

Multiple Agency Fiscal Note Summary

Bill Number: 6398 SB	Title: Energy efficient buildings
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Estimated Cash Receipts

Agency Name	2011-13		2013-15		2015-17	
	GF- State	Total	GF- State	Total	GF- State	Total
Housing Finance Commission	Non-zero but indeterminate cost. Please see discussion."					
Total \$	0	0	0	0	0	0

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	.3	84,610	84,610	.0	0	0	.0	0	0
Housing Finance Commission	.4	0	917,876	.0	0	0	.0	0	0
Department of Enterprise Services	.0	0	0	.0	0	0	.0	0	0
Total	0.7	\$84,610	\$1,002,486	0.0	\$0	\$0	0.0	\$0	\$0

Local Gov. Courts *									
Local Gov. Other **			29,847,646			29,847,646			29,847,646
Local Gov. Total			29,847,646			29,847,646			29,847,646

Estimated Capital Budget Impact

NONE

Prepared by: Diamatris Winston, OFM	Phone: (360) 902-7657	Date Published: Final 2/24/2012
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 32303

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 6398 SB	Title: Energy efficient buildings	Agency: 103-Department of Commerce
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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	0.6	0.3	0.0	0.0
Account					
General Fund-State 001-1	0	84,610	84,610	0	0
Total \$	0	84,610	84,610	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, 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: William Bridges	Phone: (360)786-7424	Date: 01/26/2012
Agency Preparation: Cory Plantenberg	Phone: (360) 725-3111	Date: 01/30/2012
Agency Approval: Tony Usibelli	Phone: 360-725-3110	Date: 01/30/2012
OFM Review: Tristan Wise	Phone: (360) 902-0538	Date: 01/30/2012

Request # 052-5A0-1

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.

Section 2(2) requires Commerce to complete a rulemaking on asset ratings and preliminary energy audits.

Section 4(1) moves the completion date for the strategic plan for buildings, which is now scheduled to be completed in 2013 and 2014, to 2012.

Section 4(1)(f) adds a detailed task to the strategic plan for buildings that requires the Department of Commerce to report in detail on utilities ability to deliver asset ratings for homes.

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

Salaries and Benefits:

Commerce estimates 0.3 FTE Senior Energy Specialist to complete a rulemaking on asset ratings and preliminary energy audits.

FY13: \$35,202

Goods and Services (G&S)

FY13: \$15,910

-standard G&S: \$12,984

-space and utilities: \$826

-non-standard G&S: \$ 2,100 (\$1,000 Attorney General, \$100 printing, \$1,000 meeting rooms)

Note: Standard goods and services costs include supplies and materials, employee development and training, mandatory state seat of government and Department of Personnel charges, and Commerce agency administration. Commerce 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; public affairs services; policy and risk management services;

and other support services.

Travel

FY13: \$961 (6 stakeholder and rulemaking meeting trips)

Section 4

Salaries and Benefits:

Commerce estimates 0.2 FTE Senior Energy Specialist to prepare the report on utilities ability to deliver asset ratings for homes

FY13: \$23,468

Goods and Services (G&S)

FY13: \$9,069

-standard G&S: \$8,656

-space and utilities: \$413

Total Program Cost:

FY13: \$84,610

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years		0.6	0.3		
A-Salaries and Wages		46,997	46,997		
B-Employee Benefits		11,673	11,673		
E-Goods and Services		24,979	24,979		
G-Travel		961	961		
Total:	\$0	\$84,610	\$84,610	\$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
EMS Band 2	96,900		0.5	0.3		
Various Administrative Services	55,478		0.1	0.0		
Total FTE's	152,378		0.6	0.3		0.0

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III. C - Expenditures By Program (optional)

Program	FY 2012	FY 2013	2011-13	2013-15	2015-17
Agency Administration (100)		20,534	20,534		
Innovation and Policy Priorities (5A0)		64,075	64,075		
Total \$		84,610	84,610		

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.

Commerce will adopt rules on asset ratings and preliminary energy audits.

Individual State Agency Fiscal Note

Bill Number: 6398 SB	Title: Energy efficient buildings	Agency: 148-Wash State Housing Finance Comm
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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:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.9	0.0	0.5	0.0	0.0
Account					
Discrete Component Units Processing	917,876	0	917,876	0	0
Account-Non-Appropriated 649					
-6					
Total \$	917,876	0	917,876	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, 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: William Bridges	Phone: (360)786-7424	Date: 01/26/2012
Agency Preparation: Haeyoung Yoon	Phone: 2062874435	Date: 02/01/2012
Agency Approval: Debra Stephenson	Phone: 206-287-4465	Date: 02/01/2012
OFM Review: Tristan Wise	Phone: (360) 902-0538	Date: 02/01/2012

Request # 6398 R 2-3

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.

