

Multiple Agency Fiscal Note Summary

Bill Number: 2703 HB	Title: Energy efficiency
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Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of General Administration	Non-zero but indeterminate cost. Please see discussion."					
Total \$	0	0	0	0	0	0

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

Estimated Expenditures

Agency Name	2007-09			2009-11			2011-13		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Community, Trade, and Economic Development	.3	82,364	82,364	.0	0	0	.0	0	0
Department of General Administration	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Ecology	.2	0	31,790	.0	0	0	.0	0	0
Total	0.5	\$82,364	\$114,154	0.0	\$0	\$0	0.0	\$0	\$0

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

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Prepared by: Mike Woods, OFM	Phone: 360-902-9819	Date Published: Final 1/30/2008
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 19030

Individual State Agency Fiscal Note

Bill Number: 2703 HB	Title: Energy efficiency	Agency: 103-Community, Trade & Economic Develop
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.0	0.7	0.3	0.0	0.0
Fund					
General Fund-State 001-1	0	82,364	82,364	0	0
Total \$	0	82,364	82,364	0	0

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: 01/16/2008
Agency Preparation: Cory Plantenberg	Phone: 360-956-2101	Date: 01/17/2008
Agency Approval: Tony Usibelli	Phone: 360-725-3110	Date: 01/18/2008
OFM Review: Mike Woods	Phone: 360-902-9819	Date: 01/18/2008

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 2 of this bill requires the Department of Community, Trade and Economic Department (CTED) to receive documentation from lighting manufacturers about their compliance with the RoHS directive adopted by the European Union that restricts certain hazardous substances. Under this section CTED shall determine which products are covered by the RoHS directive and if lamps should be subject to the requirements of this bill. Section 2(9) also allows CTED to adopt rules to implement this section.

Section 3 requires CTED to adopt rules governing minimum energy standards for all general purpose lights and may establish programs to encourage the sale of lights that meet or exceed the standards. CTED may also, based on public input, include specific specialty lights in the standards.

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.

Section 2 of this bill requires the Department of Community, Trade and Economic Department (CTED) to receive documentation from lighting manufacturers about their compliance with the RoHS directive adopted by the European Union that restricts certain hazardous substances. Under this section CTED shall determine which products are covered by the RoHS directive and if lamps should be subject to the requirements of this bill. Section 2 also allows CTED to adopt rules.

FTE, Salaries and Benefits: 0.3 Senior Energy Policy Specialist (EMS Band 1) in FY09 \$23,065

Personal Service Contracts: We estimate that we will contract with the Department of Ecology to work with us in determining the hazards. The cost for the Ecology contract is \$10,000 in FY09.

Goods and Services (G&S)

FY09: \$10,825
-standard G&S: \$10,284
-space and utilities: \$541

Section 3 requires CTED to adopt minimum energy standards for all general purpose lights and may establish programs to encourage the sale of lights that meet or exceed the standards.

FTE, Salaries and Benefits: 0.3 Senior Energy Policy Specialist (EMS Band 1) in FY09 \$23,065.

Goods and Services (G&S)

FY09: \$10,825

-standard G&S: \$10,284

-space and utilities: \$541

Capital Outlay: Costs include a one-time purchase of office equipment for the additional staff at a cost of \$4,584 in FY09.

Note: Standard goods and services costs include supplies and materials, employee development and training, agency administration, mandatory state seat of government and Department of Personnel charges, and CTED agency administration. CTED agency administration costs are allocated to programs depending on the complexity and/or volume of work required for each program. The cost indicators used to determine complexity and volume of work are: the number of contracts administered, the number of FTEs working on a program, and the number of separate budget reporting codes (i.e., separate cost centers or accounts). CTED administration provides general standard governmental services including, but not limited to: budgeting, accounting, payroll, and purchasing services; personnel and employee services; internal information technology systems, desktop and network support services; facilities management services; legislative and public affairs services; policy and risk management services; and other support services.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years		0.7	0.3		
A-Salaries & Wages		36,000	36,000		
B-Employee Benefits		10,130	10,130		
C-Personal Serv Contr		10,000	10,000		
E-Goods and Services		21,650	21,650		
G-Travel					
J-Capital Outlays		4,584	4,584		
M-Inter Agency Fund Transfers					
N-Grants, Benefits Services					
P-Debt Service					
S-Interagency Reimbursement					
T-Intra-Agency Reimbursement					
Total:	\$0	\$82,364	\$82,364	\$0	\$0

