

Multiple Agency Fiscal Note Summary

Bill Number: 2349 HB	Title: Renewable energy standards
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Estimated Cash Receipts

Agency Name	2005-07		2007-09		2009-11	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of General Administration	0	0	0	49,012	0	130,262
Department of Social and Health Services	0	7,000	0	32,000	0	52,000
Total \$	0	7,000	0	81,012	0	182,262

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2005-07			2007-09			2009-11		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of General Administration	.0	0	0	.0	0	49,012	.0	0	130,262
Washington State Patrol	.0	7,800	15,800	.0	18,400	36,800	.0	21,000	42,000
Department of Licensing	.0	0	4,000	.0	0	20,000	.0	0	32,000
Department of Social and Health Services	.0	23,000	30,000	.0	114,000	146,000	.0	180,000	232,000
Department of Corrections	.0	67,273	67,273	.0	158,915	158,915	.0	182,326	182,326
Higher Education Coordinating Board	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Transportation	.0	0	53,000	.0	0	267,000	.0	0	428,000
Department of Transportation	.0	0	115,000	.0	0	575,000	.0	0	920,000
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
State Parks and Recreation Commission	.0	11,400	11,400	.0	57,200	57,200	.0	91,400	91,400
Department of Fish and Wildlife	.0	7,261	12,102	.0	31,585	52,642	.0	46,470	77,450
Employment Security Department	.0	0	9,720	.0	0	48,600	.0	0	77,600
Community and Technical College System	.0	130,625	130,625	.0	653,125	653,125	.0	1,045,000	1,045,000
Total	0.0	\$247,359	\$448,920	0.0	\$1,033,225	\$2,064,294	0.0	\$1,566,196	\$3,258,038

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 13089

Prepared by: Rochelle Klopfenstein, OFM	Phone: 360-902-9820	Date Published: Final 1/27/2006
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 13089

Individual State Agency Fiscal Note

Bill Number: 2349 HB	Title: Renewable energy standards	Agency: 150-Dept of General Administration
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2006	FY 2007	2005-07	2007-09	2009-11
General Administration Service Account-Non-Appropriated 422-6				49,012	130,262
Total \$				49,012	130,262

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
Fund					
General Administration Service Account-Non-Appropriated 422-6	0	0	0	49,012	130,262
Total \$	0	0	0	49,012	130,262

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/04/2006
Agency Preparation: Keith Williams	Phone: 360 902-7222	Date: 01/06/2006
Agency Approval: Tristan Wise	Phone: 360-902-7456	Date: 01/10/2006
OFM Review: Rochelle Klopfenstein	Phone: 360-902-9820	Date: 01/11/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The legislation will require that:

- 1) By July 1, 2006, state agencies must buy at least five percent of their total electricity from qualified alternative energy resources.
- 2) By July 1, 2007, state agencies must buy at least ten percent of their total electricity from quatliified alternative energy resources.
- 3) By July 1, 2008, state agencies must buy at least fifteen percent of their total electricity from qualified alternative energy resources.
- 4) By July 1, 2009, state agencies must buy at least twenty percent of their total electricity from qualified alternative energy resources.

Utilities charge an additional amount for electricity generated from renewable sources. The requirements will cause agencies to spend more each year for their electricity purchases.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

The added cost of securing alternative energy resources for the capital campus and its facilities would be funded through the Facilities & Services revolving fund. No adjustment would be needed for the 05/07 biennium, but an adjustment of \$38,230 would be needed for 07/09 and an adjustment of \$101,604 would be needed for the 09/11 biennium.

The added cost of securing alternative energy resources for facilities located off the capital campus would be recovered through our reimbursable rates (fee for service). In the 07/09 biennium the amount to be recovered would be \$10,782. In the 09/11 biennium the amount would be \$28,658

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

General Administration's (GA) annual electricity consumption for the capital campus in 2004 was 46,686,000 kWh (78% of our total usage). Our annual electricity usage for Off-campus facilities was 13,497,694 kWh (22% of our total usage). Total annual electricity purchase for GA was 60,183,694 kWh in 2004.

The legislation will require GA to purchase 5% of its total electricity, or 3,009,184 kWh (60,183,694 x .05) from qualified alternative energy resources starting July 1, 2006. We are currently purchasing 400,000 kWh of alternative energy resources each month from our utilities provider. Annually, the amount is 4,800,000 kWh (more than enough to satisfy the requirement)

Starting July 1, 2007 (FY 2008) we will need to increase our alternative energy purchase to 10% of our total load, or 6,018,369 kWh. Assuming we are still purchasing 4,800,000 kWh of alternative energy resources annually, we will need to increase our purchase by 1,218,369 kWh. This represents an additional cost that would be shared proportionally by our campus and off-campus facilities. For the capital campus, the increased cost assuming the premium for alternative energy is \$.009/kWh would be \$8,553 (1,218,369 x .78 x .009). This added cost for the campus would need to be funded by an adjustment to the faciiliites & services appropriation. For our off-campus facilities the added cost would be \$2,412 (1,218,369 x .22 x .009).

Starting July 1, 2008 (FY 2009) the percentage increases to 15% of our total electricity purchase, or 9,027,554 kWh. The added kWh would again be the amount above our current level of 4,800,000 kWh of alternative energy resources, or 4,227,554 kWh. For the capital campus the cost increase works out to be \$29,677 ($4,227,554 \times .009 \times .78$) for the year. This would require a further adjustment to the Facilities & Services revolving fund. For off-campus facilities the added cost would be \$8,370 ($4,227,554 \times .009 \times .22$).

