

Multiple Agency Fiscal Note Summary

Bill Number: 6111 E 2S SB AMH MCCO H6002.2	Title: Tidal and wave energy
--	-------------------------------------

Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Revenue	(324,000)	(325,000)	0	0	0	0
Total \$	(324,000)	(325,000)	0	0	0	0

Local Gov. Courts *						
Local Gov. Other **		(99,000)				
Local Gov. Total		(99,000)				

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	.5	183,067	183,067	.2	73,271	73,271	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.1	0	8,733	.1	0	8,733	.0	0	0
Department of Ecology	.1	20,305	20,305	.0	8,183	8,183	.0	0	0
Department of Fish and Wildlife	.2	44,816	44,816	.2	44,816	44,816	.0	0	0
Department of Natural Resources	.0	0	9,500	.0	0	9,500	.0	0	0
Total	0.9	\$248,188	\$266,421	0.5	\$126,270	\$144,503	0.0	\$0	\$0

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

--

Prepared by: Mike Woods, OFM	Phone: 360-902-9819	Date Published: Final 3/25/2008
-------------------------------------	-------------------------------	---

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

** See local government fiscal note

FNPID: 20784

Individual State Agency Fiscal Note

Bill Number: 6111 E 2S SB AMH MCCO H6002.2	Title: Tidal and wave energy	Agency: 103-Community, Trade & Economic Develop
---	-------------------------------------	---

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	0.9	0.5	0.2	0.0
Fund					
General Fund-State 001-1	0	183,067	183,067	73,271	0
Total \$	0	183,067	183,067	73,271	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: 03/06/2008
Agency Preparation: Allen Fiksdal	Phone: 360-956-2152	Date: 03/07/2008
Agency Approval: Cory Plantenberg	Phone: 360-956-2101	Date: 03/12/2008
OFM Review: Mike Woods	Phone: 360-902-9819	Date: 03/12/2008

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.

Differences between E2SSB 6111 and the House striking amendment:

Replaces a requirement for the Department of Ecology to convene a work group on wave and tide energy with a requirement that the Department of Community, Trade and Economic Development convene a work group to make recommendations on creating a research center on tide and wave energy and streamlining the permit process for hydrokinetic generating facilities; specifies different subjects on which the work group must make recommendations; replaces an exemption from use tax for hydrokinetic equipment generating not less than five kilowatts with an exemption for equipment generating at least two hundred kilowatts; and eliminates an excise tax deduction from gross income from the cost of production of energy from new hydrokinetic facilities.

Summary of the House striking amendment:

Section 3 requires the Department of Community Trade and Economic Development (CTED) and the Energy Facilities Site Evaluation Council (EFSEC) to convene and co-chair a work group to develop a Washington State Center for Excellence in Hydrokinetic Energy and explore methods to streamline permit process for both wave and tidal power projects.

Section 4 specifies the agencies and groups that make up the work group including state agencies, local governments, tribes, utilities, and private and nonprofit entities.

Section 5 outlines the responsibilities of the work group and the areas in which it must make recommendations to the Legislature.

Section 6 requires that a report be written and provided to the legislature by December 1, 2008.

Section 7 requires the work group to develop a detailed work plan by June 30, 2009 of the process and update it every six months with a final report due June 30, 2010.

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.

Sections 3-5

Requires CTED (Energy Policy Division) and the Energy Facilities Site Evaluation Council (EFSEC) to convene and co-chair a work group to develop recommendations for a Washington State Center for Excellence in Hydrokinetic Energy and a streamlined permit process for both wave and tidal power projects.

FTE Salaries and Benefits: \$32,044

Energy Policy: FTE, Salaries and Benefits: 0.3 Senior Energy Policy Specialist (EMS Band 2) in FY09 \$27,855

EFSEC: FTE, Salaries and Benefits: 0.05 Energy Facilities Site Specialist in FY09 \$4,189

Personal Service Contracts:

FY09 \$40,000 for research and technical assistance. This bill will require assistance to research other similar types of centers and to design the best way to develop, govern, and manage a center for excellence in hydrokinetic energy.

