

H.R. 3361, RIVER Act

As ordered reported by the House Committee on Energy and Commerce on July 15, 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)	2	69	169
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

H.R. 3361 would amend existing law regarding incentive payments made by the Department of Energy (DOE) to nonfederal owners or operators of certain hydroelectric facilities. DOE currently is authorized to provide two types of incentives to eligible projects: payments based on the amount of hydroelectricity generated by the facility and payments that defray some of the cost of measures that improve the efficiency of existing facilities.

H.R. 3361 would authorize the appropriation of \$10 million annually through 2036 for payments based on hydropower generation and another \$10 million per year over that period for payments based on investments in hydropower efficiency measures. In addition, the bill would modify the deadlines and eligibility criteria for receiving such assistance.

In 2020, DOE allocated \$7 million for generation-based payments; no funding was provided for hydroelectricity efficiency payments. Because CBO estimates the 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 an increase in spending subject to appropriation in 2021 for generation-based payments of \$3 million, the difference between the authorized amount and the annualized amount provided under the continuing resolution.

Based on historical spending patterns for similar activities, and assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 3361 would cost \$69 million



over the 2021-2025 period and \$169 million over the 2021-2030 period. 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 H.R. 3361

	By Fiscal Year, Millions of Dollars										2021-2025	2021-2030	
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030			
Hydroelectric Generation Incentives^a													
Authorization	3	10	10	10	10	10	10	10	10	10	10	43	93
Estimated Outlays	1	3	9	10	10	10	10	10	10	10	10	33	83
Hydroelectric Efficiency Incentives													
Authorization	10	10	10	10	10	10	10	10	10	10	10	50	100
Estimated Outlays	1	5	10	10	10	10	10	10	10	10	10	36	86
Total Changes													
Authorization	13	20	20	20	20	20	20	20	20	20	20	93	193
Estimated Outlays	2	8	19	20	20	20	20	20	20	20	20	69	169

a. H.R. 3361 would authorize the appropriation of \$10 million annually through 2036 for the Department of Energy to provide hydroelectric generation incentives. In 2020, the department allocated \$7 million for those purposes. Because CBO estimates the 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 an increase in spending subject to appropriation in 2021 of \$3 million, the difference between the authorized amount and the annualized amount provided under the continuing resolution.

On August 19, 2019, CBO transmitted a [cost estimate for S. 859](#), the Reliable Investment in Vital Energy Reauthorization Act, as ordered reported by the Senate Committee on Energy and Natural Resources on July 16, 2019. The two pieces of legislation are similar, and CBO’s estimate of their budgetary effects are the same, adjusted for differences in assumptions about the timing of enactment. The cost estimate for H.R. 3361 also reflects the enactment of the continuing resolution for 2021.

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