Starting July 1, 2009 (FY 2010) the percentage increases to 20% of our total electricity purchased, or 12,036,739 kWh. The added kWh, above our current level of 4,800,000 kWh would be 7,236,739 kWh. For the capital campus the cost increase would be \$50,802 ($7,236,739 \times .009 \times .78$). The added cost for off-campus facilities would be \$14,329 ($7,236,739 \times .009 \times .22$).

Each year thereafter would have added costs (based on the 20% standard) of \$50,802 for capital campus and \$14,329 for off-campus facilities.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services				49,012	130,262
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$0	\$0	\$0	\$49,012	\$130,262

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2349 HB	Title: Renewable energy standards	Agency: 225-Washington State Patrol
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
Fund					
General Fund-State 001-1	2,600	5,200	7,800	18,400	21,000
State Patrol Highway Account-State 081-1	2,700	5,300	8,000	18,400	21,000
Total \$	5,300	10,500	15,800	36,800	42,000

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/04/2006
Agency Preparation: Eileen Nashleanas	Phone: 360-753-0637	Date: 01/05/2006
Agency Approval: Diane C. Perry	Phone: 360-753-0221	Date: 01/10/2006
OFM Review: Garry Austin	Phone: 360-902-0564	Date: 01/10/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

House Bill 2349 proposed a new section be added to RCW 19.29 stating that new renewable energy standards for state agencies be established for purchasing electricity from qualified alternative energy resources.

The schedule for percentage of alternative energy resources is as follows:

- 5% by July 1, 2006
- 10% by July 1, 2007
- 15% by July 1, 2008
- 20% by July 1, 2009

The bill specifies that a utility may buy qualified alternative energy resources from resources it owns in Washington state through purchasing credits issued by a clearinghouse.

The bill defines qualified alternative energy resources as: electricity produced from generation facilities that are fueled by: a) wind, b) solar energy, c) geothermal energy, d) biogas; 3) wave or tidal action, f) gas produced during the treatment of wastewater, g) qualified hydropower, h) combined heat and power or cogeneration, i) biomass energy based on animal waste or solid organic fuels from wood, forest, or field residues, or dedicated energy crops. A definition of qualified hydropower is also provided.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

No Impact.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The Office of General Administration (GA) assumes:

- 1) The percentage targets for qualified alternative energy resources applies to energy consumed in agency owned and/or leased facilities.
- 2) There are no statewide master contracts for electrical energy.
- 3) GA will include the additional cost of capital campus electricity in its fiscal note.
- 4) The average statewide increase in price agencies will pay for qualified alternative energy resources is \$.009/kWh. This premium amount is based on data supplied by the 16 largest utilities in the state when reporting on their voluntary green power programs.
- 5) The minimum added cost an agency will incur each year in meeting the percentage standards is calculated as follows: (agency's total annual electricity consumption in kWh) x (the percentage standard in a given year) x (\$.009)
- 6) The premium agencies pay for qualified alternative energy resources (\$.009) will not increase from year to year because of market/demand issues.

The WSP total energy consumption for calendar year 2005 was 11,685,458 kWh. Based upon the availability of renewable energy from current providers, and using the GA calculations, the increased rate for the WSP will be 11,685,458 kWh x 5% x \$.009 or \$5,300 in 2006. An additional increase of 5% per year will be added in 2007, 2008 and 2009 as prescribed by the bill. The fund split shown is based on the 2005 Cost Allocation Model for square footage occupied: 49.8% General Fund and 50.2% State Patrol Highway Account.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services	5,300	10,500	15,800	36,800	42,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$5,300	\$10,500	\$15,800	\$36,800	\$42,000

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2349 HB	Title: Renewable energy standards	Agency: 240-Department of Licensing
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
Fund					
Master License Account-State 03N-1	0	0	0	2,000	2,000
Business Professions Account-State 06L-1	0	0	0	1,000	2,000
Highway Safety Account-State 106-1	0	3,000	3,000	15,000	26,000
Motor Vehicle Account-State 108-1	0	1,000	1,000	2,000	2,000
Total \$	0	4,000	4,000	20,000	32,000

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

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- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/04/2006
Agency Preparation: Dale Gigstead	Phone: (360) 902-3639	Date: 01/05/2006
Agency Approval: Sam Knutson	Phone: 360-902-3644	Date: 01/10/2006
OFM Review: Garry Austin	Phone: 360-902-0564	Date: 01/10/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

SEE ATTACHMENT

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
A-Salaries & Wages					
B-Employee Benefits					
C-Personal Serv Contr					
E-Goods and Services		4,000	4,000	20,000	32,000
G-Travel					
J-Capital Outlays					
M-Inter Agency Fund Transfers					
N-Grants, Benefits Services					
P-Debt Service					
S-Interagency Reimburesement					
T-Intra-Agency Reimbursement					
Total:	\$0	\$4,000	\$4,000	\$20,000	\$32,000

III. C - Expenditures By Program (optional)

Program	FY 2006	FY 2007	2005-07	2007-09	2009-11
Mgmt & Support Services (100)		1,000	1,000	7,000	10,000
Information Services (200)					
Vehicle Services (300)					
Driver Services (600)		3,000	3,000	13,000	22,000
Business and Professions (700)					
Total \$		4,000	4,000	20,000	32,000

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Part II: Explanation

This legislation sets new renewable energy standards for state agencies. Starting with Fiscal Year 2007, the Department of Licensing must purchase at least five percent of its total electricity from qualified alternative energy resources. This progresses to 20 percent by Fiscal Year 2010.

