

Multiple Agency Fiscal Note Summary

Bill Number: 5575 E S SB	Title: Biomass energy facilities
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Estimated Cash Receipts

NONE

Estimated Expenditures

Agency Name	2011-13			2013-15			2015-17		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.2	0	46,367	.0	0	0	.0	0	0
Washington State University	.0	0	0	.0	0	0	.0	0	0
Total	0.2	\$0	\$46,367	0.0	\$0	\$0	0.0	\$0	\$0

Estimated Capital Budget Impact

NONE

Prepared by: Tristan Wise, OFM	Phone: (360) 902-0538	Date Published: Final 2/17/2012
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 32125

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 5575 E S SB	Title: Biomass energy facilities	Agency: 103-Department of Commerce
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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,

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: Kara Durbin	Phone: 360-786-7133	Date: 02/13/2012
Agency Preparation: Cory Plantenberg	Phone: (360) 725-3111	Date: 02/14/2012
Agency Approval: Tony Usibelli	Phone: 360-725-3110	Date: 02/14/2012
OFM Review: Tristan Wise	Phone: (360) 902-0538	Date: 02/14/2012

Request # 086-5A0-1

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.

There are no differences between the engrossed substitute bill and the substitute bill that affect the fiscal impact to the Department of Commerce.

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.

NONE

Part III: Expenditure Detail

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: 5575 E S SB	Title: Biomass energy facilities	Agency: 215-Utilities and Transportation Comm
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.0	0.4	0.2	0.0	0.0
Account					
Public Service Revolving Account-State 111-1	0	46,367	46,367	0	0
Total \$	0	46,367	46,367	0	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates,

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: Kara Durbin	Phone: 360-786-7133	Date: 02/13/2012
Agency Preparation: Sondra Walsh	Phone: 360-664-1286	Date: 02/17/2012
Agency Approval: Ann Rendahl	Phone: 3606641144	Date: 02/17/2012
OFM Review: Jim Albert	Phone: (360) 902-0419	Date: 02/17/2012

Request # 12-18-1

Bill # 5575 E S SB

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.

ESSB 5575 modifies the definitions related to biomass energy in RCW 19.285.030, as well as how biomass energy from plants commencing operations prior to March 1, 1999, may be used to meet the renewable portfolio targets under RCW 19.285.040. There is no change to the fiscal impact to the UTC under the engrossed substitute. A moderate rulemaking will be required to implement the engrossed substitute bill, as with the substitute bill, to amend the provisions of Chapter 480-109 WAC.

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.

A moderate rulemaking is necessary to implement the following changes in the engrossed substitute:

ESSB 5575 modifies the definition in RCW 19.285.030 of “biomass energy” to change “animal waste” to “animal manure”, removes “biosolids,” and replaces “food processing residues” with “food processing residuals.”

The definition of “qualified biomass energy” is modified to include certain power produced from a biomass energy plant that commenced operations prior to March 1, 1999. The electricity from these biomass facilities must contribute to the qualifying utility’s load and either be owned by the utility or an industrial facility that is directly interconnected to the utility and capable of carrying electricity at transmission voltage.

The substitute bill included a definition of “qualified renewable energy credit” and language in Section 4 relating to the use of “qualified renewable energy credits.” The engrossed substitute bill removes the definition and Section 4.

Under Section 3, the engrossed substitute does allow a qualifying utility that owns or is directly interconnected to a “qualified biomass energy facility” to use the energy produced to meet RPS targets under RCW 19.285.040 beginning in January 1, 2016. The bill does not allow a qualifying utility that owns a pre-March 1, 1999 biomass facility to transfer or sell renewable energy credits (RECs) associated with the qualified biomass energy.

If the facility ceases operation for other than maintenance or upgrade, the utility may no longer use the energy or associated RECs for compliance with RCW 19.285.

Where a qualified utility is interconnected to a qualified biomass energy facility, Section 3(2)(k) of the engrossed substitute limits the transfer of RECs from the biomass energy to the proportionate amount of the utility load created by the industrial facility.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years		0.4	0.2		
A-Salaries and Wages		31,051	31,051		
B-Employee Benefits		7,452	7,452		
C-Personal Service Contracts					
E-Goods and Services		7,864	7,864		
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					
9-					
Total:	\$0	\$46,367	\$46,367	\$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 2012	FY 2013	2011-13	2013-15	2015-17
Administrative Assistant 4	46,728		0.0	0.0		
Administrative Law Judge	95,376		0.1	0.1		
Assistant Director, Energy	81,864		0.0	0.0		
Consumer Program Sp 3	54,156		0.0	0.0		
Director, Regulatory Services	92,976		0.0	0.0		
Legal Secretary 1	38,328		0.0	0.0		
Regulatory Analyst 2	59,784		0.1	0.0		
Regulatory Analyst 3	69,756		0.1	0.1		
Senior Policy Advisor	78,552		0.0	0.0		
Total FTE's	617,520		0.4	0.3		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.

