



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

March 11, 2016

H.R. 4416
**A bill to extend the deadline for commencement
of construction of a hydroelectric project**

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

CBO estimates that implementing H.R. 4416 would have no net effect on the federal budget. The bill would authorize the Federal Energy Regulatory Commission (FERC) to reinstate the license and extend the deadline for beginning construction of the Jennings Randolph Hydroelectric Project (number 12715) located on the North Branch of the Potomac River in Garret County, Maryland and Mineral County, West Virginia. Under H.R. 4416, the licensee would not be obligated to pay certain annual charges that offset costs incurred by FERC and other federal agencies for administrative activities related to the project until after the new deadline (as extended under the bill) has passed.

Although the proposed extension could have a minor effect on FERC's workload, FERC recovers 100 percent of its costs through user fees. Thus, 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. According to FERC, annual fees that normally would be charged to the licensee—which CBO estimates would total less than \$150,000 annually—would be fully offset by increased fees paid by other regulated entities.

Because enacting H.R. 4416 would not affect direct spending or revenues, pay-as-you-go procedures do not apply. CBO estimates that enacting H.R. 4416 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 4416 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

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