II. A – Brief Description of What the Measure Does that Has Fiscal Impact

Section 1 - Requires all agencies to purchase renewable energy starting in Fiscal Year 2007 equal to five percent, increasing to 20 percent by Fiscal Year 2010.

II. B – Cash Receipt Impact

N/A

II. C – Expenditures

DOL estimated annual kilowatt usage using 2005 tables. Annual total usage equals approximately 7,753,000 kilowatts which includes field offices as well as headquarters buildings. The department has identified the most costly renewable energy surcharge would equal no more than \$.01 per kilowatt. Therefore, Fiscal Year 2007 would equal no more than \$4,000, and increase to \$16,000 per year by FY 2010 when the agency would utilize the maximum required usage of 20 percent.

Part III: Expenditure Detail

III. A – Expenditures by Object or Purpose

	FY 06	FY 07	05-07 Total	07-09 Total	09-11 Total
FTE Staff Years					
Goods and Services		4,000	4,000	20,000	32,000
Other					
Total		4,000	4,000	20,000	32,000

III. A (1) – Detail of Expenditures by Sub-Object for Goods & Services

Object E Breakdown:	FY 06	FY 07	05-07 Total	07-09 Total	09-11 Total
EZ Other Goods & Svcs		4,000	4,000	20,000	32,000
Total Goods & Svcs		4,000	4,000	20,000	32,000

III. A (2) – Detail of Expenditures by Fund

Additional information about assumptions and impacts is available directly from the Department of Licensing at 902-3644.

III. B – FTE Detail

EXPENDITURE DETAIL – STAFF

III. B – Expenditures by Program (optional)

Program	FY 06	FY 07	05-07 Total	07-09 Total	09-11 Total
100 - Mgmt & Support Services		1,000	1,000	7,000	10,000
200 - Information Services					
300 - Vehicle Services					
600 - Driver Services		3,000	3,000	13,000	22,000
700 - Business & Professions					
<i>Total</i>	-	4,000	4,000	20,000	32,000

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

None

Individual State Agency Fiscal Note

Bill Number: 2349 HB	Title: Renewable energy standards	Agency: 300-Dept of Social and Health Services
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2006	FY 2007	2005-07	2007-09	2009-11
General Fund-Federal 001-2		7,000	7,000	32,000	52,000
Total \$		7,000	7,000	32,000	52,000

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
Fund					
General Fund-State 001-1	0	23,000	23,000	114,000	180,000
General Fund-Federal 001-2	0	7,000	7,000	32,000	52,000
Total \$	0	30,000	30,000	146,000	232,000

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/04/2006
Agency Preparation: Sarian Scott	Phone: (360) 902-7769	Date: 01/05/2006
Agency Approval: Sue Breen	Phone: 360-902-8183	Date: 01/11/2006
OFM Review: Tom Lineham	Phone: 360-902-0543	Date: 01/11/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill establishes new renewable energy standards for state agencies.

Section 1, (1) (a) states that state agencies must buy at least five percent of their total electricity purchases from qualified alternative energy resources by July 1st, 2006.

Section 1, (1), (b) states that state agencies must buy at least ten percent of their total electricity purchases from qualified alternative energy resources by July 1st, 2007.

Section 1, (1), (c) states that state agencies must buy at least 15 percent of their total electricity purchases from qualified alternative energy resources by July 1st, 2008.

Section 1, (1), (d) states that state agencies must buy at least 20 percent of their total electricity purchases from qualified alternative energy resources by July 1st, 2009.

It is assumed this bill will take effect July 1st, 2006.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Federal funds are assumed to be Title XIX.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 1, (1) states that state agencies must buy an increasing percentage of their total electricity purchases from qualified alternative energy resources as of July 1st, 2006. The rate increases in phases by 5 percent each Fiscal Year (FY) through FY10. FY11 is assumed at the FY10 increase.

Fiscal impact assumes FY05 kilowatt per hour data. If electricity use changes considerably in the upcoming fiscal years, the Department of Social and Health Services fiscal impact would need to be adjustment.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services		30,000	30,000	146,000	232,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$0	\$30,000	\$30,000	\$146,000	\$232,000

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

None

HB-2349 Renewable Energy Standards

Institutions only

	% Increase	kWH Assumed~	Impacted kWH	Cost Impact	Impact
FY2007	5%	50,000,000	2,500,000	0.009	23,000
FY2008	10%	50,000,000	5,000,000	0.009	45,000
FY2009	15%	50,000,000	7,500,000	0.009	68,000
FY2010	20%	50,000,000	10,000,000	0.009	90,000
FY2011	20%	50,000,000	10,000,000	0.009	90,000

316,000

~Assumes FY2005 usage.

24-7 operation

4.8 million square feet

Non-Institutions

	% Increase	kWH Assumed*	Impacted kWH	Cost Impact	Impact
FY2007	5%	14,583,333	729,167	0.009	6,563
FY2008	10%	14,583,333	1,458,333	0.009	13,125
FY2009	15%	14,583,333	2,187,500	0.009	19,688
FY2010	20%	14,583,333	2,916,667	0.009	26,250
FY2011	20%	14,583,333	2,916,667	0.009	26,250

91,875

*Assumes non-institutions use 40% of institutions usage/year.