Individual State Agency Fiscal Note

Bill Number: 5575 E S SB	Title: Biomass energy facilities	Agency: 365-Washington State University
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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,

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: Kara Durbin	Phone: 360-786-7133	Date: 02/13/2012
Agency Preparation: Kelley Westhoff	Phone: 5093350907	Date: 02/14/2012
Agency Approval: Matt Skinner	Phone: 509-335-1836	Date: 02/14/2012
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 02/14/2012

Request # 2012-54-1

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 recognizes certain biomass energy facilities as ‘eligible renewable resources’ and defines qualified biomass energy. Qualifying utilities are allowed to use qualified biomass energy to meet certain compliance obligations. WSU is not mentioned in the bill, there is no 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.

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.

Part III: Expenditure Detail

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 5575 E S SB	Title: Biomass energy facilities
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☐ Cities:
- ☐ Counties:
- ☐ Special Districts:
- ☒ Specific jurisdictions only: Public utility districts serving over 25,000 electric customers
- ☐ 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: Potential cost savings to certain PUDs from using qualified biomass energy rather than developing an alternate renewable resource or acquiring other renewable energy credits

Part III: Preparation and Approval

Fiscal Note Analyst: Jaime Kaszynski	Phone: 360-725-2717	Date: 02/16/2012
Leg. Committee Contact: Kara Durbin	Phone: 360-786-7133	Date: 02/13/2012
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 02/16/2012
OFM Review: Tristan Wise	Phone: (360) 902-0538	Date: 02/16/2012

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 PREVIOUS BILL VERSION:

The current version removes provisions related to a "qualified renewable energy credit," instead providing that certain utilities may use qualified biomass energy to meet the requirements of RCW 19.285.040(2) after January 1, 2016. The amount of credits from qualified biomass energy that could be used would be limited to renewable resource targets proportional to the share of the utility's load serving the qualified facility.

SUMMARY OF CURRENT BILL VERSION:

The proposed legislation amends RCW 19.285 (the Energy Independence Act) to change the definition of "biomass," and define "qualified biomass" and "qualified biomass energy." Such energy could only be used by a qualifying utility that owns or is interconnected with a qualified biomass energy facility to meet the requirements of RCW 19.285.040(2), and the utility could not sell or transfer any associated renewable energy credits (RECs). The amount of credits from qualified biomass energy that could be used would be limited to renewable resource targets proportional to the share of the utility's load serving the qualified facility

BACKGROUND:

The Energy Independence Act required electric utilities serving over 25,000 customers to use eligible renewable energy resources or acquire equivalent renewable energy credits (RECs) to supply a portion of the utilities' electrical load. The Washington State Energy Office indicates that Public Utility District No. 1 of Cowlitz County serves over 25,000 customers, has interconnections to qualified facilities, and so could potentially use qualified RECs that would be established by the proposed legislation.

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.

CHANGES FROM PREVIOUS BILL VERSION:

None

EXPENDITURE IMPACTS OF CURRENT BILL VERSION:

The proposed would not directly impact local government expenditures. However, the proposed legislation could indirectly reduce future expenditures by certain utilities if the option of using the qualified biomass energy results in the utility meeting Energy Independence Act requirements at a lower cost than it could otherwise obtain by developing new renewable resources or purchasing other RECs. Similar savings could potentially occur related to the changes in the definition of "biomass." Such savings, if any, would be a local option and cannot be reasonably estimated as the cost of qualified biomass energy, or energy from newly-defined biomass sources, compared to other options is unknown.

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.

CHANGES FROM PREVIOUS BILL VERSION:

None.

REVENUE IMPACTS OF CURRENT BILL VERSION:

The proposed legislation would not directly impact local government revenue or revenue authority.

SOURCES:

Washington State Energy Office staff, Department of Commerce
Washington Public Utility Districts Association
Public Utility District No. 1 of Cowlitz County