Congressional Budget Office
Cost Estimate

February 22, 2024

H.R. 6185, GRID Act

As ordered reported by the House Committee on Energy and Commerce on December 5, 2023

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	1	not estimated

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2035?	*	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2035?	*	Contains intergovernmental mandate?	Yes, Under Threshold
		Contains private-sector mandate?	Yes, Under Threshold

* = between zero and $500,000.

H.R. 6185 would require the Federal Energy Regulatory Commission (FERC), in consultation with the Electric Reliability Organization (ERO), to review standards and regulations proposed by other federal agencies that could negatively affect the reliability of the bulk-power system in North America. Agencies could not finalize those actions until they respond to any concerns raised by FERC as part of that review.

Using information from FERC, CBO expects that the agency would need additional staff and would need to acquire new data to fulfill the bill's requirements. CBO estimates that implementing those requirements would cost FERC less than $10 million each year. However, because FERC is authorized to recover 100 percent of its costs through user fees, any change in agency costs (which are controlled through annual appropriation acts) would be offset by an equal change in fees that the commission charges. Accordingly, CBO estimates that implementing those provisions would result in no net change in discretionary spending for FERC.

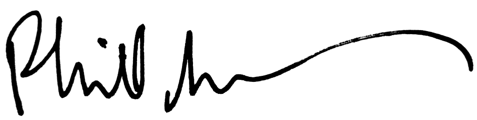
CBO further estimates that the costs for other agencies (primarily the Department of Energy) to coordinate with FERC on those reviews would total $1 million over the 2024-2029 period; that spending would be subject to the availability of appropriated funds.

See also
CBO's Cost Estimates Explained, *CBO Describes Its Cost-Estimating Process*, *Glossary*

Finally, enacting H.R. 6185 would increase direct spending and revenues because spending by the ERO is recorded on the budget as direct spending, and the organization assesses fees, which are recorded as revenues, to cover its costs. CBO estimates that consulting with FERC would increase costs for the ERO by less than $500,000 over the 2024-2034 period. Because any amounts collected would be spent soon thereafter, CBO estimates that the net effect on the deficit would be negligible.

If FERC and the ERO increase fees as a result of the bill, it would increase the cost of an existing mandate on public and private entities, such as electric utilities, that are required to pay those fees. CBO estimates that the additional amount collected would average several million dollars annually and fall well below the annual threshold established in the Unfunded Mandates Reform Act for intergovernmental and private-sector mandates ($100 million and $200 million in 2024, respectively, adjusted annually for inflation).

The CBO staff contacts for this estimate are Aaron Krupkin (for federal costs) and Brandon Lever (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.



Phillip L. Swagel
Director, Congressional Budget Office