SB 6398 Section 5 (3) (c) appears to obligate the HFC to participate fully in federal and other governmental programs to promote renewable energy technologies and energy efficiency, including but not limited to educational programs and programs that encourage the recognition of energy efficient features in real estate transactions.

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 measure does not appear to provide a revenue source for the requirement to promote renewable energy technologies and energy efficiencies.

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 bill appears to obligate the HFC to participate fully in federal and other governmental programs to promote renewable energy technologies and energy efficiency that will include developing and implementing educational programs and programs that encourage the recognition of energy efficient features in real estate transactions.

We anticipate that development and implementation of the education program and the program to encourage the recognition of energy efficient features in real estate transactions will require external professional services such as program consulting, graphic designing, website designing, database designing, translation and legal services, outlined below, as well as the HFC staff time to develop and fully implement the programs.

- Consultative Services: To create manual dates, including forms; to hold regional focus group for lender to gauge interest; to develop training curriculum for lenders and homebuyer education instructors; to research program guidelines expectation; to set up phone hotline to answer borrower questions; and to provide updates as needed
- Graphic Design Service: To create a brochure and design audit forms compatible with current program manual and loan program guidelines
- Website Design Service: To update the HFC's website with energy audit information, including links to other resources on energy programs and products
- Database Design Service: To develop database to track performance data for performance and relevancy survey
- Legal Service: To review state statutes to determine if the HFC has the authority in audit requirements and penalty assessments in noncompliance
- Translation Services: To translate all forms and instructions into languages other than English
- Trainer Services: Hire a qualified person to train lenders regarding this component of the HFC's lender training program, with approximately 12 statewide training to be held each year
- The HFC Oversight: To implement and maintain new program feature, including phone hotline and Ask Us email system

These expenditures are expected to total \$917,876 for 2012.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.9		0.5		
A-Salaries and Wages	55,600		55,600		
B-Employee Benefits	17,236		17,236		
C-Personal Service Contracts	845,040		845,040		
E-Goods and Services					
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:	\$917,876	\$0	\$917,876	\$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 Staff	93,343	0.0		0.0		
Finance Staff	71,656	0.0		0.0		
Program Staff	80,035	0.8		0.4		
Total FTE's	245,034	0.9		0.5		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: 6398 SB	Title: Energy efficient buildings	Agency: 179-Department of Enterprise Services
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Part I: Estimates

☒ No Fiscal Impact

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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:	William Bridges	Phone: (360)786-7424	Date: 01/26/2012
Agency Preparation:	Marion Newton	Phone: (360) 407-9250	Date: 01/31/2012
Agency Approval:	Bob Van Schoorl	Phone: (360)407-9222	Date: 01/31/2012
OFM Review:	Diamatris Winston	Phone: (360) 902-7657	Date: 01/31/2012

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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 (17)

The change to the definition of the term: "Preliminary Energy Audit" merits the department maintaining this bill on a "Watch" basis, but it will not result in a financial 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: 6398 SB	Title: Energy efficient buildings
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

☒ Cities: Cities and special districts operating gas or electric utilities that serve more than 1,000 customers would be required to provide all residential customers with periodic energy use comparisons, and upon request conduct free preliminary energy audits of homes offered for sale

☐ Counties:

☒ Special Districts: Same as above

☐ 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:

None

Estimated expenditure impacts to:

Jurisdiction	FY 2012	FY 2013	2011-13	2013-15	2015-17
City	6,041,900	6,041,900	12,083,800	12,083,800	12,083,800
Special District	8,881,923	8,881,923	17,763,846	17,763,846	17,763,846
TOTAL \$	14,923,823	14,923,823	29,847,646	29,847,646	29,847,646
GRAND TOTAL \$	89,542,938				

Part III: Preparation and Approval

Fiscal Note Analyst: Jaime Kaszynski	Phone: 360-725-2717	Date: 01/30/2012
Leg. Committee Contact: William Bridges	Phone: (360)786-7424	Date: 01/26/2012
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 01/30/2012
OFM Review: Diamatris Winston	Phone: (360) 902-7657	Date: 01/30/2012

Part IV: Analysis

A. SUMMARY OF BILL

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

Section 2 would be added to RCW chapter 19.27A:

(1) Gas or electric utilities serving over 1,000 customers would be required to provide residential customers with a statement comparing year-over-year usage for the customer based on meter data and ranking the customer against 100 "similarly situated" customers. The statement would be provided twice yearly by utilities serving fewer than 25,000 customers and quarterly by utilities serving more than 25,000 customers. New customers would receive the most recent statement for the previous occupant of the residence, unless the previous occupant refuses permission for that disclosure.

