



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 4, 2016

H.R. 3797 **SENSE Act**

*As ordered reported by the House Committee on Energy and Commerce
on February 25, 2016*

H.R. 3797 would require the Environmental Protection Agency (EPA) to provide greater flexibility to certain power plants that are subject to emissions limitations under EPA's Cross-State Air Pollution Rule (CSAPR) and the Mercury and Air Toxics Standards for Power Plants (MATS). Affected power plants generate electricity by burning coal refuse (a waste byproduct of coal) as their primary fuel source.

The bill would require EPA to allocate to plants using coal refuse in 2017 and subsequent years the same number of emissions allowances for sulfur dioxide that have been previously allocated to those plants, rather than reducing allowances for those plants. The legislation also would prohibit those plants from transferring unused allowances to other entities and would allow coal refuse operators to bank those allowances for use in future years. The bill would not change the total number of allowances allocated to each state under the CSAPR.

In addition, H.R. 3797 would require EPA to permit operators of plants using coal refuse to comply with an alternative emissions standard for sulfur dioxide that is less stringent than the current MATS.

Based on information from EPA about the costs of modifying its existing regulations to comply with this legislation, CBO estimates that implementing H.R. 3797 would have an insignificant cost to EPA. Because enacting H.R. 3797 would not affect direct spending or revenues, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 3797 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 3797 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Jon Sperl. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.