Goods and Services (G&S)

FY09: \$21,078

-standard G&S: \$ 13,996

-space and utilities: \$1,082

-non-standard G&S: \$6,000 for meeting rooms

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.

Travel: FY09 \$3,929, estimate that eight days of travel for meetings will be required to participate in the work group process and possibly pay for the travel by some of the participants.

Section 6

Requires CTED to provide a report to the legislature by December 1, 2008 regarding a Washington Center for Excellence in Hydrokinetic Energy.

FTE Salary and Benefits: \$8,861

Energy Policy: FTE, Salaries and Benefits: 0.05 Senior Energy Policy Specialist (EMS Band 2) in FY09 \$4,672

EFSEC: FTE, Salaries and Benefits: 0.05 Energy Facilities Site Specialist in FY09 \$4,189

Goods and Services (G&S)

FY09: \$4,384

-standard G&S: \$3,884

-space and utilities: \$0

-non-standard G&S: \$500 for printing

Section 7

Requires the work group to develop a detailed work plan by June 30, 2009, to develop streamlined permit process and update it every six months with a final report due June 30, 2010.

FTE Salaries and Benefits: FY09-10 cost is \$33,507 for each fiscal year

Energy Policy: FTE, Salaries and Benefits: 0.05 Senior Energy Policy Specialist (EMS Band 2) in FY09 and FY10 \$9,270.

EFSEC: FTE, Salaries and Benefits: 0.15 Energy Facilities Site Specialist, 0.15 EMS3, and .01 AA3 in FY09 and FY10 \$57,744.

Personal Service Contracts: FY09-FY10 cost is \$20,000 each year for facilitation.

Goods and Services (G&S)

FY09: \$17,098

-standard G&S:14,608

-space and utilities: \$990

-non-standard G&S: \$1,500 (\$1,000 for meeting rooms, \$500 for Attorney General services)

FY10: \$17,598

-standard G&S: 14,608

-space and utilities: \$990

-non-standard G&S: \$2,000 (\$1,000 for meeting rooms, \$500 for Attorney General services, and \$500 for printing)

Travel: FY09-10 costs \$2,166 each fiscal year. Estimate that twelve days of travel for meetings will be required to develop the detailed one-stop permit work plan and possibly pay for the travel by some of the participants.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years		0.9	0.5	0.2	
A-Salaries & Wages		59,246	59,246	26,713	
B-Employee Benefits		15,166	15,166	6,794	
C-Personal Serv Contr		60,000	60,000	20,000	
E-Goods and Services		42,560	42,560	17,598	
G-Travel		6,095	6,095	2,166	
J-Capital Outlays					
M-Inter Agency Fund Transfers					
N-Grants, Benefits Services					
P-Debt Service					
S-Interagency Reimbursement					
T-Intra-Agency Reimbursement					
Total:	\$0	\$183,067	\$183,067	\$73,271	\$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
Administrative Assistant 3	39,732		0.0	0.0	0.0	
EMS Band 2	73,900		0.4	0.2	0.0	
EMS Band 3	84,118		0.2	0.1	0.1	
Energy Facilities Site Specialist	66,684		0.3	0.1	0.1	
Various Administrative Services	55,478		0.1	0.1	0.0	
Total FTE's			0.9	0.5	0.2	0.0

III. C - Expenditures By Program (optional)

-

Program	FY 2008	FY 2009	2007-09	2009-11	2011-13
Agency Administration (100)		28,500	28,500	12,833	
EFSEC (550)		154,567	154,567	60,438	
Total \$		183,067	183,067	73,271	

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

Department of Revenue Fiscal Note

Bill Number: 6111 E 2S SB AMH MCO H6002.2	Title: Tidal and wave energy	Agency: 140-Department of Revenue
--	-------------------------------------	---

