

At a Glance

S. 2799, NEWS Act of 2019

As ordered reported by the Senate Committee on Energy and Natural Resources on November 19, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2024	2020-2029
Direct Spending (Outlays)	2	19	20
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	2	19	20
Spending Subject to Appropriation (Outlays)	1	5	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

The bill would

- Direct the Department of Energy (DOE) to use unobligated funds to award grants for projects that implement technology-based solutions to make water systems more efficient
- Require DOE and the Department of the Interior to establish a joint office and an interagency coordination committee on energy and water issues

Estimated budgetary effects would primarily stem from

- Using previously appropriated but unobligated amounts to finance the grant program
- The costs associated with managing the joint office and interagency committee

Areas of significant uncertainty include

- The size of awards that would be made under the grant program

Detailed estimate begins on the next page.

Bill Summary

S. 2799 would direct the Department of Energy (DOE) to establish a smart energy and water efficiency pilot program. Under that program, DOE would award grants to eligible entities for implementing technology-based solutions to improve the efficiency of water systems. The bill would require DOE to use unobligated funds that are available to the department to finance the program.

The bill also would direct DOE and the Department of the Interior (DOI) to establish a joint office and an interagency committee to develop a strategic plan and coordinate research, development, and demonstration projects on energy and water issues.

Estimated Federal Cost

The estimated budgetary effect of S. 2799 is shown in Table 1. The costs of the legislation fall within budget functions 270 (energy) and 300 (natural resources and environment).

Table 1.
Estimated Budgetary Effects of S. 2799

	By Fiscal Year, Millions of Dollars										2020-2024	2020-2029	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029			
Increases in Direct Spending													
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	2	4	6	5	2	1	0	0	0	0	0	19	20
Increases in Spending Subject to Appropriation													
Estimated Authorization	1	1	1	1	1	n.e.	n.e.	n.e.	n.e.	n.e.	n.e.	5	n.e.
Estimated Outlays	1	1	1	1	1	*	n.e.	n.e.	n.e.	n.e.	n.e.	5	n.e.

n.e. = not estimated; * = between zero and \$500,000.

Basis of Estimate

For this estimate, CBO assumes that the legislation will be enacted near the end of 2019 and that the necessary amounts will be available in each year. Estimated outlays are based on historical spending patterns for similar activities.

Direct Spending

Section 3 would direct DOE to establish a smart energy and water efficiency pilot program and to award three to five grants to eligible entities for implementing technology-based solutions to improve the efficiency of water supply, wastewater, and water reuse systems. The bill would require DOE to use unobligated amounts otherwise available to the department to finance the program. CBO considers such spending to be direct spending because it would occur without further appropriation and we expect that DOE would use



previously appropriated funds that otherwise would not be spent over the next 10 years. (At the end of fiscal year 2019, DOE’s unobligated balance totaled more than \$7 billion.)

CBO expects that DOE would award four grants under the program within the next year, and that grant recipients would complete their projects within five years of acceptance. Based on the costs of similar projects, CBO estimates that DOE would provide \$5 million for each grant. In total, we estimate that enacting S. 2799 would increase direct spending by \$20 million over the 2020-2029 period.

Spending Subject to Appropriation

Section 2 would direct DOE and DOI to jointly establish a Nexus of Energy and Water Sustainability Office and an interagency coordination committee. Under the bill, the committee would develop a strategic plan on research, development, and demonstration projects on energy and water issues, convene agencies periodically, coordinate related data collection, and report on the feasibility of establishing an energy-water center of excellence within the National Laboratories. Using information from DOE, and based on the costs of similar tasks, CBO estimates that the government would require six additional employees at an average annual cost of \$150,000 each to staff the joint office and manage the committee. In total, we estimate that implementing S. 2799 would cost \$5 million over the 2020-2024 period, subject to the availability of appropriated funds.

Uncertainty

The largest area of uncertainty associated with S. 2799 is the overall size of the proposed grant program. If DOE selects projects that are more expensive than those funded under similar programs or if there are limited or no cost sharing requirements for grant recipients, S. 2799 would increase direct spending by more than what CBO estimates. If DOE used future appropriations instead of those from previous fiscal years, S. 2799 would have a smaller effect on direct spending and a larger effect on spending subject to appropriation.

Pay-As-You-Go Considerations

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 Table 2.

Table 2.													
CBO’s Estimate of the Statutory Pay-As-You-Go Effects of S. 2799, the NEWS Act of 2019, as ordered reported by the Senate Committee on Energy and Natural Resources on November 19, 2019													
	By Fiscal Year, Millions of Dollars										2020-2024	2020-2029	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029			
				Net Increase in the Deficit									
Pay-As-You-Go Effect	2	4	6	5	2	1	0	0	0	0	19	20	



Increase in Long-Term Deficits: None.

Mandates: None.

Previous CBO Estimate

On October 30, 2019, CBO transmitted a [cost estimate for H.R. 2665](#), the Smart Energy and Water Efficiency Act of 2019, as ordered reported by the House Committee on Energy and Commerce on July 17, 2019. H.R. 2665 is similar to section 3 of S. 2799, and CBO's estimates of the budgetary effects are the same for both provisions.

Estimate Prepared By

Federal Costs: Janani Shankaran and Aaron Krupkin

Mandates: Brandon Lever

Estimate Reviewed By

Kim P. Cawley

Chief, Natural and Physical Resources Cost Estimates Unit

H. Samuel Papenfuss

Deputy Assistant Director for Budget Analysis