Multiple Agency Fiscal Note Summary

Bill Number: 6081 E S SB	Title: Distributed generation

Estimated Cash Receipts

NONE

Estimated Expenditures

Agency Name	2017-19			2019-21			2021-23		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Commerce	.1	44,709	44,709	.1	44,709	44,709	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Department of Enterprise Services	.0	14,400	14,400	.0	6,000	6,000	.0	0	0
Utilities and Transportation Commission	.1	0	26,840	.0	0	7,111	.0	0	0
Total	0.2	$59,109	$85,949	0.1	$50,709	$57,820	0.0	$0	$0

Local Gov. Courts *									
Loc School dist-SPI									
Local Gov. Other **	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Impact

NONE

Prepared by: Gwen Stamey, OFM	Phone: (360) 902-9810	Date Published: Final 2/22/2018

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

** See local government fiscal note

FNPID: 52549

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 6081 E S SB	Title: Distributed generation	Agency: 103-Department of Commerce

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.0	0.1	0.1	0.1	0.0
Account					
General Fund-State 001-1	0	44,709	44,709	44,709	0
Total $	0	44,709	44,709	44,709	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:	Nikkole Hughes	Phone: 360-786-7156	Date: 02/16/2018
Agency Preparation:	Carolee Sharp	Phone: (360) 725-3118	Date: 02/20/2018
Agency Approval:	Martin McMurry	Phone: 360-725-2710	Date: 02/20/2018
OFM Review:	Gwen Stamey	Phone: (360) 902-9810	Date: 02/21/2018

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 the engrossed substitute bill and the substitute bill:

Line 1 An ACT changes “distributed generation” to “net metering”. Add in creates a new section and provides an expiration date.

Section 1(1)(a) adds the strikeout back in, and changes the percent from 0.5 percent to four percent.

A new Section 5 is added, which was not included in the original bill.

Section 5(1) requires the Department of Commerce (department) to convene a work group to identify issues and laws associated with the future of net metering. It specifies that the group must consider reduction in utility income associated with different levels of net metering and if there are any cost shifts to ratepayer. The work group must report their recommendations to the Legislature by December 1, 2019.

Section 5(2) adds an expiration date to the section of June 30, 2020.

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 5
ASSUMPTIONS: The department will convene a work group to identify issues and laws associated with net metering and produce a report of the results by December 1, 2019. The department assumes there will be six meetings for this work group and that a contract for specialized knowledge and facilitation would be utilized within this work. To accomplish this work, the department estimates:

0.1 FTE EMS2 Senior Energy Policy Specialist (250 hours) per year in FY19 and FY20 to conduct six stakeholder engagement meetings and provide specialized technical oversight of the work and the work group. Tasks include assembling the work group, oversight of contractor, oversight and coordination of the meetings, and compiling and writing the final report to the legislators.

Salaries and Benefits
FY19: $14,161
FY20: $14,161

Goods and Services, Equipment and Travel
FY19: $5,485
FY20: $5,485

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney General costs, central services charges and agency administration. Agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

Contract:
FY19: $25,000
FY20: $25,000

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Total Costs
FY19 and FY20: $44,709 per year

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years		0.1	0.1	0.1	
A-Salaries and Wages		10,778	10,778	10,778	
B-Employee Benefits		3,383	3,383	3,383	
C-Professional Service Contracts		25,000	25,000	25,000	
E-Goods and Other Services		4,148	4,148	4,148	
G-Travel		1,400	1,400	1,400	
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	$44,709	$44,709	$44,709	$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 2018	FY 2019	2017-19	2019-21	2021-23
EMS Band 2	107,777		0.1	0.1	0.1	
Total FTEs			0.1	0.1	0.1	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.

None.

Department of Revenue Fiscal Note

Bill Number: 6081 E S SB	**Title:** Distributed generation	**Agency:** 140-Department of Revenue

Part I: Estimates

☒ **No Fiscal Impact**

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

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Nikkole Hughes	Phone: 360-786-7156	Date: 02/16/2018
Agency Preparation:	Marianne McIntosh	Phone: 360-534-1505	Date: 02/16/2018
Agency Approval:	Don Gutmann	Phone: 360-534-1510	Date: 02/16/2018
OFM Review:	Kathy Cody	Phone: (360) 902-9822	Date: 02/16/2018

Request # 6081-3-1

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.

Note: This fiscal note reflects language in ESSB 6081, 2018 Legislative Session.

This fiscal note only addresses those sections of the bill that impact the Department of Revenue.

Current law:
Per RCW 82.16.090, utilities with greater than 20,000 customers are required to include the following on customer's bills:
1) The rates and amount of taxes paid by customer; and
2) The rate, origin and approximate amount of each tax levied upon the utility's revenue that is added as a component of the total customer bill.

Proposed law:
The bill is amended to require utilities to include the total amount of kilowatt-hours of electricity consumed for the most recent twelve-month period on customers billings.

The bill takes effect 90 days after final adjournment of the session in which it is enacted.

II. B - Cash receipts Impact

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

This legislation results in no revenue impact to taxes administered by the Department of Revenue.