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2008	FY 2009	2007-09	2009-11	2011-13
GF-STATE-State 01 - Taxes 01 - Retail Sales Tax		(324,000)	(324,000)		
Performance Audit Account-State 01 - Taxes 01 - Retail Sales Tax		(1,000)	(1,000)		
Total \$		(325,000)	(325,000)		

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
Fund					
Total \$					

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: 03/06/2008
Agency Preparation: Ray Philen	Phone: 360-570-6078	Date: 03/07/2008
Agency Approval: Don Gutmann	Phone: 360-570-6073	Date: 03/07/2008
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 03/08/2008

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.

Note: This fiscal note reflects House amendment AMH MCCO H6002.2 to E2SSB 6111.

Requires the Department of Community, Trade, and Economic Development and the Energy Facility Site Evaluation Council to convene and co-chair a work group to develop recommendations on how to create the Washington State Center for Excellence in Hydrokinetic Energy and to explore mechanisms to streamline and make more efficient current permitting processes for wave and tidal power projects.

Sections 8 and 9 provide a sales and use tax exemption for machinery and equipment and labor and services used directly in generating at least 200 kilowatts of electricity using tidal or wave energy as the principal source of power. This tax incentive expires June 30, 2018.

Sections 1 through 7 of this act expire January 1, 2011.

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.

ASSUMPTIONS/DATA SOURCES

Data Source: Federal Energy Regulatory Commission, Office of Energy Projects, Makah Bay Wave Energy Pilot Project, Draft Environmental Assessment.

REVENUE ESTIMATES

Only one project is known to qualify for the sales tax incentives in this bill. This wave energy demonstration project will be located at Makah Bay on the Washington coast and is expected to cost \$5 million. These amounts are based on figures found in the draft environmental assessment.

Adding wave energy projects to the existing electricity tax incentive will result in a loss in state revenue of \$325,000 in Fiscal Year 2009. The loss in local tax revenue is \$100,000.

The timing of the potential revenue loss is difficult to quantify and is dependent on many events that may delay construction of a wave energy project.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):	
FY 2008 -	\$ 0
FY 2009 -	\$ (325)
FY 2010 -	\$ 0
FY 2011 -	\$ 0
FY 2012 -	\$ 0
FY 2013 -	\$ 0
Local Government, if applicable (cash basis, \$000):	
FY 2008 -	\$ 0
FY 2009 -	\$ (100)

FY 2010 - \$ 0
FY 2011 - \$ 0
FY 2012 - \$ 0
FY 2013 - \$ 0

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 Revenue does not anticipate incurring any costs associated with the implementation of this legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
Total \$					

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.

No rule-making required.

Individual State Agency Fiscal Note

Bill Number: 6111 E 2S SB AMH MCCO H6002.2	Title: Tidal and wave energy	Agency: 215-Utilities and Transportation Comm
---	-------------------------------------	---

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	0.1	0.1	0.1	0.0
Fund					
Public Service Revolving Account-State 111-1	0	8,733	8,733	8,733	0
Total \$	0	8,733	8,733	8,733	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: 03/06/2008
Agency Preparation: Michael Young	Phone: 360-664-1155	Date: 03/07/2008
Agency Approval: Carole Washburn	Phone: 360-664-1174	Date: 03/07/2008
OFM Review: Garry Austin	Phone: 360-902-0564	Date: 03/07/2008

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 3 creates a workgroup of 17 to 20 members including the UTC. The workgroup is to be co-chaired by CTED and EFSEC and is required to report to the Legislature by December 1, 2008, June 30, 2009 and June 30, 2010. The UTC's EFSEC member designee will be the agency's workshop participant.

The incremental workload on the UTC's EFSEC member designee at the level of Policy Specialist is estimated to be 150 hours in FY 2009 and 150 hours in FY 2010.

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.