9-5 operation

3.5 million square feet

	Split	FY07	FY08	FY09	FY10	FY11
State	78%	23,000	45,000	69,000	90,000	90,000
Other	22%	7,000	13,000	19,000	26,000	26,000
		30,000	58,000	88,000	116,000	116,000
		30,000		146,000		232,000

Assumes institutional average on split.

Assumes object E.

Assumes FY11 at the FY10 % increase as an additional 5% increase is not called out in the language of the bill.

Individual State Agency Fiscal Note

Bill Number: 2349 HB	Title: Renewable energy standards	Agency: 310-Department of Corrections
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
Fund					
General Fund-State 001-1	22,379	44,894	67,273	158,915	182,326
Total \$	22,379	44,894	67,273	158,915	182,326

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/04/2006
Agency Preparation: Joyce Miller	Phone: 360-725-8266	Date: 01/05/2006
Agency Approval: Randi Warick	Phone: 360 -725-8270	Date: 01/11/2006
OFM Review: Nick Lutes	Phone: 360-902-0570	Date: 01/11/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 adds a new section to RCW 19.29A to establish the following new renewable energy standards for state agencies:

- 1) State agencies must buy at least five percent of their total electricity from a qualified alternative energy resources by July 1, 2006.
- 2) State agencies must buy at least ten percent of their total electricity from a qualified alternative energy resources by July 1, 2007.
- 3) State agencies must buy at least fifteen percent of their total electricity from a qualified alternative energy resources by July 1, 2008.
- 4) State agencies must buy at least twenty percent of their total electricity from a qualified alternative energy resources by July 1, 2009.

This section defines “qualified alternative energy resource” as the electricity produced from generation facilities that are fueled by wind, solar energy, geothermal energy, biogas produced during treatment of human or animal waste or evolved from landfills, wave or tidal action, gas produced during the treatment of wastewater, qualified hydropower, combined heat and power or cogeneration, biomass energy based on animal waste or solid organic fuels from wood, forest, field residues, or dedicated energy crops that do not include wood pieces that have been treated with chemical preservatives.

This section further defines “qualified hydropower” as the energy produced either as a result of modernization or upgrades made after June 1, 1998 to hydropower facilities operating on May 8, 2001, that have been demonstrated to reduce the mortality of anadromous fish or by run of the river or run of the canal hydropower facilities that are not responsible for obstructing the passage of anadromous fish.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The increase was calculated based on the assumptions submitted by the Department of General Administration. The Department’s annual electricity consumption multiplied by the percentage referenced in section 1 of this bill in the given year multiplied by the increase of \$.009.

The Department estimates the cost associated with this bill as follows:

July 1, 2006	\$ 22,379
July 1, 2007	\$ 44,894
July 1, 2008	\$ 67,752
July 1, 2009	\$ 91,163

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services	22,379	44,894	67,273	158,915	182,326
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$22,379	\$44,894	\$67,273	\$158,915	\$182,326

III. C - Expenditures By Program (optional)

Program	FY 2006	FY 2007	2005-07	2007-09	2009-11
Administrative Services (100)	280	561	841	1,986	2,278
Institutional Services (200)	21,313	42,755	64,068	151,346	173,642
Community Supervision (300)	786	1,578	2,364	5,583	6,406
Total \$	22,379	44,894	67,273	158,915	182,326

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2349 HB	Title: Renewable energy standards	Agency: 343-Higher Education Coordinating Board
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/04/2006
Agency Preparation: Patty Mosqueda	Phone: 360-753-7863	Date: 01/10/2006
Agency Approval: Jim Reed	Phone: 360-753-7865	Date: 01/11/2006
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 01/11/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill requires state agencies to buy specified percentages of electricity from "qualified alternative energy resources." Five percent is specified by July 2006, and the percentage will increase each year to 2009 when 20% must come from alternative resources.

Most of the six public four-year higher education institutions in Washington have estimated additional costs related to this bill.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The six public four-year higher education institutions have estimated varying expenditures for implementation of this bill, and most institutions estimate that there will be significant expenses associated with this bill. All the institutions would need to work with their local energy supplier/vendor to meet the standards specified in this bill.

Two institutions have already implemented requirements of the bill through a student fee approved by their student bodies; the fee covers 100% of the cost of alternative resources. One institution noted that if, in the future, the student fee were to be rescinded, then the institution would incur the costs of paying for alternative resources.

One institution suggested that it would already be in compliance -- except for the stipulation regarding hydropower -- i.e., that "qualified hydropower" must come from a modernization performed after 1998, which reduces the mortality of anadromous fish. So, the estimated cost to upgrade the energy portfolio to meet standards would start at \$80,000 in 2006, and reach \$680,000 by 2009 (the total for four years would exceed \$1.5 million).

One institution estimates the change to "alternative resources" would require \$51,000 in the first year to reach the 5% requirement. By the fourth year (2009) the cost would be \$208,000 to reach the 20% requirement.

Two institutions report an indeterminate cost, but in both cases the costs could be substantial.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Revised

Bill Number: 2349 HB	Title: Renewable energy standards	Agency: 405-Department of Transportation
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
Fund					
Motor Vehicle Account-State 108-1	0	47,000	47,000	237,000	380,000
Puget Sound Ferry Operations Account-State 109-1	0	6,000	6,000	30,000	48,000
Total \$	0	53,000	53,000	267,000	428,000

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/04/2006
Agency Preparation: Ron Lorentson	Phone: 360-705-7581	Date: 01/13/2006
Agency Approval: Gummada Murthy	Phone: 360-705-7801	Date: 01/13/2006
OFM Review: Rich Struna	Phone: 360-902-9821	Date: 01/13/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 of the bill requires state agencies to purchase increasing amounts of electricity from qualified alternate energy resources each year until the year 2009 as follows:

- By July 1, 2006 - 5%
- By July 1, 2007 - 10%
- By July 1, 2008 - 15%
- By July 1, 2009 and thereafter - 20%

The bill defines a qualified alternative energy resource as electricity produced from generation facilities that are fueled by wind, solar energy, geothermal energy, biogas from treatment of waste or landfills, wave or tidal action, gas produced from the treatment of wastewater, combined heat and power or cogeneration as defined in RCW 35.97.010, and other sources such as wood, field residues or dedicated energy crops.

