**

*As ordered reported by the Senate Committee on Energy and Natural Resources  
on March 8, 2018*

### **SUMMARY**

S. 1336 would authorize appropriations for the Department of Energy (DOE) to make payments to owners or operators of certain hydroelectric facilities. Assuming appropriation of the authorized amounts, CBO estimates that implementing S. 1336 would cost \$43 million over the 2018-2023 period.

Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting S. 1336 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 1336 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary effect of S. 1336 is shown in the following table. The costs of the legislation fall within budget function 270 (energy).

|  | By Fiscal Year, in Millions of Dollars |      |      |      |      |      | 2019-<br>2023 |
|--|--|------|------|------|------|------|---------------|
|  | 2018                                   | 2019 | 2020 | 2021 | 2022 | 2023 |               |
| INCREASES IN SPENDING SUBJECT TO APPROPRIATION |  |      |      |      |      |      |               |
| Authorization Level                            | 10                                     | 10   | 10   | 10   | 10   | 10   | 50            |
| Estimated Outlays                              | 0                                      | 4    | 9    | 10   | 10   | 10   | 43            |

The bill would authorize the appropriation of \$10 million in 2018. CBO does not estimate any outlays for that authorization because appropriations for 2018 have already been enacted.

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that S. 1336 will be enacted near the start of fiscal year 2019 and that the amounts will be provided each year beginning in 2019.

S. 1336 would authorize the appropriation of \$10 million annually over the 2018-2027 period for DOE to provide payments to nonfederal owners and operators of certain facilities that generate and sell hydroelectric energy. Such payments would equal 1.8 cents per kilowatt hour of electricity generated by qualified facilities that use a turbine or other power-generating device that was added to a dam or conduit that was completed before August 8, 2005. Under the bill, to qualify for incentive payments facilities would need to begin operating before August 8, 2025, owners and operators could receive such payments for up to 10 years.

For 2018, the Congress has provided nearly \$7 million for payments that would be reauthorized under the bill; for this estimate, CBO assumes no further funding will be provided this year. Assuming appropriation of the authorized amounts over the 2019-2027 period, CBO estimates that implementing S. 1336 would cost \$43 million over the 2018-2023 period covered by this estimate and \$47 million after 2023. That estimate is based on historical spending patterns for existing activities.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

## **INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS**

CBO estimates that enacting S. 1336 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

## **MANDATES**

S. 1336 contains no intergovernmental or private-sector mandates as defined in UMRA.

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