



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

June 17, 2011

S.757
Carbon Dioxide Capture Technology Prize Act of 2011

*As ordered reported by the Senate Committee on Energy and Natural Resources
on May 26, 2011*

SUMMARY

S. 757 would authorize appropriations for the Department of Energy (DOE) to provide competitive financial awards to support the development of advanced technologies to capture carbon dioxide from the atmosphere. Because the bill also would reduce an existing authorization of appropriations for other activities, CBO estimates that implementing S. 757 would have no significant net impact on discretionary spending over the 2012-2016 period.

S. 757 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 757 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 757 is shown in the following table. The costs of this legislation fall within budget function 270 (energy).

	By Fiscal Year, in Millions of Dollars					2012-2016
	2012	2013	2014	2015	2016	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Carbon Dioxide Capture Technology Prize						
Authorization Level	10	0	0	0	0	10
Estimated Outlays	1	3	5	1	0	10
Carbon Capture and Sequestration Research, Development and Demonstration						
Authorization Level	-5	-5	0	0	0	-10
Estimated Outlays	-2	-4	-3	-1	0	-10
Total Changes						
Authorization Level	5	-5	0	0	0	0
Estimated Outlays	1	-1	2	0	0	0

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 757 will be enacted near the start of fiscal year 2012 and that future appropriations will be provided as specified under the bill. S. 757 would authorize funding of \$10 million for a new program related to capturing carbon dioxide from the atmosphere and reduce, by \$10 million, an existing authorization of funding for related activities. Taken together, CBO estimates that those changes would have no net impact on spending subject to appropriation over the 2012-2016 period.

S. 757 would authorize the appropriation of \$10 million over the 2012-2016 period for DOE to establish a program to provide competitive financial awards to promote the development of technologies to capture large amounts of carbon dioxide from certain sources, such as the air. Under the bill, a seven-member advisory board would advise the Secretary of Energy in evaluating proposals and providing awards to eligible projects. Based on historical spending patterns for similar activities, CBO estimates that implementing the proposed program would cost \$10 million over the 2012-2016 period, assuming appropriation of the authorized amount.

That increase in discretionary spending would be offset by a reduction in amounts currently authorized to be appropriated for research, development, and demonstration activities related to carbon capture and sequestration (CCS). Public Law 110-140 currently authorizes appropriations totaling \$200 million a year through 2013. S. 757 would reduce that specified amount by \$5 million in each of fiscal years 2012 and 2013, thereby reducing the authorization for future spending subject to appropriation by a total of \$10 million.

Based on historical spending patterns for CCS-related activities and assuming appropriations are reduced accordingly, CBO estimates that spending over the 2012-2016 period would be \$10 million lower.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 757 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Megan Carroll

Impact on State, Local, and Tribal Governments: Ryan Miller

Impact on the Private Sector: Amy Petz

ESTIMATE APPROVED BY:

Theresa Gullo

Deputy Assistant Director for Budget Analysis