CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

September 4, 2012

H.R. 6213
No More Solyndras Act

As ordered reported by the House Committee on Energy and Commerce on August 1, 2012

CBO estimates that implementing H.R. 6213 would cost about $1 million over the 2013-2017 period, assuming appropriation of the necessary amounts. Pay-as-you-go procedures would apply to this legislation because it would affect direct spending and revenues. CBO estimates, however, that those impacts would be insignificant over the 2013-2022 period.

H.R. 6213 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

H.R. 6213 would revise the terms and conditions governing the Department of Energy's (DOE's) loan guarantee program for advanced energy technologies, which was established under title 17 of the Energy Policy Act of 2005. It would restrict eligibility for future guarantees to projects that submitted applications before December 31, 2011, require the Secretary of the Treasury to review those guarantees, and direct DOE to consult with the Treasury regarding any changes in the terms and conditions of a loan guarantee. The bill also would impose certain administrative sanctions and civil penalties on federal officials who violate the requirements of the title 17 program and would direct the Government Accountability Office (GAO) to prepare a comprehensive report on federal energy subsidies.

Based on the cost of similar activities, CBO estimates that preparing the GAO study on federal energy subsidies required by H.R. 6213 would cost about $1 million, assuming appropriation of the necessary amounts. CBO estimates that other provisions in the bill would have no significant impact on spending subject to appropriation. Although limiting eligibility for new loan guarantees could affect the need for future appropriations, CBO has no basis for projecting a change in DOE's program costs under this bill because the title 17 program received no funding or obligational authority in fiscal year 2012 and could use its existing obligational authority for projects that applied for loan guarantees prior to December 31, 2011.

Similarly, CBO estimates that implementing H.R. 6213 would have a negligible impact on spending by the Department of the Treasury because the new procedural requirements in this legislation would apply to a small number of projects and involve assessments similar to those done under current law. Most of the Treasury's expenditures would be subject to annual appropriations, but any costs incurred by the Federal Financing Bank (FFB) would affect direct spending because the FFB's operations are funded by fees that can be spent without further appropriation.[1] CBO estimates, however, that any such effects on direct spending would be minimal over the 2013-2022 period.

Finally, H.R. 6213 would make certain federal employees personally liable for civil penalties ranging from $10,000 to $50,000 for each violation of any of the requirements of the laws governing the title 17 program. CBO estimates that the amounts collected from such civil penalties, which are recorded in the budget as revenues, would not be significant over the 2013-2022 period.

The CBO staff contact for this estimate is Kathleen Gramp. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

1. The FFB is a government corporation under the supervision of the Secretary of the Treasury that is responsible for various federal financial activities, including purchasing obligations fully guaranteed by other agencies such as DOE.