Department costs impacted by this legislation include the costs of electricity required for the operation of buildings and other facilities operated by the department, the lighting of state highways and the operation of traffic signals, and operation of ferry terminals.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The Department of General Administration estimates that the statewide average cost of electricity provided by utilities from qualified alternative energy resources will be \$.009/ Kilowatt Hour (kWh) greater than electricity generated from other resources. The department assumes that contracts will be in place to purchase the percentage required by the bill by July 1st of each fiscal year.

The estimated additional expenditures that would be incurred for electricity purchased by the department are based on the total estimated kWh used by the department in fiscal year 2005. Estimated total electricity consumption in FY 2005 was 118.8 million kWh and total expenditures for electricity \$7.8 million. Assuming that future electricity consumption will be approximately the same as in FY 2005, additional future costs incurred by the department to purchase electricity would be as follows:

FY 2007	\$53,000
FY 2008	\$107,000
FY 2009	\$160,000
FY 2010	\$214,000
FY 2011	\$214,000

Note: See attachment for details

This estimated impact on the department does not include additional costs that will be incurred by the Department of General Administration and charged to the department for capitol campus buildings used by the department. These costs are addressed in the fiscal note prepared by the Department of General Administration.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services		53,000	53,000	267,000	428,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$0	\$53,000	\$53,000	\$267,000	\$428,000

Part IV: Capital Budget Impact

There is no impact to the Facilities Program Capital budget as a result of this legislation.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

**DEPARTMENT OF TRANSPORTATION
ESTIMATED INCREASE IN ELECTRICITY COST DUE TO HB 2349**

Estimated FY 2005 Electricity consumption by WSDOT programs

Calculated as : FY 2005 Electricity Costs/ estimated average cost per kWh
Assumption: Average kWh cost = \$0.0660

	FY 2005 Expenditures for Electricity	kWh Used
Program		
Capital Facilities	1,827,000	27,681,818
Highway Maintenance	4,711,000	71,378,788
Washington State Ferries	866,000	13,121,212
All other Programs	436,159	6,608,470
Total WSDOT	7,840,159	118,790,288

Increase in Electricity Costs from required use of alternative energy resource

Assumptions:

- (1) Added cost = \$0.009 per kWh (Dept. of General Admin. Lead Agency Assumption)
- (2) kWh consumed = FY 2005 consumption in future years

Percentage of Total kWh from alternative energy resources	"Alternative" kWh	Added cost	FISCAL YEAR
Capital Facilities			
5%	1,384,091	\$12,000	2007
10%	2,768,182	\$25,000	2008
15%	4,152,273	\$37,000	2009
20%	5,536,364	\$50,000	2010
Highway Maintenance			
5%	3,568,939	\$32,000	2007
10%	7,137,879	\$64,000	2008
15%	10,706,818	\$96,000	2009
20%	14,275,758	\$128,000	2010
Washington State Ferries			
5%	656,061	\$6,000	2007
10%	1,312,121	\$12,000	2008
15%	1,968,182	\$18,000	2009
20%	2,624,242	\$24,000	2010
Other Programs			
5%	330,424	\$3,000	2007
10%	660,847	\$6,000	2008
15%	991,271	\$9,000	2009
20%	1,321,694	\$12,000	2010
Total WSDOT			
5%	5,939,515	53,000	2007
10%	11,879,029	107,000	2008
15%	17,818,544	160,000	2009
20%	23,758,058	214,000	2010

Individual State Agency Fiscal Note

Bill Number: 2349 HB	Title: Renewable energy standards	Agency: 405-Department of Transportation
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
Fund					
Motor Vehicle Account-State 108-1	0	115,000	115,000	575,000	920,000
Total \$	0	115,000	115,000	575,000	920,000

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/04/2006
Agency Preparation: Ron Lorentson	Phone: 360-705-7581	Date: 01/10/2006
Agency Approval: Gummada Murthy	Phone: 360-705-7801	Date: 01/10/2006
OFM Review: Rich Struna	Phone: 360-902-9821	Date: 01/11/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 of the bill requires state agencies to purchase increasing amounts of electricity from qualified alternate energy resources each year until the year 2009 as follows:

- By July 1, 2006 - 5%
- By July 1, 2007 - 10%
- By July 1, 2008 - 15%
- By July 1, 2009 and thereafter - 20%

The bill defines a qualified alternative energy resource as electricity produced from generation facilities that are fueled by wind, solar energy, geothermal energy, biogas from treatment of waste or landfills, wave or tidal action, gas produced from the treatment of wastewater, combined heat and power or cogeneration as defined in RCW 35.97.010, and other sources such as wood, field residues or dedicated energy crops.

Department costs impacted by this legislation include the costs of electricity required for the operation of buildings and other facilities operated by the department and for the lighting of state highways and the operation of traffic signals.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The Department of General Administration estimates that the statewide average cost of electricity provided by utilities from qualified alternative energy resources will be \$.009/ Kilowatt Hour (kWh) greater than electricity generated from other resources. The department assumes that contracts will be in place to purchase the percentage required by the bill by July 1st of each fiscal year.

