



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 1, 2011

### **H.R. 2273** **Coal Residuals Reuse and Management Act of 2011**

*As ordered reported by the House Committee on Energy and Commerce  
on July 13, 2011*

#### **SUMMARY**

H.R. 2273 would provide for the management and disposal of coal combustion residuals (CCR) under subtitle D of the Solid Waste Disposal Act, also known as the Resource Conservation and Recovery Act (RCRA). (CCR consists of inorganic residues that remain after pulverized coal is burned.) Consistent with subtitle D of RCRA, this legislation would allow states to create and enforce their own CCR permit programs while providing the Environmental Protection Agency (EPA) with limited authority to review states' permit programs. However, H.R. 2273 would enable EPA to directly regulate CCR in states that fail to set up their own programs or in states where the permit program is determined to be deficient and is not subsequently remedied by the state.

CBO estimates that enacting this legislation would cost \$2 million over the 2012-2016 period, subject to the availability of appropriated funds. Enacting H.R. 2273 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 2273 would impose an intergovernmental mandate, as defined in the Unfunded Mandates Reform Act (UMRA), by requiring states to notify EPA whether they will adopt and implement a CCR permit program. CBO estimates that the cost of that mandate would fall well below the annual threshold established in UMRA (\$71 million in 2011, adjusted annually for inflation).

H.R. 2273 contains no private-sector mandates as defined in UMRA.

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

CBO estimates that implementing H.R. 2273 would cost EPA \$2 million over the next five years. The costs of this legislation fall within budget function 300 (natural resources and environment).

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that H.R. 2273 will be enacted by the end of fiscal year 2011 and that the necessary amounts will be appropriated.

### **Certification of State CCR Permit Programs**

Based on information from EPA and other industry experts, CBO expects that all states with coal-fired power plants (that is, 45 states and Puerto Rico) would most likely elect to operate their own programs to manage disposal of the waste material. Under this legislation, states would have six months after the bill's enactment to notify EPA of their intentions to adopt and implement their own CCR permit program; then, within three years of the bill's enactment, the state agencies responsible for implementing the permit programs would be required to submit certifications of the state programs to EPA. Because this legislation would not provide EPA with the authority to substantially review certifications, CBO estimates that EPA's workload for this activity over the 2012-2015 period would not be significant. Based on information from EPA, CBO estimates that over the 2012-2015 period, EPA would incur costs of about \$200,000 to \$300,000 annually to support the initial certification process.

### **Review of Existing State CCR Permit Programs**

H.R. 2273 would provide EPA with the authority to evaluate whether a state's CCR permit program is being implemented consistent with the minimum program specifications established under the bill. Consequently, EPA's costs to implement the legislation could increase beginning in 2016—after state programs are certified and operational—to the extent that EPA would need to review certain state CCR permit programs for deficiencies. According to EPA and other industry experts, such reviews could be initiated by a petition for government action from an environmental group or other interested parties. While it is not likely that EPA would immediately review the CCR permit programs for all states, some reviews of programs in states with high coal consumption would probably be initiated beginning in 2016. Based on information from EPA, CBO estimates that reviewing a state program would cost, on average, about \$165,000 and would generally take less than one year to complete. Thus, assuming that EPA would initiate reviews of several state CCR permit programs beginning in 2016, CBO estimates that work would cost \$1 million to \$2 million in 2016. (Additional reviews and EPA costs could occur after 2016.)

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

## **ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

H.R. 2273 would impose an intergovernmental mandate as defined in UMRA. The bill would require states to notify EPA whether they will adopt and implement a CCR permit program. CBO estimates that the cost of that notification requirement would be small and well below the threshold established for intergovernmental mandates (\$71 million in 2011, adjusted annually for inflation). If states chose to adopt and implement a CCR permit program, any costs they incurred would result from participation in a voluntary federal program and not from the requirements of an intergovernmental mandate.

## **ESTIMATED IMPACT ON THE PRIVATE SECTOR**

H.R. 2273 contains no private-sector mandates as defined in UMRA.

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