Participation in the work group is estimated to take 150 hrs per year. Representation would be an Energy Policy Specialist.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years		0.1	0.1	0.1	
A-Salaries and Wages		6,444	6,444	6,444	
B-Employee Benefits		1,353	1,353	1,353	
C-Personal Service Contracts					
E-Goods and Services		936	936	936	
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	\$8,733	\$8,733	\$8,733	\$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
Energy Policy Specialist-UTC	92,064		0.1	0.1	0.1	
Total FTE's			0.1	0.1	0.1	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.

Individual State Agency Fiscal Note

Bill Number: 6111 E 2S SB AMH MCCO H6002.2	Title: Tidal and wave energy	Agency: 461-Department of Ecology
---	-------------------------------------	--

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	0.2	0.1	0.0	0.0
Fund					
General Fund-State 001-1	0	20,305	20,305	8,183	0
Total \$	0	20,305	20,305	8,183	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: 03/06/2008
Agency Preparation: Allen Robbins	Phone: (360) 407-7099	Date: 03/07/2008
Agency Approval: Patricia McLain	Phone: (360) 407-7005	Date: 03/07/2008
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 03/07/2008

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.

Please note, this bill would remove the provisions from the previous version of the bill which would have required the Department of Ecology to establish a wave and tidal energy work group to review issues relating to the siting and operation of tidal and wave energy projects. This version of the bill includes the following:

Section 3 of this bill would direct the Department of Community, Trade and Economic Development (CTED) and the Energy Facility Site Evaluation Council (EFSEC) to convene and cochair a work group to develop the Washington State Center for Excellence in Hydrokinetic Energy and to explore mechanisms to streamline and make more efficient current permitting processes for wave and tidal power projects.

Section 4(1) states that the Department of Ecology would be represented on the work group.

Section 4(2) states that Ecology would provide its existing designee member of EFSEC to serve on the work group in carrying out the responsibilities of this bill.

Section 5 states that in developing the Center, the work group would ensure that the Center is a public-private entity and that the Center supports a sustainable approach to hydrokinetic energy development aimed at economic development, environmental protection, and community stability.

Section 6 states that the work group would provide a report to the appropriate committees of the legislature containing its recommendations under section 5 of this bill, as well as draft legislation for implementing its recommendations, by December 1, 2008.

Section 7(1)(a) of this bill would direct the work group to explore mechanisms to streamline and make more efficient permitting processes for wave and tidal power projects.

Section 7(1)(b) would require the work group to consider and make recommendations regarding research relating to the marine environment.

Section 7(2) would require the work group in developing recommendations for permit streamlining, to consider additional issues that may be associated with permitting a wave and tidal energy project, which include, but are not limited to: (a) Disturbance or destruction of marine life, including acoustic impacts; (b) Toxic releases from leaks or accidental spills of liquids used in those systems with working hydraulic fluids; (c) Possible threat to navigation from collisions; (d) Interference of mooring and anchorage lines with commercial and sport fishing; (e) Tidal power plants that dam estuaries that can impede sea life migration and build up silt behind such facilities, impacting local ecosystems; and (f) Potential impacts of tidal power on tides, currents, and flushing.

Section 7(3) would require the work group to develop a work plan by June 30, 2009, that details critical issues that need to be resolved to develop efficient, streamlined permitting processes for wave and tidal power projects. The work group would provide the work plan to the legislature for review every six months. If the work group were to determine that additional time would be required to develop recommendations for the permitting process for wave power projects, the work group would report to the legislature on the need for additional time and update the work plan accordingly.

Section 7(4) would require the work group to provide a final report to the legislature on its findings and recommendations by June 30, 2010.

Section 11 would provide that if specific funding for the purposes of this bill is not provided by June 30, 2008, in the omnibus appropriations act, that this bill would be null and void.

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.