III. B - Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2008	FY 2009	2007-09	2009-11	2011-13
EMS Band 1	60,000		0.6	0.3		
Various Administrative Services	55,478		0.1	0.0		
Total FTE's			0.7	0.3		0.0

III. C - Expenditures By Program (optional)

Program	FY 2008	FY 2009	2007-09	2009-11	2011-13
Agency Administration (100)		17,668	17,668		
Energy Policy (500)		64,696	64,696		
Total \$		82,364	82,364		

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.

Section 2 – new rules governing RoHS certification and notification

Section 3 – amendments to existing rules on energy efficiency to include general purpose lighting.

Individual State Agency Fiscal Note

Bill Number: 2703 HB	Title: Energy efficiency	Agency: 150-Dept of General Administration
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

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: 01/16/2008
Agency Preparation: Keith Williams	Phone: 360 902-7222	Date: 01/25/2008
Agency Approval: Fay Bronson	Phone: 360-902-7336	Date: 01/30/2008
OFM Review: Regan Hesse	Phone: 360-902-9820	Date: 01/30/2008

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 proposed legislation would add several new requirements to the energy efficiency section of RCW 19.260 (Miscellaneous business regulations) that would have fiscal impacts for General Administration (GA).

REDUCTION OF HAZARDOUS SUBSTANCES IN GENERAL PURPOSE LIGHTS (Section 2):

Section 2 (1) would prohibit the manufacture of general purpose lights for sale in Washington state on or after January 1, 2010 , if the general purpose lights contain levels of hazardous substances that would result in the prohibition of those general purpose lights being sold or offered for sale in the European Union under the RoHS directive.

The RoHS directive stands for "the Restriction Of the use of certain Hazardous Substances in electrical and electronic equipment." Beginning July 1, 2006, the RoHS directive banned placing on the European Union market new electrical and electronic equipment containing more than agreed on levels of lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyl and polybrominated diphenyl ether flame retardants.

Section 2 (2) and its subsections would prohibit the sale or offer for sale in this state of general purpose lights that contain levels of hazardous substances that would result in the prohibition of those general purpose lights being sold or offered for sale in the European Union under the RoHS directive.

MINIMUM ENERGY EFFICIENCY STANDARDS FOR GENERAL PURPOSE LIGHTING (Section 3)

Section 3 (1) of the proposed legislation would require the Department of Community, Trade & Economic Development (CTED) to adopt minimum energy efficiency standards for all general purpose lights that would reduce the average statewide electrical energy consumption by not less than 50 percent from the estimated 2007 levels for indoor residential lighting and by not less than 25 percent from estimated 2007 levels for indoor commercial and outdoor lighting by 2018.

Section 3 (3) would allow CTED to establish programs to encourage the sale in this state of general purpose lights that meet or exceed the energy efficiency standards

Section 3 (4) and its subsections would require that within two years of adoption, GA and all other state agencies would have to cease purchasing general purpose lights that do not meet the energy efficiency standards. Within four years of adoption, state agencies would have to cease purchasing general service lights, which are historically appropriate for the facilities in which they are being used, but that do not meet the energy efficiency standards set by CTED.

Section 4 of the proposed legislation would require that by January 1, 2010, GA shall have prepared a strategy to increase state agency use of general purpose lights that meet the energy efficiency standards adopted by CTED under section 3 of the legislation.

