



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

August 13, 2010

S. 2900
Gas Turbine Efficiency Act of 2009

*As ordered reported by the Senate Committee on Energy and Natural Resources
on August 5, 2010*

SUMMARY

S. 2900 would authorize the appropriation of \$340 million over the 2011-2014 period for the Department of Energy (DOE) to improve the efficiency of turbines that use natural gas to generate electricity. Assuming appropriation of the authorized amounts, CBO estimates that implementing the legislation would cost \$327 million over the 2011-2015 period and \$13 million after 2015. Enacting the legislation would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 2900 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 S. 2900 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					2011-2015
	2011	2012	2013	2014	2015	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Authorization Level	85	85	85	85	0	340
Estimated Outlays	47	72	85	85	38	327

BASIS OF ESTIMATE

For this estimate, CBO assumes the bill will be enacted near the beginning of fiscal year 2011 and that the authorized amounts will be appropriated each year. Estimated outlays are based on historical spending patterns for DOE research programs. S. 2900 would authorize the appropriation of \$85 million a year over the 2011-2014 period for research, development, and demonstration activities related to gas turbines.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2900 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On August 19, 2009, CBO transmitted an estimate for H.R. 3029, a bill to establish a research, development, and technology demonstration program to improve the efficiency of gas turbines used in combined cycle power generation, as ordered reported by the House Committee on Science and Technology on July 29, 2009. The two pieces of legislation are similar; however, S. 2900 authorizes the appropriation of \$20 million more each fiscal year and includes provisions for simple cycle gas turbines in addition to combined cycle gas turbines. The CBO cost estimates reflect those differences.

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