



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 12, 2014

H.R. 3826 **Electricity Security and Affordability Act**

*As ordered reported by the House Committee on Energy and Commerce
on January 28, 2014*

SUMMARY

On January 8, 2014, the Environmental Protection Agency (EPA) published a proposed rule that would establish uniform national limits on greenhouse gas (GHG) emissions from new electricity-generating facilities that use coal or natural gas. The rule also sets new standards of performance for those power plants, including the requirement to install carbon capture and sequestration technology. H.R. 3826 would repeal this pending rule and place new requirements on any future regulations addressing GHG emissions from new or existing power plants.

CBO estimates that implementing this legislation would cost \$2 million over the 2015-2019 period, subject to the availability of appropriated funds. Enacting H.R. 3826 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 3826 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

CBO estimates that implementing H.R. 3826 would cost \$2 million over the next five years. The costs of this legislation fall within budget function 300 (natural resources and environment).

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 3826 will be enacted by the end of 2014 and that the necessary amounts to implement the legislation will be appropriated. Under the bill, CBO expects that EPA would need two years to develop new regulations—using requirements specified in H.R. 3826—for GHG emissions from new power plants. Based on the cost of developing the regulations published in January 2014, CBO estimates that work would cost \$4 million. We also estimate that implementing and enforcing the new rule would cost \$3 million over the 2017-2019 period. However, because we expect EPA will spend about \$5 million over the same period under current law to implement and enforce the rule published in January 2014, the net additional cost of implementing H.R. 3826 would total about \$2 million over the next five years.

PAY-AS-YOU-GO-CONSIDERAIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3826 contains no intergovernmental or private-sector mandates as defined in UMRA.

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