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 costs associated with conducting an assessment of current lighting systems, capital upgrades to lighting fixtures and systems, and preparation of strategies to increase the use of energy efficient lighting by state agencies would be passed on to client agencies through increases in their facilities & services charges or other leasing agreements. Because these expenditures are deemed to be indeterminate, the cash receipts also are indeterminate.

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 fiscal impacts arising out of the implementation of sections 2 and 3 are indeterminate.

Sections 2 and 3 of the proposed legislation will effectively remove all general purpose lighting from Washington State markets that do not meet the RoHS standards for hazardous substances by January 1, 2010 and will add the further requirement that by Dec 1, 2010 all our general purpose lighting purchases will have to meet CTED's newly adopted energy efficiency standards.

Based on information contained in GA's Facility Information & Management System, we own and maintain 5,445,000 gross square feet of commercial space throughout Washington State. In addition to office, warehouse, and parking facilities we also maintain outdoor areas (Capitol Campus, Heritage Park, Sylvester Park, etc). Each area is unique, but all make extensive use of general purpose lights and their attendant lighting fixtures. As the current stock of installed lamps burn out and are in need of replacement we will, beginning January 1, 2010, purchase replacement lamps that meet the new RoHS standards.

GA would approach these new requirements by first conducting an audit or assessment of our facilities general purpose lighting practices and systems throughout the state. The audit would identify those systems and fixtures that would not accommodate the new RoHS standard lamps and would also furnish a cost and engineering analysis of system improvements. GA energy engineers estimate that this type of an inventory of lighting systems, conducted statewide by private sector audit firms on GA owned properties, would cost about \$0.06 cents per square foot, for an estimated 5,000,000 square feet of GA owned facilities. Using this estimate as a cost base, an inventory of the lighting systems would cost \$300,000. True costs are indeterminate at this time.

We would next pursue changing out lighting fixtures and retrofitting systems, in accordance with the system audit, to accommodate the new lamps and standards. GA facilities and outdoor areas make use of many different lighting fixtures and systems. Not all will accommodate the RoHS compliant lamps. GA energy engineers estimate, that the new RoHS compliant lamps will 'fit' only 90% to 95% of our current lighting fixtures.

GA estimates that 5% to 10% of our lighting fixtures and systems will require an upgrade within the next biennium, and would require a capital investment possibly as low as \$150,000 to as high as \$1,100,000.

This range of values is based on an estimated project cost of \$.50 to \$2.00 per square foot for those areas and systems requiring upgrades. Using these estimated costs, the minimal capital investment is calculated at \$150,000 (5,445,000 sq ft x 5% x \$.50/sq ft = \$136,125) and the maximum capital investment is calculated at \$1,100,000 (5,445,000 sq ft x 10% x \$2.00/sq ft = \$1,089,000). Actual capital costs are indeterminate at this time because CTED hasn't set the target efficiency levels for general purpose lighting yet.

Section 4 of the proposed legislation would require an estimated additional \$67,000 (please refer to supporting documents) in costs, which would be required for 0.5 FTE of an Energy/Utilities Engineer 3 for one year, to provide oversight of the lighting system audit and the preparation of a strategy to increase state agency use of general purpose lights that meet CTED's energy efficiency standards.

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.

OFM Notes:

The estimated costs for "Other", listed in the Expenditure Detail table as object T (Intra-agency reimbursements), do not include DOP charges as listed in the attachment. The intra-agency reimbursements include GA's facilities & services and agency administration charges. DOP charges are included in object E (goods and services).

GA estimates "Other" charges at 33% for this fiscal note. GA estimates that actual "other" charges for the GA Energy Program are around 37%.

