Congressional Budget Office
Cost Estimate

October 31, 2019

S. 1874, BRIGHT Act

As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on June 19, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2024	2020-2029
Direct Spending (Outlays)	0	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	*	2	not estimated

Statutory pay-as-you-go procedures apply?	Yes	**Mandate Effects**	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

* = between -$500,000 and $500,000.

S. 1874 would require the General Services Administration (GSA) to procure lighting systems for use in federal buildings that are the most cost effective and energy efficient when measured over the systems' expected lifetime. (Life cycle costs include all capital and operating expenses associated with a system over its life expectancy of up to 40 years, including fuel costs.) The bill also would require GSA to issue guidance about the efficiency of new lighting products.

A variety of statutory provisions and executive orders direct federal agencies to meet certain goals to reduce the amount of energy used in federal facilities, increase the consumption of electricity that is generated from renewable sources, reduce emissions of greenhouse gases, and ensure that federal facilities meet certain standards related to the use of sustainable resources. In addition, the federal government uses life cycle costs to evaluate investments in owned and leased buildings. S. 1874 could marginally accelerate meeting energy efficiency goals by encouraging the use of lighting systems that would have higher initial costs but longer-term energy savings. Using information from GSA, CBO estimates that any such costs would be less than $500,000 annually and would total $2 million over the 2020-2024 period. Any additional savings from reduced energy costs would not be significant over the next five years. All of those effects, both costs and savings, would be subject to future appropriation actions consistent with the bill.

Enacting S. 1874 could affect direct spending by some agencies that are allowed to use fees, receipts from the sale of goods, and other collections to cover operating costs. CBO estimates that any net changes in direct spending by those agencies would be negligible because most of them can adjust amounts collected to reflect changes in operating costs.

S. 1874 could also affect direct spending if under the bill GSA procures more lighting systems using long-term contracts known as Energy Savings Performance Contracts (ESPCs).[1] However, because S. 1874 would not change those contracts' scope or the ability of GSA to enter into them, CBO estimates that any increase in direct spending stemming from increased use of such contracts under the bill would not be significant.

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

1. In CBO's judgment, agencies that enter into ESPCs make an obligation—a commitment of federal resources—on behalf of the government to cover the full cost of the equipment to be acquired, but without the necessary appropriations. Therefore, legislation authorizing ESPCs creates the authority to make such obligations, and in the absence of appropriations sufficient to cover the contractual costs, that authority is a form of mandatory rather than discretionary spending. See Congressional Budget Office, *Using ESPCs to Finance Federal Investments in Energy-Efficient Equipment* (February 2015), www.cbo.gov/publication/49869.