



# CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 29, 2010

## **H.R. 5019** **Home Star Energy Retrofit Act of 2010**

*As ordered reported by the House Committee on Energy and Commerce  
on April 15, 2010*

### **SUMMARY**

H.R. 5019 would authorize appropriations totaling \$6.6 billion for programs to increase the energy efficiency of residential properties. Assuming appropriation of the authorized amounts, CBO estimates that implementing the bill would cost \$6.6 billion over the 2010-2015 period. Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures would not apply.

H.R. 5019 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any costs to state, local, or tribal governments would result from complying with conditions of assistance.

### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 5019 is shown in the following table. The costs of this legislation fall within budget function 270 (energy).

	By Fiscal Year, in Millions of Dollars						2010- 2015
	2010	2011	2012	2013	2014	2015	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>							
Authorization Level	6,200	400	0	0	0	0	6,600
Estimated Outlays	350	2,000	2,340	1,170	620	120	6,600

## **BASIS OF ESTIMATE**

Title I of H.R. 5019 would authorize appropriations totaling \$6 billion over the 2010-2011 period for activities to increase the energy efficiency of residential properties. CBO estimates that the bulk of that amount—roughly \$5 billion—would be used to provide rebates to defray costs of retrofitting homes to be more energy efficient. The bill specifies certain energy-saving technologies that would qualify for rebates of up to \$8,000 per residence depending on the type of technology involved and the total project cost. (Under the bill, rebates would initially be paid to contractors who install qualified energy-efficiency measures; the bill would require those contractors to pass the rebate value on to the customer.) The remaining \$1 billion authorized under title I would be used to provide grants to state and local governments and other entities for activities to support the proposed rebate program. A portion of that amount would be used by grant recipients to provide loans to residential property owners to cover the costs of energy retrofits.

Title II of the bill would authorize the appropriation of \$200 million in 2010 and \$400 million in 2011 for grants to help states develop and implement plans to replace certain mobile homes with newer, more energy-efficient models. Under the bill, owners of such homes would receive financial assistance of up to \$10,000 to cover the cost of acquiring new mobile homes and decommissioning those being replaced.

In total, CBO estimates that fully funding H.R. 5019 would cost \$350 million in 2010 and \$6.6 billion over the 2010-2015 period, assuming appropriation of the authorized amounts. That estimate is based on historical spending patterns for similar activities, including rebate programs administered by the Department of Energy and the Environmental Protection Agency.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 5019 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The bill would authorize grants to states to provide loans to individuals for retrofitting housing to be more energy efficient and funding to owners of manufactured homes seeking to upgrade to a manufactured home that qualifies as an Energy Star home. Any costs to state, local, or tribal governments would result from complying with conditions of assistance.

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