

Estimated Budgetary Effects of Divisions A and B of H.R. 1, the Lower Energy Costs Act, as modified by Amendment 154, the Manager's Amendment
As posted on the website of the House Committee on Rules on March 14, 2023 and March 27, 2023

<https://rules.house.gov/bill/118/hr-1>

As amended: https://amendments-rules.house.gov/amendments/sunset_01_xml230326210354400.pdf

H.R. 1 would require the Department of the Interior (DOI) to conduct additional sales of oil and gas leases on the Outer Continental Shelf, reduce royalty rates for new onshore oil and gas leases, and authorize DOI to spend, without further appropriation, certain receipts from oil, gas, and wind leases. The bill also would repeal some programs of the Department of Energy and the Environmental Protection Agency that were established by Public Law 117-169 (an act to provide for reconciliation pursuant to title II of S. Con. Res. 14) and would rescind unobligated balances of amounts made available for those programs. Additionally, H.R. 1 would amend provisions of current law that regulate permitting of certain proposed energy-related projects.

	By Fiscal Year, Millions of Dollars											2023-2028	2023-2033
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
Increases or Decreases (-) in Direct Spending													
Estimated Budget Authority	0	-24,615	1,250	1,320	1,225	1,345	1,535	1,690	1,835	2,000	-185	-19,475	-12,600
Estimated Outlays	0	-1,205	-3,865	-4,865	-2,775	260	1,235	1,475	1,740	1,915	165	-12,450	-5,920
Decreases in Revenues													
Estimated Revenues	0	0	0	0	0	-850	-1,350	-1,400	-1,200	-1,050	-500	-850	-6,350
Net Increase or Decrease (-) in the Deficit													
From Changes in Direct Spending and Revenues													
Effect on the Deficit	0	-1,205	-3,865	-4,865	-2,775	1,110	2,585	2,875	2,940	2,965	665	-11,600	430

See Notes for additional details.

For this estimate, CBO assumes the bill will be enacted on October 1, 2023; estimated amounts are relative to CBO's February 2023 baseline and were developed using information from the relevant agencies and historical trends for similar activities.

On March 23, 2023, CBO transmitted a cost estimate for H.R. 1, as posted on the website of the House Committee on Rules. CBO estimated that version of the bill would increase the deficit over the 2023-2033 period by roughly \$2.4 billion by reducing direct spending by \$4 billion and reducing revenues by \$6.4 billion. See "Estimated Budgetary Effects of Divisions A and B of H.R. 1, the Lower Energy Costs Act," www.cbo.gov/publication/59022.

Amendment 154, the manager's amendment, would set September 30, 2032, as the ending date for provisions that authorize the Department of the Interior to spend, without further appropriation, certain receipts from oil, gas, and wind leases. CBO estimates that enacting H.R. 1 as amended would increase the deficit by \$0.4 billion over the 2023-2033 period by reducing direct spending by about \$6 billion and reducing revenues by \$6.4 billion.

H.R. 1 as amended also would affect spending subject to appropriation. CBO has not estimated those effects.

CBO estimates that enacting H.R. 1 as amended would not increase net direct spending by more than \$2.5 billion in any of the four consecutive 10-year periods beginning in 2034.

CBO estimates that enacting H.R. 1 as amended would not increase on budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2034.

H.R. 1 as amended contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.