



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

December 8, 2017

### **H.R. 2872** **Promoting Hydropower Development at Existing Nonpowered Dams Act**

*As ordered reported by the House Committee on Energy and Commerce  
on December 6, 2017*

H.R. 2872 would direct the Federal Energy Regulatory Commission (FERC), within 180 days of enactment, to establish an expedited process for issuing permits and licenses for hydropower projects at existing nonfederal dams that do not have hydroelectric facilities. In developing those procedures, the bill would require FERC to consult with other federal and local agencies involved in regulating projects that would qualify for expedited permitting and licensing on the basis of criteria specified by the bill. H.R. 2872 also would require FERC and other federal agencies to develop a list of federal dams with significant potential for developing hydropower and which currently have no hydroelectric facilities.

Establishing and implementing the proposed expedited regulatory process could increase FERC's annual workload. Using information from FERC about the historical costs of similar efforts, however, CBO estimates that any increase in the agency's administrative costs would be relatively small. Further, because FERC recovers 100 percent of its costs through user fees, any change in its administrative costs (which are subject to appropriation) would be offset by an equal change in the fees that the commission charges. Hence, CBO expects that implementing H.R. 2872 would not have a significant net effect on the federal budget.

Enacting H.R. 2872 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 2872 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 2872 would impose intergovernmental and private-sector mandates, as defined in the Unfunded Mandates Reform Act (UMRA). If FERC increases fees to offset the costs of implementing the bill, the cost of an existing mandate to pay those fees would increase for public and private licensees. Using information from FERC about the potential costs of implementing the bill, CBO estimates that any incremental change in fees collected

would be small and would total far less than the thresholds established in UMRA for intergovernmental and private-sector mandates (\$78 million and \$156 million, respectively, in 2017).

The CBO staff contacts for this estimate are Megan Carroll (for federal costs) and Jon Sperl (for mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.