As a member of the work group, Ecology would participate in the development of the Center and provide expertise to assure protection of the aquatic environment. CTED estimates that eight meetings would take place between July and November, 2008, to develop the mandated framework for the Center. Ecology would provide information on the agency permitting requirements, and environmental data and potential impacts to assess statewide wave and tidal resources. In order to support these activities for the work group, Ecology would require 0.1 FTE of an Environmental Planner 3 in FY2009.

The Department of Ecology is a current member of the Energy Facility Site Evaluation Council (EFSEC) under RCW 80.50.030 and would provide its existing designee member to serve on the work group as specified in Section 4(2). As a member of the work group Ecology would provide information on potential environmental impacts, and permitting processes, and if needed, would analyze scientific, technical, and policy issues. To support the activities of the work group would require that the designee, at the Washington Management Service 3 level, increase their EFSEC time by 0.05 FTE in FY2009 and 0.05 FTE in FY2010.

Notes on costs by object:

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.

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		0.2	0.1	0.0	
A-Salaries and Wages		10,381	10,381	4,487	
B-Employee Benefits		3,000	3,000	1,297	
C-Personal Service Contracts					
E-Goods and Services		706	706	235	
G-Travel		283	283	94	
J-Capital Outlays		1,147	1,147		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Administrative Overhead		4,788	4,788	2,070	
Total:	\$0	\$20,305	\$20,305	\$8,183	\$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 Planner 3	58,944		0.1	0.1		
WMS 3	89,736		0.1	0.0	0.0	
Total FTE's			0.2	0.1	0.0	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.

Individual State Agency Fiscal Note

Bill Number: 6111 E 2S SB AMH MCCO H6002.2	Title: Tidal and wave energy	Agency: 477-Department of Fish and Wildlife
---	-------------------------------------	---

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	0.3	0.2	0.2	0.0
Fund					
General Fund-State 001-1	0	44,816	44,816	44,816	0
Total \$	0	44,816	44,816	44,816	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: 03/06/2008
Agency Preparation: Mark Hunter	Phone: 360-902-2542	Date: 03/07/2008
Agency Approval: Ron McQueen	Phone: 360-902-2204	Date: 03/11/2008
OFM Review: Deborah Feinstein	Phone: 360-902-0614	Date: 03/11/2008

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.

E2SSB 6111 AMH MCCO H6002.2 includes E2SHB 3216 language: It is the combination of the process for permit streamlining and programmatic planning from E2SHB 3216 (Sections 1 through 7) and the incentives and tax breaks from E2SSB 6111 (Sections 8 and 9).

Section 3 requires the Department of Community, Trade, and Economic Development (CTED) and the Energy Facility Site Evaluation Council (EFSEC) to convene and co-chair a workgroup to develop the Washington State Center for Excellence in HydroKinetic Energy (Center).

Section 4 directs WDFW to participate on a workgroup to streamline hydrokinetic power permitting and look at programmatic incentives to encourage hydrokinetic power development.

Section 6 requires the workgroup to provide a report to the appropriate committees of the Legislature containing its recommendations, as well as draft legislation implementing its recommendations by December 1, 2008.

Section 7 (1) requires the work group to develop recommendations for a streamlined permitting program that utilizes interagency review of projects to permit wave and energy projects. It must also develop a process that allows for concurrent public review, public hearings, and a unified appeals process of various regulatory requirements.

Section 7 (2) states that, in developing recommendations for permit streamlining, the workgroup must consider additional issues that may be associated with permitting a wave or tidal energy project, which include:

- disturbance or destruction of marine life;
- toxic releases from leaks or accidental spills of liquids used in those systems with working hydraulic fluids;
- possible threat to navigation from collisions;
- interference of mooring and anchorage lines with commercial and sport fishing; and
- tidal power plants that dam estuaries that can impede sea life migration and build up silt behind such facilities, impacting local ecosystems.

Section 7 (3) requires the workgroup to develop a detailed work plan to develop the permitting process for wave and tidal projects by June 30, 2009, for review by the Legislature, and update every six months. If the workgroup determines that additional time is required, the workgroup must report to the Legislature on the need for additional time and update the work plan accordingly.

