



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 2, 2011

H.R. 795

Small-Scale Hydropower Enhancement Act of 2011

As ordered reported by the House Committee on Natural Resources on July 20, 2011

Under the Federal Power Act, the Federal Energy Regulatory Commission (FERC) issues licenses and regulates hydroelectric facilities, regardless of size. H.R. 795 would exempt certain small hydroelectric facilities with less than 1.5 megawatts of generating capacity from FERC's licensing requirements. In addition, the bill would require the Department of the Interior (DOI) to report on the potential for generating more electricity from small hydroelectric facilities on federal lands.

CBO estimates that implementing H.R. 795 would have no significant impact on the federal budget. Exempting small hydroelectric facilities from federal licensing requirements would reduce FERC's workload. However, because FERC recovers 100 percent of its costs through user fees, any reduction in administrative costs (which are controlled through annual appropriation acts) would be offset by an equal change in fees that the commission charges, resulting in no net change in federal spending. Based on information from DOI, CBO also estimates that meeting expanded reporting requirements under H.R. 795 would not significantly affect the department's costs. Furthermore, any such costs would be subject to the availability of appropriated funds.

Enacting H.R. 795 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. H.R. 795 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

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