



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 13, 2015

H.R. 2042 **Ratepayer Protection Act of 2015**

*As ordered reported by the House Committee on Energy and Commerce
on April 29, 2015*

This legislation would postpone the dates by which states and operators of existing fossil-fuel fired power plants must comply with any existing or future rules addressing emissions of carbon dioxide proposed by the Environmental Protection Agency (EPA). Such rules include:

- Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units, published in the *Federal Register* on June 18, 2014; and,
- Carbon Pollution Emission Guidelines for Existing Stationary Sources: EGUs in Indian Country and U.S. Territories; Multi-Jurisdictional Partnerships, published in the *Federal Register* on November 4, 2014.

Those rules would require states, territories, and Indian tribes to meet individual goals for reducing carbon dioxide emissions set by EPA by considering a broad array of actions related to energy efficiency by certain dates.

Under H.R. 2042, the compliance dates for such rules would be postponed while a judicial review is pending. The postponement would last until a judgment becomes final and is no longer subject to further appeal or review. In addition, under this bill, a state would not be required to develop any plans to meet emissions goals or comply with a federal plan under a final rule if the governor of that state determines that implementing a state plan or complying with a federal plan under a final rule would have an adverse effect on electricity ratepayers or on the reliability of the state's electricity system.

Although enacting this legislation would postpone compliance dates for rules related to carbon emissions, it would not prohibit EPA from working on activities required for implementing such rules over the next several years. Those activities include developing guidance and providing technical assistance to states. Thus, CBO estimates that implementing this legislation would not have a significant effect on the federal budget. However, to the extent that state plans required under those rules are postponed because of

actions initiated by state governors, EPA's expenditures for state grants could be postponed for a few years.

Enacting H.R. 2042 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 2042 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Susanne S. Mehlman. The estimate was approved by Theresa Gullo, Assistant Director for Budget Analysis.