Section 7 (4) requires the workgroup to provide a final report to the Legislature on its findings and recommendations by June 20, 2010.

Sections 8 and 9 (which were Sections 2 and 3 from E2SSB 6111) provide incentives and tax breaks to hydrokinetic power developers.

Section 10 (which was Section 8 from E2SHB 3216) sets the expiration date of January 1, 2011, for Sections 1 through 7.

Section 11 (which was Section 9 from E2SHB 3216) states that if funding is not provided, Sections 1 through 7 are null and void.

The fiscal impact of E2SSB 6111 AMH MCCO H6002.2 is identical to E2SHB 3216.

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.

This bill requires WDFW to participate in the wave and tidal energy technologies workgroup. It is assumed that this bill will take effect July 1, 2008, and end June 30, 2010.

This analysis assumes that the WDFW Region 3 Director, located in Yakima, will be the Agency representative in the Washington State Center for Excellence in Hydrokinetic Energy. It further assumes that a .3 FTE WMS level will be needed to participate in the development of one-stop programmatic permitting process for salary and benefits of \$32,990 per year.

Goods and services include \$1,846 for each fiscal year for program standard costs and DOP/HRMS fees. A 12.5% administrative cost is added to goods and services and includes \$4,980 per fiscal year.

Since all current hydrokinetic proposals are situated in marine waters, and CTED assumes that there will be 9 meetings per fiscal year, all held in Western Washington, this position will need to fly to and from these meetings. Travel is estimated at \$5,000 per fiscal year.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years		0.3	0.2	0.2	
A-Salaries and Wages		25,735	25,735	25,735	
B-Employee Benefits		7,255	7,255	7,255	
C-Personal Service Contracts					
E-Goods and Services		6,826	6,826	6,826	
G-Travel		5,000	5,000	5,000	
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	\$44,816	\$44,816	\$44,816	\$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
Regional Manager (WMS 3)	84,100		0.3	0.2	0.2	
Total FTE's			0.3	0.2	0.2	0.0

Part IV: Capital Budget Impact

N/A

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.

N/A

Individual State Agency Fiscal Note

Bill Number: 6111 E 2S SB AMH MCCO H6002.2	Title: Tidal and wave energy	Agency: 490-Department of Natural Resources
---	-------------------------------------	---

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	0.1	0.0	0.0	0.0
Fund					
Resources Management Cost Account-State 041-1	0	9,500	9,500	9,500	0
Total \$	0	9,500	9,500	9,500	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: 03/06/2008
Agency Preparation: Pouth Ing	Phone: (360) 902-1021	Date: 03/12/2008
Agency Approval: Bob VanSchoorl	Phone: (360) 902-1298	Date: 03/13/2008
OFM Review: David Giglio	Phone: 360-902-0654	Date: 03/13/2008

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.

Under this proposal, the Department of Community, Trade and Economic Development (CTED) and the Energy Facility Site Evaluation Council must establish a work group to develop the Washington state center for excellence in hydrokinetic energy and to explore mechanisms to streamline and make more efficient permitting processes for wave and tidal power projects. The work group consists of a number of state and local government agencies as well as industry representatives.

The work group must prepare a preliminary report to the legislature by December 1, 2008, and provide a final report by June 30, 2010.

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 1 directs that included within the review should be each state agency with regulatory or proprietary jurisdiction over the projects or sites on which projects are located. The Department of Natural Resources (DNR), as the manager of state-owned aquatic lands, would be required to issue a use authorization for this type of use and would be a participant in the review.

The work group must provide a report from the stakeholders and agencies, together with any recommendations for environmental analysis and administrative or legislative changes, to the governor and appropriate committees of the senate and house of representatives by December 31, 2008.

The department estimates that participation will include an allocation of an Environmental Planner 3 (.08 FTE). The additional staff member will participate in the review and preparation of the report.