(2) Gas or electric utilities that offer to provide an asset rating or preliminary energy audit for residential customers would be required to collect and maintain energy consumption and efficiency information "regarding the residential structure," pursuant to rules to be established by the Energy Policy Division of the Department of Commerce (State Energy Office).

(3) Gas or electric utilities serving more than 25,000 customers would be required, upon request from a customer, provide a preliminary energy audit of a residence offered for sale. The audit would be provided at no cost and include at least three recommendations for reducing energy consumption specific to that residence.

Section 3 would amend definitions in RCW 19.27A.140:

(17) "Preliminary energy audit" is "an evaluation . . . that provides basic information on the energy savings potential of a building that is less comprehensive than an investment grade energy audit."

(22) "Asset rating" is "a value that represents the energy use of a building or unit, based on modeled energy use under standardized weather and occupancy conditions, and adjusted to account for variances in energy consumption."

Section 4 would amend RCW 19.27A.150 to require Commerce to include an analysis of the ability of each electric utility to offer an asset rating or investment grade energy audit for a residential building at time of sale or listing with the next update of the strategic plan for enhancing energy efficiency required under the section.

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.

The proposed legislation would increase expenditures by local governments operating gas or electric utilities by a substantial amount (about \$15 million per year) statewide. Expenditure increases for city-owned utilities would comprise about 40 percent of this total, with expenditures by special district utilities (primarily public utility districts) comprising the balance. Impacts to individual utilities would range from less than \$10,000 for a small utility, to over \$3 million for the largest publicly-owned utilities.

Section 2(1) would require utilities with more than 1,000 customers to provide residential customers with energy use comparisons two or four times per year. Based on conversations with individual utilities, Local Government Fiscal Note (LGFN) program staff assume that most utilities would contract with a third-party vendor to provide these comparisons, and estimate the average annual cost to be \$9 per customer. Locally-owned utilities served 1.42 million residential customers in 2010. Therefore, the overall expenditure increase to provide energy use comparisons to customers is estimated to be \$12.78 million. (1.42 million X \$9 = \$12.78 million.)

Section 2(3) would require gas or electric utilities serving more than 25,000 customers, upon request from a customer, to provide a free preliminary energy audit of a residence offered for sale. The cost of the audit is estimated to range from \$100 to \$500 depending on the scope and number of audits performed. Impacts would depend on the number of audits requested, so cannot be determined. For the purpose of providing an estimate, LGFN staff assume that 1 percent of homes in each utility's service territory would be sold each year, that half of these would request an audit and that the average audit cost would be \$300. Under this scenario, expenditure increases for these utilities would total \$1.86 million annually. (1.24 million residential customers X 1 percent sell homes each year X 50 percent request audits = 6,200 audits. 6,200 audits X \$300 = \$1.86 million.)

Section 2(2) would require gas or electric utilities that offer to provide an asset rating or preliminary energy audit for residential customers to collect and maintain energy consumption and efficiency information "regarding the residential structure," pursuant to rules to be established by the State Energy Office. Impacts from this section would depend on Commerce rulemaking, so cannot be determined. For the purpose of providing an estimate, LGFN staff assume that utilities would incur a cost of \$50, on average, to input results of audits conducted under Section 2(3) into a database, for a total annual cost of \$310,000. (6,200 audits X \$50 = \$310,000.)

Actual impacts could vary from these estimates based on several factors, including the possibility that the per-unit cost of generating residential energy use comparisons would decrease over time.

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

SOURCES:

Washington State Energy Office, Department of Commerce

Washington Public Utility Districts Association

Association of Washington Cities

Seattle City Light

City of Tacoma Public Utilities

City of Richland Energy Services

United States Energy Information Administration, Table T6, 2010 Class of Ownership, Number of Consumers, Sales, Revenue, and Average Retail Price by State and Utility (http://www.eia.gov/electricity/sales_revenue_price/index.cfm)