CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

July 18, 2017

H.R. 2786
A bill to amend the Federal Power Act with respect to the criteria and process to qualify as a qualifying conduit hydropower facility

As reported by the House Committee on Energy and Commerce on July 12, 2017

Under the Federal Power Act, the Federal Energy Regulatory Commission (FERC) licenses and regulates most nonfederal hydroelectric facilities. Under current law, hydroelectric projects with a capacity of less than 5 megawatts that generate power using water flowing through agricultural, municipal, or industrial conduits are exempt from FERC's licensing requirements. H.R. 2786 would exempt all hydropower facilities that use water from conduits from FERC's licensing requirements and would modify procedures for determining whether proposed facilities qualify for that exemption.

CBO estimates that implementing H.R. 2786 would have no significant net effect on the federal budget. Expanding the types of projects that would be exempt from FERC's licencing requirements could reduce the agency's workload and costs to review and approve applications for licenses. 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.

Enacting H.R. 2786 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting H.R. 2786 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 2786 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandate 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.