Goods and services and travel are based on program average cost. Salaries and benefits for staff are calculated based on FY08 rates. Administrative costs calculated at 27%.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years		0.1	0.0	0.0	
A-Salaries and Wages		5,200	5,200	5,200	
B-Employee Benefits		1,600	1,600	1,600	
C-Personal Service Contracts					
E-Goods and Services		400	400	400	
G-Travel		300	300	300	
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Administrative Costs		2,000	2,000	2,000	
Total:	\$0	\$9,500	\$9,500	\$9,500	\$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 Planner 3	58,944		0.1	0.0	0.0	
Total FTE's			0.1	0.0	0.0	0.0

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.

No new rule changes are required.

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 6111 E 2S SB AMH MCO H6002.2	Title: Tidal and wave energy
--	-------------------------------------

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: Sales and use tax revenue loss
- ☒ Counties: Sales and use tax revenue loss
- ☒ Special Districts: Sales and use tax revenue loss
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☐ Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

Jurisdiction	FY 2008	FY 2009	2007-09	2009-11	2011-13
City		(38,333)	(38,333)		
County		(34,868)	(34,868)		
Special District		(25,799)	(25,799)		
TOTAL \$		(99,000)	(99,000)		
GRAND TOTAL \$					(99,000)

Estimated expenditure impacts to:

Jurisdiction	FY 2008	FY 2009	2007-09	2009-11	2011-13
City					
County					
Special District					
TOTAL \$					
GRAND TOTAL \$					0

Part III: Preparation and Approval

Fiscal Note Analyst: David Elliott	Phone: (360) 725 5033	Date: 03/07/2008
Leg. Committee Contact:	Phone:	Date: 03/06/2008
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 03/07/2008
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 03/08/2008

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

Changes from the previous version of the bill:

The bill places responsibility for the work group with the Department of Community Trade and Economic Development (CTED) and the energy facility site evaluation council rather than the Department of Ecology.

Summary of this version of the bill:

This bill extends the sales and use tax exemptions related to machinery and equipment used in generating tidal and wave energy (RCW 82.08.02567 and 82.12.02567) to machinery and equipment used to produce not less than five kilowatts of electricity and an amendment to 82.16 RCW extending the public utility tax deduction to include wave energy projects. These exemptions extend until June 30, 2018.

The bill also creates a hydrokinetic energy work group that includes a local government as a participant co-chaired by CTED and the energy facility site evaluation council to study the issues involved and draft implementing language by December 1, 2008. By June 30, 2009 the group is to develop a work plan detailing critical issues related to streamlining the permitting processes for wave and tidal power projects. The work group must report final findings and recommendations to the appropriate committees of the Legislature by June 30, 2010.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

No expenditure impact is expected because collection and administration of sales and use taxes are handled at the taxpayer and state levels.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

The bill would result in the following loss of local tax revenue, according to the Department of Revenue (DOR):

FY 2008 -- \$0
FY 2009 -- (\$100,000)
FY 2010 -- \$0
FY 2011 -- \$0
FY 2012 -- \$0
FY 2013 -- \$0

The distribution of loss among cities, counties and special districts is as follows:

	County	City	Special District
FY08	\$0	\$0	\$0
FY09	(\$34,868)		(\$38,333) (\$25,799)
FY10	\$0	\$0	\$0
FY11	\$0	\$0	\$0
FY12	\$0	\$0	\$0
FY13	\$0	\$0	\$0

METHODOLOGY:

The distributions in this note for cities, counties, and special districts are based on DOR data for local sales and use tax distributions for 2007. This results in a distribution of 35.22 percent to counties, 38.72 percent to cities and 26.06 percent to special districts. The one percent DOR administrative fee has also been deducted. DOR has identified a single project that would be affected by this proposal, located at Makah Bay in Western Washington. This project is expected to occur in Fiscal Year 2009.

SOURCES:

Department of Revenue Fiscal Note
Department of Revenue Local Tax Distributions 2007