



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

October 19, 2007

**H.R. 3775
Industrial Energy Efficiency Research and Development Act of 2007**

*As ordered reported by the House Committee on Science and Technology
on October 16, 2007*

SUMMARY

H.R. 3775 would authorize the appropriation of \$150 million a year over the 2009-2013 period to expand the Department of Energy's (DOE's) industrial technologies program to promote energy efficiency in the industrial sector. Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 3775 would cost \$68 million in 2009 and \$489 million over the 2009-2012 period. Spending of about \$260 million would occur after 2012. Enacting H.R. 3775 would not affect direct spending or revenues.

H.R. 3775 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3775 is shown in the following table. The costs of this legislation fall within budget function 250 (general science, space, and technology).

	By Fiscal Year, in Millions of Dollars				
	2008	2009	2010	2011	2012

CHANGES IN SPENDING SUBJECT TO APPROPRIATION

Authorization Level	0	150	150	150	150
Estimated Outlays	0	68	128	143	150

Note: A full year appropriation for the Department of Energy has not yet been enacted. The 2007 appropriation for the Department of Energy’s industrial technologies program was approximately \$57 million. Under the bill, an additional \$150 million would be authorized in 2013.

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 3775 will be enacted during fiscal year 2008 and that the entire amounts authorized will be appropriated for each fiscal year.

H.R. 3775 would authorize the appropriation of \$150 million a year over the 2009-2013 period to expand DOE’s industrial technologies program, which promotes energy efficiency in manufacturing processes. The 2007 appropriation for these activities was approximately \$57 million. Under the bill, the Secretary of Energy would award grants to promote partnerships among energy-intensive industries, trade and industry research collaborations, and institutes of higher education to develop technologies that utilize alternative energy sources to supply heat, power, and new feedstocks (raw materials) for energy-intensive industries.

The bill also would increase funding for university-based industrial research and assessment centers. Currently, these centers provide no-cost energy assessments to small and medium-sized manufacturers. H.R. 3775 would require the Secretary to submit a report to the Congress not later than one year after the date of enactment, and once every two years thereafter, detailing ongoing projects and the anticipated energy savings that result from use of new technologies. Based on the historical spending patterns of DOE research and development programs, CBO estimates that implementing H.R. 3775 would cost \$68 million in 2009 and \$489 million over the 2009-2012 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3775 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would authorize increased funding for a Department of Energy program to research and develop new technology for energy efficiency and waste reduction. This program would benefit institutions of higher education, and any costs they might incur, including matching funds, would be incurred voluntarily.

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