The estimated additional expenditures that would be incurred for electricity purchased by the department are based on the total estimated kWh used by the department's capital facilities program for operation of facilities and by the highway maintenance program for highway lighting, traffic signal operation, and other purposes in fiscal year 2005. Estimated total electricity consumption in FY 2005 by the facilities and highway maintenance programs was 255.7 million kWh and total expenditures for electricity \$7.7 million. Assuming that future electricity consumption will be approximately the same as in FY 2005, additional future costs incurred by the department to purchase electricity would be as follows:

FY 2007	\$115,000
FY 2008	\$230,000
FY 2009	\$345,000
FY 2010	\$460,000
FY 2011	\$460,000

Note: See attachment for details

This estimated impact on the department does not include additional costs that will be incurred by the Department of General Administration and charged to the department for capitol campus buildings used by the department. These costs are addressed in the fiscal note prepared by the Department of General Administration.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services		115,000	115,000	575,000	920,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$0	\$115,000	\$115,000	\$575,000	\$920,000

III. C - Expenditures By Program (optional)

Program	FY 2006	FY 2007	2005-07	2007-09	2009-11
Facilities (D4)		44,000	44,000	222,000	354,000
Maintenance (M2)		71,000	71,000	353,000	566,000
Total \$		115,000	115,000	575,000	920,000

Part IV: Capital Budget Impact

There is no impact to the Facilities Program Capital budget as a result of this legislation.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

**DEPARTMENT OF TRANSPORTATION
ESTIMATED INCREASE IN ELECTRICITY COST DUE TO HB 2349**

Total Estimated Facilities kWh in FY 2005.	98,572,671
Total Estimated Maintenance kWh in FY 2005.	<u>157,164,347</u>
Total kWh entire agency	255,737,018
Estimated additional cost for alternate power per kWh*	\$0.009

Total Electrical Power Expenditure for 2005 (Facilities)	\$2,954,715
Total Electrical Power Expenditure for 2005 (Maintenance)	<u>\$4,711,000</u>
Total Electrical Power Expenditure for 2005	\$7,665,715

Percentage of Total kWh	"Alternative" kWh	Added cost	FISCAL YEAR
Facilities			
5%	4,928,634	\$44,358	2007
10%	9,857,267	\$88,715	2008
15%	14,785,901	\$133,073	2009
20%	19,714,534	\$177,431	2010
Maintenance			
5%	7,858,217	\$70,724	2007
10%	15,716,435	\$141,448	2008
15%	23,574,652	\$212,172	2009
20%	31,432,869	\$282,896	2010
Total			
5%	12,786,851	\$115,082	2007
10%	25,573,702	\$230,163	2008
15%	38,360,553	\$345,245	2009
20%	51,147,404	\$460,327	2010

* The estimated average cost for Alternate Power was based on Department of General Administration Lead Agency Assumptions.

Individual State Agency Fiscal Note

Bill Number: 2349 HB	Title: Renewable energy standards	Agency: 461-Department of Ecology
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Part I: Estimates

☒ **No Fiscal Impact**

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/04/2006
Agency Preparation: Janis Moore	Phone: (360) 407-7099	Date: 01/05/2006
Agency Approval: Pat McLain	Phone: 360-407-7005	Date: 01/09/2006
OFM Review: Ann-Marie Sweeten	Phone: 360-902-0538	Date: 01/09/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill would add a new chapter to 19.29A RCW.

Section 1 (1) would establish renewable energy standards for agencies, requiring all state agencies to purchase 5% of their total electricity from qualified alternative energy resources by July 1, 2006. This percentage would be increased in annual 5% increments through July 1, 2009, at which time agencies would be required to start purchasing 20% of their total electricity from qualified alternative energy resources.

Section 1 (2) states that a utility would be able to buy qualified alternative energy resources through either (a) resources it owns or contracts for, if the resources are generated within the state of Washington; or (b) buying credits issued by a clearinghouse or other system for verifiable, qualified alternative energy generated in Washington.

Section 1 (3) would define a qualified alternative energy resource as electricity produced from generation facilities that are fueled by (a) wind; (b) solar energy; (c) geothermal energy; (d) biogas produced during treatment of human or animal waste or evolved from landfills; (e) wave or tidal action; (f) gas produced during the treatment of wastewater; (g) qualified hydropower; (h) combined heat and power; or (i) biomass energy.

Section 1(4) would define "qualified hydropower" as energy produced either (a) as a result of modernizations or upgrades made after June 1, 1998 to hydropower facilities operating on May 8, 2001, that have been demonstrated to reduce mortality of anadromous fish; or (b) by run of the river or canal hydropower facilities that are not responsible for obstructing the passage of anadromous fish.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Ecology would have no new fiscal impact to meet this bill's requirements.

Key assumptions:

1. Qualified renewable electricity produced in Washington will be available through FY 2010 at roughly today's price premium.
2. Ecology would not incur significant new costs to negotiate verifiable documentation that Ecology's share of renewable electricity would be produced in Washington. (Currently, Ecology executes a contract with the Bonneville Power Administration for our Eastern Washington facilities, documenting the amounts of renewable electricity by production facility to be credited to Ecology. We have a separate agreement with Puget Sound Energy for our Western Washington facilities.)
3. The premium agencies pay for qualified alternative energy resources will not increase from year to year because of market/demand issues.
4. The percentage targets are based on all electricity consumed by the agency. The agency-wide percentage of qualified Washington alternative energy purchased may be achieved through varying rates purchased in different areas, for different facilities.

