| H.R. 1160, Critical Electric Infrastructure Cybersecurity Incident Reporting Act As ordered reported by the House Committee on Energy and Commerce on February 28, 2023 |      |  |               |                         |
|---|------|--|---------------|-------------------------|
| By Fiscal Year, Millions of Dollars   | 2023 | 2023-2028                                    | 2023-2033     |                         |
| Direct Spending (Outlays)   | 0    | 0  | 0             |                         |
| Revenues  | 0    | 0  | 0             |                         |
| Increase or Decrease (-) in the Deficit   | 0    | 0  |               | 0                       |
| Spending Subject to<br>Appropriation (Outlays)  | 0    | 1  | not estimated |                         |
| Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034?  | No   | Statutory pay-as-you-go procedures apply? No |               |                         |
|   |      | Mandate Effects                              |               |                         |
| Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2034?  | No   | Contains intergovernmental mandate?          |               | Yes, Under<br>Threshold |
|   |      | Contains private-sector mandate?             |               | Yes, Under<br>Threshold |

H.R. 1160 would require the Department of Energy to issue regulations requiring owners, operators, and users of critical electric infrastructure to report cybersecurity incidents within 24 hours of discovery. Under the bill, critical electric infrastructure refers to systems or assets of the bulk-power system that are essential to preserving national security, economic security, or public health and safety. The bill also would require the department to report annually to the Congress on the number of incidents reported and on the department's responses.

Using information about current reporting requirements, CBO estimates that the bill would slightly change the way such incidents are reported as well as the storage of incident notifications. CBO estimates that implementing H.R. 1160 would cost \$1 million over the 2023-2028 period; any spending would be subject to the availability of appropriated funds.

H.R. 1160 would impose a private-sector and intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) on some owners and operators of critical electric infrastructure by requiring them to report cybersecurity incidents to the Department of Energy. The new regulations would define which entities are subject to the reporting requirement and what information must be reported. CBO estimates that enacting the bill would incrementally expand existing reporting requirements on entities operating critical

electric infrastructure. Because the information required under the bill would be readily available, CBO estimates that the costs to comply with the mandate would be small and well below the thresholds established in UMRA for intergovernmental and private-sector mandates (\$99 million and \$198 million in 2023, respectively, adjusted annually for inflation).

The CBO staff contacts for this estimate are Willow Latham-Proença (for the Department of Energy) and Brandon Lever (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

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