

At a Glance

S. 383, USE IT Act

As reported by the Senate Committee on Environment and Public Works on April 10, 2019

Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Deficit Effect	0	0	0
Spending Subject to Appropriation (Outlays)	0	72	n.e.
Pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

n.e. = not estimated.

The bill would

- Authorize the appropriation of \$50 million for the Environmental Protection Agency (EPA) to provide grants and technical assistance to support research and development on commercializing the use of captured carbon dioxide (CO₂)
- Authorize the appropriation of \$35 million for EPA to provide grants to support the capture of CO₂ directly from the air
- Expedite federal review and permitting for infrastructure projects that capture, store, transport, or use CO₂
- Require several federal agencies to report on the programs' progress
- Require the Council on Environmental Quality to establish two task forces to facilitate the expansion of CO₂ storage projects and infrastructure

Estimated budgetary effects would primarily stem from

- Specified authorizations of appropriations
- Additional administrative costs at federal agencies

Detailed estimate begins on the next page.



Bill Summary

S. 383 would authorize appropriations for the Environmental Protection Agency to support research and development on advanced technologies to capture carbon dioxide from the atmosphere for permanent storage or for use in commercial products or processes. Under the bill, infrastructure projects that capture or transport CO₂ would qualify for expedited review and permitting. Finally, the bill would require the Council on Environmental Quality (CEQ) to support the expansion of CO₂ storage projects and infrastructure by issuing new guidance and reports and establishing new task forces.

Estimated Federal Cost

The estimated budgetary effect of S. 383 is shown in Table 1. The costs of the legislation fall within budget function 300 (natural resources and environment).

Table 1.
Estimated Increases in Spending Subject to Appropriation Under S. 383

	By Fiscal Year, Millions of Dollars						2019-2024
	2019	2020	2021	2022	2023	2024	
CO ₂ Utilization Research Program							
Authorization	0	50	0	0	0	0	50
Estimated Outlays	0	1	1	12	12	12	38
CO ₂ Direct Air Capture Program and Advisory Board							
Authorization	0	35	0	0	0	0	35
Estimated Outlays	0	1	1	6	9	9	26
Other Costs							
Estimated Authorization	0	2	1	2	2	2	9
Estimated Outlays	0	1	1	2	2	2	8
Total Changes							
Estimated Authorization	0	87	1	2	2	2	94
Estimated Outlays	0	3	3	20	23	23	72

CO₂ = carbon dioxide.

Basis of Estimate

For this estimate, CBO assumes that S. 383 will be enacted during 2019 and that the authorized and estimated amounts will be appropriated for each fiscal year beginning in 2020.



CO₂ Utilization Research Program

S. 383 would authorize the appropriation of \$50 million for EPA to provide grants and technical assistance to support research and development on technologies for commercial use of captured CO₂. Using information from EPA, CBO estimates that implementing the program would cost about \$38 million over the 2020-2024 period and \$12 million after 2024. Of that amount, CBO estimates, about \$5 million would be required to cover the administrative costs of implementing the program and \$33 million would be provided as grants for projects to use CO₂. CBO expects that the first grants would be made in 2022.

CO₂ Direct Air Capture Program and Advisory Board

S. 383 would authorize the appropriation of \$35 million for EPA to provide competitive financial awards for creators of systems that can economically capture large quantities of CO₂ directly from the air. The bill also would direct EPA to establish a nine-member board to advise the agency on implementing that program.

Using information from EPA, CBO estimates that implementing the program would cost \$26 million over the 2020-2024 period and \$9 million after 2024. Of that amount, CBO estimates, \$4 million would be required to cover the costs of the board and program staff and \$22 million would be awarded to projects. CBO expects that the first awards—ranging from \$1 million to \$2 million—would be made in 2022.

Other Costs

In addition to the amounts specified above, CBO estimates that federal agencies would spend \$8 million over the 2019-2024 period to implement other requirements in the bill; such spending would be subject to appropriation of the necessary amounts.

Under S. 383, infrastructure projects that capture, store, transport, or use CO₂ would qualify for expedited federal review and permitting. Using information from EPA, CBO expects that those procedures, combined with financial assistance for projects authorized by the bill, would probably increase the number of permit applications for underground storage of CO₂. To meet the increase in demand, CBO estimates, EPA's Office of Water would need to gradually hire five employees over the 2019-2024 period (at a cost of about \$150,000 a year for each employee). Those employees would review permits for underground CO₂ injection and to perform other duties related to protecting the quality of drinking water supplies—at a cost of \$3 million over the 2020-2024 period.

The bill also would require EPA to report every two years on the CO₂ capture technologies supported by the agency's research programs. EPA also would be required to report on ways to reduce the risks associated with CO₂ storage in deep saline formations. Using information from the agency, CBO estimates that those reports would cost \$2 million over the next five years.



S. 383 also would require the Government Accountability Office to report on federal grant programs that support research on CO₂ capture and utilization technologies and identify areas of overlap or duplication. Based on the costs of similar reports, CBO estimates that the cost would be less than \$500,000.

Finally, the bill would require CEQ to establish two task forces to facilitate the expansion of CO₂ storage projects and infrastructure by streamlining regulatory approaches and providing technical assistance to states. Under the bill, CBO expects, each task force would consist of 10 members who would meet several times per year beginning in 2021; those task forces would disband after 2024. Using information from CEQ, CBO estimates that the agency would require three additional employees to provide administrative support to the task forces and to produce the guidance and biennial reports required by the bill. CBO estimates that those administrative costs and additional costs to operate the task force would total \$3 million over the 2019-2024 period.

Pay-As-You-Go Considerations: None.

Increase in Long-Term Deficits: None.

Mandates: None.

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