



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 21, 2014

S. 1419 Marine and Hydrokinetic Renewable Energy Act of 2014

*As ordered reported by the Senate Committee on Energy and Natural Resources
on November 13, 2014*

SUMMARY

S. 1419 would authorize appropriations for activities aimed at promoting the development of marine and hydrokinetic energy devices that produce energy from moving water. The bill also would authorize the Federal Energy Regulatory Commission (FERC) to issue licenses for pilot projects to test new hydrokinetic technologies.

Assuming appropriation of the authorized amounts, CBO estimates that implementing S. 1419 would cost \$192 million over the 2015-2019 period. Pay-as-you-go procedures do not apply to this legislation because it would not affect direct spending or revenues.

S. 1419 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 effect of S. 1419 is shown in the following table. The costs of this legislation fall within budget function 270 (energy).

	By Fiscal Year, in Millions of Dollars					2015-2019
	2015	2016	2017	2018	2019	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Authorization Level	50	50	50	50	0	200
Estimated Outlays	12	30	50	50	50	192

BASIS OF ESTIMATE

S. 1419 would authorize the appropriation of \$50 million a year over the 2015-2018 period for the Department of Energy (DOE) to promote research, development, and commercial application of marine and hydrokinetic energy devices. In 2014, DOE received \$41 million for activities aimed and promoting such technologies. Based on historical spending patterns for such activities, CBO estimates that implementing S. 1419 would cost \$192 million over the 2015-2019 period, assuming appropriation of the authorized amounts.

CBO estimates that authorizing FERC to issue licenses for pilot projects to test marine and hydrokinetic technologies would have no significant net impact on the federal budget. CBO anticipates that issuing such licenses would affect FERC's workload; however, because FERC recovers 100 percent of its costs through user fees, any change in that agency's 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.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1419 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: Jon Sperl

Impact on the Private Sector: Amy Petz

ESTIMATE APPROVED BY:

Theresa Gullo

Deputy Assistant Director for Budget Analysis