



# CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 30, 2010

## **S. 3460** **10 Million Solar Roofs Act of 2010**

*As ordered reported by the Senate Committee on Energy and Natural Resources  
on August 5, 2010*

### **SUMMARY**

S. 3460 would authorize the appropriation of \$250 million in 2012 and whatever sums are necessary in each of fiscal years 2013 through 2021 for the Department of Energy (DOE) to make grants to states to support installations of solar energy systems for eligible homes, businesses, and other structures. Assuming appropriation of the authorized and necessary amounts, CBO estimates that implementing S. 3460 would cost \$617 million over the 2011-2015 period. Enacting S. 3460 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

S. 3460 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

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

The estimated budgetary impact of S. 3460 is shown in the following table. The costs of this legislation fall within budget function 270 (energy).

	By Fiscal Year, in Millions of Dollars					2011- 2015
	2011	2012	2013	2014	2015	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Estimated Authorization Level	0	250	254	259	264	1,027
Estimated Outlays	0	75	150	183	209	617

## **BASIS OF ESTIMATE**

S. 3460 would authorize the appropriation of \$250 million in 2012 and whatever sums are necessary over the 2013-2021 period for DOE to make grants to state and local governments to provide rebates, loans, and other incentives to homeowners, businesses, and other eligible participants that purchase and install solar energy systems. (By comparison, DOE reports that the agency's funding for research and development related to solar energy technologies in 2010 totaled about \$230 million.)

For this estimate, CBO assumes that funding levels over the 2013-2021 period would remain at the \$250 million level specified for 2012, adjusted for anticipated inflation. Assuming appropriation of those amounts and spending patterns consistent with similar DOE grant programs, CBO estimates that resulting outlays would total \$617 million over the 2012-2015 period. Under the bill's authorized funding through 2021, such spending would continue after 2015, with annual outlays averaging about \$275 million a year for several years after 2015. Based on information from DOE, CBO estimates that those amounts would support the installation of at least 100,000 solar energy systems annually.

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

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

S. 3460 contains no intergovernmental or private-sector mandates as defined in UMRA. State, local, and tribal governments would benefit from grants authorized by the bill. Any costs to those governments would be incurred voluntarily as a condition of federal assistance.

## **ESTIMATE PREPARED BY:**

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