

S. 2610, Tribal Energy Reauthorization Act

As ordered reported by the Senate Committee on Indian Affairs on July 29, 2020

By Fiscal Year, Millions of Dollars	2021	2021-2025	2021-2030
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	7	219	618
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

S. 2610 would authorize the appropriation of \$50 million annually over the 2021-2030 period for programs sponsored by the Department of Energy’s (DOE’s) Office of Indian Energy. Under those programs, the agency would provide grants and technical assistance to Native American tribes, intertribal organizations, and tribal energy development organizations for energy efficiency programs, electric infrastructure projects, and other related activities. The bill also would expand eligibility for assistance under those programs, amend cost-sharing requirements, and require DOE to develop a strategy on Native American energy in the Arctic.

In addition, S. 2610 would authorize the appropriation of \$30 million annually over the 2021-2030 period for DOE’s Tribal Energy Loan Guarantee Program (TELGP), which partially guarantees loans issued to tribal organizations for energy development activities. The bill would expand eligibility for the program and would require DOE to report to the Congress on program implementation. Using information from the department, CBO estimates that \$4 million per year would be needed for administrative costs; the remaining \$26 million would be available to cover subsidy costs each year.¹

1. Under the Federal Credit Reform Act of 1990, the subsidy cost of a loan guarantee is the net present value of estimated payments by the government to cover defaults and delinquencies, interest subsidies, or other expenses, offset by any payments to the government, including origination fees, other fees, penalties, and recoveries on defaulted loans. Such subsidy costs are calculated by discounting those expected cash flows using the rate on Treasury securities of comparable maturity. The resulting estimated subsidy costs are recorded in the budget when the loans are disbursed.

In 2020, the Congress appropriated \$22 million for the Office of Indian Energy and \$2 million for TELGP. Because CBO estimates budgetary effects under continuing resolutions on an annualized basis, in 2021 CBO assumes that the same amount will be available under the current continuing resolution (Public Law 116-159). As a result, CBO estimates that the bill would authorize additional appropriations in 2021 of \$28 million for the Office of Indian Energy and \$28 million for TELGP, the difference between the authorized amounts and the annualized amounts provided under the continuing resolution.

Based on historical spending patterns for similar activities, and assuming appropriation of the authorized amounts, CBO estimates that implementing S. 2610 would cost \$219 million over the 2021-2025 period, \$618 million over the 2021-2030 period, and \$158 million after 2030. The costs of the legislation (detailed in Table 1) fall within budget function 270 (energy).

Table 1.
Estimated Increases in Spending Subject to Appropriation Under S. 2610

	By Fiscal Year, Millions of Dollars					2021-2025
	2021	2022	2023	2024	2025	
Office of Indian Energy						
Authorization ^a	28	50	50	50	50	228
Estimated Outlays	6	18	32	42	47	145
TELGP						
Authorization ^a	28	30	30	30	30	148
Estimated Outlays	1	7	14	22	30	74
Total Changes						
Authorization ^a	56	80	80	80	80	376
Estimated Outlays	7	25	46	64	77	219

TELGP = Tribal Energy Loan Guarantee Program.

a. S. 2610 would authorize the appropriation of \$50 million annually through 2030 for programs sponsored by the Department of Energy's Office of Indian Energy. The bill also would authorize the appropriation of \$30 million annually through 2030 for TELGP. In 2020, the Congress appropriated \$22 million and \$2 million, respectively, for those purposes. Because CBO estimates budgetary effects under continuing resolutions on an annualized basis, in 2021 CBO assumes that the same amounts will be available under the current continuing resolution (Public Law 116-159). As a result, CBO estimates that the bill would authorize additional appropriations in 2021 of \$56 million for those purposes, the difference between the authorized amounts and the annualized amounts provided under the continuing resolution.

The CBO staff contact for this estimate is Aaron Krupkin. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.