Annual cost of one-half FTE (Energy/Utilities Engineer 3 - range 67, step L)

Annual Salary for Energy/Utilities Engineer 3.....	\$79,308
26% Employer costs and benefits.....	<u>20,620</u>
Total Salary and Benefits	<u>\$99,928</u>

Proportional share of goods & services.....	\$6,345
Travel expenses.....	\$1,586
Other (DOP charges, facilities & services, agency administration, etc).....	\$26,172

Total costs for one FTE of Energy/Utilities Engineer 3 for one year \$134,031

Annual cost of one-half FTE \$67,015

Notes:

- 1) Benefits are calculated at 26% of salary
- 2) Goods & Services are calculated at 8% of salary
- 3) Travel is calculated at 2% of salary
- 4) Other costs are calculated at 33% of salary

Individual State Agency Fiscal Note

Bill Number: 2703 HB	Title: Energy efficiency	Agency: 461-Department of Ecology
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.0	0.4	0.2	0.0	0.0
Fund					
State Toxics Control Acct-State 173-1	0	31,790	31,790	0	0
Total \$	0	31,790	31,790	0	0

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: 01/16/2008
Agency Preparation: Donna Allen	Phone: (360) 407-6561	Date: 01/22/2008
Agency Approval: Patricia McLain	Phone: (360) 407-7005	Date: 01/22/2008
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 01/22/2008

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 relates to manufacture and use of general purpose lights.

Section 2 would require the Department of Community, Trade and Economic Development (CTED) to determine which lighting products are considered hazardous and which products would be subject to this legislation. CTED estimates it would need assistance from the Department of Ecology (Ecology) in making these determinations.

Section 5 of this bill would direct the Department of Ecology to convene a work group in consultation with the Solid Waste Advisory Committee to consider and make recommendations on:

- Collection and recycling of end-of-life general purpose lights.
- Educating consumers about proper management and collection opportunities.
- Packaging to include proper recycling information.

Ecology would report findings and recommendations for implementing and financing a recycling program for fluorescent lamps to Legislative committees by December 1, 2008.

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.

Section 2:

CTED assumes that it would require assistance from Ecology to review product documentation and make determinations for hazardous lighting products. Ecology estimates that this would require 0.1 FTE of an Environmental Specialist in FY2009. The cost would be recovered through CTED through an interagency agreement of \$10,000.

Section 5:

Ecology would be required to convene a work group in consultation with the Solid Waste Advisory Group. Additional resources would be required to organize and support the new work group described in Section 5, perform research, provide materials, prepare materials needed by the work group, and prepare and distribute the findings and recommendations to the Legislature as required in Section 5 (2). Ecology estimates this would require 0.6 FTE of an Environmental Specialist 3 over six months in FY2009 (annualized equals 0.3 FTE).

Notes on costs by object:

Salaries and Wages Detail: Salary estimates are based on current actual rates in effect for each job classification, and are calculated at the step corresponding to the experience level required for each position.
Employee Benefits are calculated at the agency average of 28.9% of salaries.
Goods and Services are calculated at the agency average of \$4,709 per direct FTE.
Travel Expenditures are calculated at the agency average rate of \$1,885 per direct program FTE.
Equipment Detail: \$7,647 for start-up equipment is budgeted for each new direct FTE, based on current costs for an office

chair, 1/5 motor pool vehicle, and basic computer equipment.

Interagency Reimbursement: The \$10,000 estimated cost of assisting CTED with Section 2 of the bill would be recovered from CTED.

Agency Administrative Overhead is calculated at the Federal indirect rate of 35.78% of direct salaries and benefits.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years		0.4	0.2		
A-		20,622	20,622		
B-		5,960	5,960		
C-					
E-		1,884	1,884		
G-		754	754		
J-		3,059	3,059		
N-					
P-					
S-		(10,000)	(10,000)		
9-Agency Administrative Overhead		9,511	9,511		
Total:	\$0	\$31,790	\$31,790	\$0	\$0

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2008	FY 2009	2007-09	2009-11	2011-13
Environmental Specialist 3	49,572		0.3	0.2		
Environmental Specialist 4	57,504		0.1	0.1		
Total FTE's			0.4	0.2		0.0

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.