5. This bill would not require Ecology to adopt new rules or conduct a new inspection program related to wood wastes or anadromous fish passage.

Section 1: Ecology has already started buying renewable electricity, and is currently purchasing 16% of its electricity from renewable resources through the current biennium. Ecology plans to continue to increase its purchase of renewable electricity by 4% per year. On this basis, Ecology expects to exceed the target purchase of electricity from qualified renewable resources of 20% by July, 2009.

Section 2: Ecology's current contract with the Bonneville Power Administration includes renewable electricity from Washington, Oregon, and other states. Ecology's current agreement with Puget Sound Energy also includes energy from Washington and other Northwest facilities. In keeping with the assumptions above, we believe these or similar agreements for qualified Washington-produced alternative energy could be achieved without a significant cost increase.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2349 HB	Title: Renewable energy standards	Agency: 465-State Parks and Recreation Comm
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
Fund					
General Fund-State 001-1	0	11,400	11,400	57,200	91,400
Total \$	0	11,400	11,400	57,200	91,400

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/04/2006
Agency Preparation: Mark Bibeau	Phone: 360 586-6621	Date: 01/16/2006
Agency Approval: Robyn Malmberg	Phone: 360-902-8540	Date: 01/17/2006
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 01/18/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The percentage targets for qualified alternative energy resources applied to energy consumed in Washington State Parks and Recreation Commission's owned and/or leased facilities.

Fiscal impact:

- Sec. 1. (1) The following new renewable energy standards for state agencies are established:
- (a) By July 1, 2006, state agencies must buy at least five percent of their total electricity from qualified alternative agency resources.
 - (b) By July 1, 2007, state agencies must buy at least ten percent of their total electricity from qualified alternative agency resources.
 - (c) By July 1, 2008, state agencies must buy at least fifteen percent of their total electricity from qualified alternative agency resources.
 - (d) By July 1, 2009, state agencies must buy at least twenty percent of their total electricity from qualified alternative agency resources.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

N/A

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

We have a minimum of 1800 meters with 30+ vendors. We are extrapolating the system information based on the largest direct vendor data, Puget Sound Energy. By comparing the electricity meter reading from December 2004 to November 2005 we were able to compute the annual kWh for the parks that have the electricity supplied by Puget Sound Energy (PSE).

Payments made to PSE account for all of Headquarters and the Fort Worden Area, 3 out of 4 region offices, and 26 of the remaining 118 parks (120 total parks - less Fort Worden and Old Port Townsend). These known electrical usage areas were pro-rated to represent the whole agency.

Annual KWH usage:				
HQ building	100%	474,007		
3 out of 4 Regions	75%	256,901	adjusted to represent 100%	342,535
Ft. Worden	100%	3,304,296		
26 of 118 Parks	Percent	22%	4,686,307	adjusted to present 100%
(120 less Ft. Worden & Old Fort Townsend)			21,268,624	
159 Meters	Total Agency kWh (adjusted based on 159 meters)			25,389,462
Estimated Increase for Puget Sound Energy Electricity			Total Estimated Increase	
By July 1, 2006 - 5%	0.05	\$11,400		

By July 1, 2007 - 10%	0.1	\$22,900
By July 1, 2008 - 15%	0.15	\$34,300
By July 1, 2009 - 20%	0.2	\$45,700
Additional Cost Per KWh	0.009	

Formula - (Agency's Total annual electricity Consumption in kWh) * (the percentage standard in a given year) * (\$.009)

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services		11,400	11,400	57,200	91,400
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$0	\$11,400	\$11,400	\$57,200	\$91,400

Part IV: Capital Budget Impact

NA

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

NA

Individual State Agency Fiscal Note

Revised

Bill Number: 2349 HB	Title: Renewable energy standards	Agency: 477-Department of Fish and Wildlife
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
Fund					
General Fund-State 001-1	0	7,261	7,261	31,585	46,470
Wildlife Account-State 104-1	0	4,841	4,841	21,057	30,980
Total \$	0	12,102	12,102	52,642	77,450

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/04/2006
Agency Preparation: Kristi Lynett	Phone: 360-902-2237	Date: 01/10/2006
Agency Approval: Ron McQueen	Phone: 360-902-2204	Date: 01/11/2006
OFM Review: Jim Skalski	Phone: 360-902-0654	Date: 01/12/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The bill requires state agencies to purchase 5 to20 percent of their electricity from renewable energy sources beginning July 1, 2006.

Currently, electricity from "renewable energy sources" is more expensive than traditional sources. It is the extra cost passed on by the utilities to the users that creates the fiscal impact.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

None.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The figures are calculated based on the total estimated electricity usage throughout all WDFW facilities statewide during FY 2005 of 26,892,611 kWh. The 5 to 20 percent increase of greenpower purchase each fiscal year is then multiplied by the average of \$.009kWh of several alternative electricity utility rates (ranging from \$.003/kWh to \$.01/kWh). The expenditures for subsequent years correspond to the increasing percentage (5, 15, 20) of alternative energy procured, as well as the estimated decrease in total electricity use due to conservation measures.

FY 2007: 5% greenpower purchase of 26,892,611 equals 1,344,630 kWh. At \$.009/kWh, this would cost an additional \$12,102.

FY 2008: Assuming a 10% decrease in overall electricity use from FY 2005 baseline: this would equal 24,203,349 kWh. At \$.009/kWh, 10% greenpower purchase of 2,420,335 kWh would cost an additional \$21,783.

FY 2009: Assuming a 15% decrease in overall electricity use from FY 2005 baseline: this would equal 22,858,719 kWh. At \$.009/kWh, 15% greenpower purchase of 3,428,808 would cost an additional \$30,859.

FY 2010: Assuming a 20% decrease in overall electricity use from FY 2005 baseline: this would equal 21,514,088 kWh. At \$.009/kWh, 20% greenpower purchase of 4,302,817 would cost an additional \$38,725.

FY 2011: Same assumption as FY 2010.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services		12,102	12,102	52,642	77,450
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$0	\$12,102	\$12,102	\$52,642	\$77,450

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

None.

Individual State Agency Fiscal Note

Bill Number: 2349 HB	Title: Renewable energy standards	Agency: 540-Employment Security Department
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
Fund					
General Fund-Federal 001-2	0	2,236	2,236	11,178	17,848
Unemployment Compensation Administration Account-Federal 119-2	0	6,610	6,610	33,048	52,768
Administrative Contingency Account-State 120-1	0	292	292	1,458	2,328
Employment Service Administrative Account-State 134-1	0	582	582	2,916	4,656
Total \$	0	9,720	9,720	48,600	77,600

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/04/2006
Agency Preparation: Pamela Ames	Phone: 360-586-8009	Date: 01/09/2006
Agency Approval: Dianne Mitchum	Phone: 360-902-9422	Date: 01/10/2006
OFM Review: Cheri Keller	Phone: 360-902-0553	Date: 01/10/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

An act relating to new renewable energy standards

Sec. 1 - New Section -

State agencies must buy their total electricity from qualified alternative energy resources by at least five percent starting July 2006; at least 10% by July 1, 2007; at least 15% by July 1, 2008 and at least 20% by July 1, 2009.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The Employment Security Department (ESD) and co-located partners will be fiscally impacted by the increased cost to purchase renewable energy.

Assumptions used (all based on assumption from Department of General Administration for increased cost for renewable energy) for fiscal impacts are as follows:

For ESD, assumed an average usage of 21.6 million KWH energy consumed per year for 60 ESD leased buildings.

SFY2007 calculation: 21.6 million KWH times .05 (5%) times \$.009 (increase per KWH) = \$9,720

SFY2008 calculation: 21.6 million KWH times .10 (10%) times \$.009 (increase per KWH) = \$19,440

SFY2009 calculation: 21.6 million KWH times .15 (15%) times \$.009 (increase per KWH) = \$29,160

SFY2010 calculation: 21.6 million KWH times .20 (20%) times \$.009 (increase per KWH) = \$38,800

SFY2011 calculation: 21.6 million KWH times .20 (20%) times \$.009 (increase per KWH) = \$38,800

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services		9,720	9,720	48,600	77,600
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$0	\$9,720	\$9,720	\$48,600	\$77,600

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2349 HB	Title: Renewable energy standards	Agency: 699-Community/Technical College System
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
Fund					
General Fund-State 001-1	0	130,625	130,625	653,125	1,045,000
Total \$	0	130,625	130,625	653,125	1,045,000

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 01/04/2006
Agency Preparation: Deborah Frazier-SW	Phone: 360-704-4350	Date: 01/05/2006
Agency Approval: Mary Alice Grobins	Phone: 360-704-4381	Date: 01/09/2006
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 01/10/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill established the following new renewable energy standards for state agencies:

- By July 1, 2006, state agencies must buy at least five percent of their total electricity from qualified alternative energy resources,
- By July 1, 2007, state agencies must buy at least ten percent of their total electricity from qualified alternative energy resources,
- By July 1, 2008, state agencies must buy at least fifteen percent of their total electricity from qualified alternative energy resources,
- By July 1, 2009, state agencies must buy at least twenty percent of their total electricity from qualified alternative energy resources.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

This bill does not affective revenues collected by community and technical colleges (CTC).

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

This bill establishes the following new renewable energy standards for state agencies:

- By July 1, 2006, state agencies must buy at least five percent of their total electricity from qualified alternative energy resources,
- By July 1, 2007, state agencies must buy at least ten percent of their total electricity from qualified alternative energy resources,
- By July 1, 2008, state agencies must buy at least fifteen percent of their total electricity from qualified alternative energy resources,
- By July 1, 2009, state agencies must buy at least twenty percent of their total electricity from qualified alternative energy resources.

Calculation

FY2005 CTC electricity expenditures totalled approximately \$10.45 million. The average electrical rate, per Puget Sound Energy, for the community and technical colleges is \$.08/kilowatt and the average for alternative energy resources is \$.02/kilowatts higher than the electrical rate. This increase calculates to a 25% increase in costs for alternative energy resources. The following formulas were used in calculating the increased costs for the CTC system (please note we used FY2005's actual electricity expenditures constantly throughout each fiscal year's cost calculation):

FY2007: \$10.45 million x 5% = \$522,500 x 25% (% increase in cost) = \$130,625

FY2008: \$10.45 million x 10% = \$1,045,000 x 25% = \$261,250

FY2009: \$10.45 million x 15% = \$1,567,500 x 25% = \$391,875

FY2010 and forward: \$10.45 million x 20% = \$2,090,000 x 25% = \$522,500

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services		130,625	130,625	653,125	1,045,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$0	\$130,625	\$130,625	\$653,125	\$1,045,000

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.