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 will not incur any costs with the implementation of this legislation.

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.

No rule-making required.

Individual State Agency Fiscal Note

Bill Number: 6081 E S SB	Title: Distributed generation	Agency: 179-Department of Enterprise Services

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
Account					
General Fund-State 001-1	0	14,400	14,400	6,000	0
Total $	0	14,400	14,400	6,000	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:	Nikkole Hughes	Phone: 360-786-7156	Date: 02/16/2018
Agency Preparation:	Michael Diaz	Phone: (360) 407-8131	Date: 02/19/2018
Agency Approval:	Ronell Witt	Phone: (360) 407-9321	Date: 02/19/2018
OFM Review:	Bryan Way	Phone: (360) 902-0650	Date: 02/19/2018

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 4 will require the state building code council (SBCC), in consultation with the department of commerce and local governments, to conduct a study of the state building code and adopt changes necessary to encourage greater use of renewable energy systems.

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 4 will require the state building code council (SBCC) , in consultation with the department of commerce and local governments, to conduct a study of the state building code and adopt changes necessary to encourage greater use of renewable energy systems.

The Department of Enterprise Services (DES) assumes three stakeholder meetings, with each meeting requiring the presence of four SBCC board members, will be needed to complete a study of the state building code council. Travel costs for each board member will be $700/day (round-trip air travel $320; Per Diem $318; rental car $50; parking $12). Travel for the three meetings is $8,400 (3 meetings x 4 board members/meeting x $700/day = $8,400). DES assumes the stakeholder meetings will take place in FY19.

Also, two additional SBCC Board meetings will be required to complete the study and adopt any appropriate changes to the state building code. DES assumes one of these meetings will take place in FY19 and the other will take place in FY20. Each meeting will cost $6,000 (based on the average costs for past meetings, to include board member travel, per diem, audio-visual services, room rental, etc).

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel		14,400	14,400	6,000	
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	$14,400	$14,400	$6,000	$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: 6081 E S SB	Title: Distributed generation	Agency: 215-Utilities and Transportation Commission

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.0	0.2	0.1	0.0	0.0
Account					
Public Service Revolving Account-State 111-1	0	26,840	26,840	7,111	0
Total $	0	26,840	26,840	7,111	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:	Nikkole Hughes	Phone: 360-786-7156	Date: 02/16/2018
Agency Preparation:	Melissa Hamilton	Phone: 360 664-1158	Date: 02/21/2018
Agency Approval:	Jon Noski	Phone: 360-664-0000	Date: 02/21/2018
OFM Review:	Kathy Cody	Phone: (360) 902-9822	Date: 02/21/2018

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 Utilities and Transportation Commission (UTC) has never incorporated net metering requirements directly into the administrative rules because the statute is very clear. Thus there is no need for rulemaking.

Section 2: The three IOUs have low-income bill assistance tariffs already in place, and typically file annual true-ups. We assume utilities will reflect the expired net metering credits in these annual filings. There will be some incremental increase in the expenses for these filings as we develop the proper accounting approach to convert net-metering credits recorded in kilowatt-hours into dollars available for low-income bill assistance. We expect three simple tariff filings from the three investor-owned utilities that will be handled in the regular course of business.

Section 3: The administrative rules for the UTC, WAC 480-100-103, already require IOUs to make usage data for the previous 12 months available to customers, either on request or on the bills. We assume IOUs already provide 12 months of billing history, and that doing so meets the requirement in the new statute.

Section 4: No impact on the UTC.

Section 5: Participate in the work group. We assume staff will attend all 6 stakeholder meetings, which will include contributions to any shared meeting materials, as well as research into the system effects of increased net metering penetration. We assume most of the work will be in 2019, with some review of the report in 2020.

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.

IOUs reported about 1.4 million expired credits in 2016. At a typical retail rate of $0.11 per kilowatt-hour, this is about $150,000 each year. Since the decrease in gross utility revenues is only $150,000, so we assume there will be no impact on the UTC's regulatory fees.

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: We expect three simple tariff filings with an incremental increase in first-year costs from the three investor-owned utilities that will be handled in the regular course of business.

FY 2019 - One-time Cost
$3,360 (Assistant Director, Conservation and Energy Planning = 0.00 (10 hours); Regulatory Analyst 3 = 0.03)

Section 5: Participate in the work group. We assume staff will attend all 6 stakeholder meetings. We assume most of the work will be in 2019, with some review of the report in 2020.

FY 2019 – One-time Cost
$23,480 (Assistant Director, Conservation and Energy Planning = .05; Policy Advisor = .05; Regulatory Analyst 3 = .07)

Travel: 2 staff members, 6 meetings, 2 hotel nights each, per diem for 3 days
In-state airfare for flights to 3 of the meetings

FY 2020 – One-time Cost
$7,111 (Assistant Director, Conservation and Energy Planning = .01; Policy Advisor = .01; Regulatory Analyst 3 = .04)

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years		0.2	0.1	0.0	
A-Salaries and Wages		17,910	17,910	5,229	
B-Employee Benefits		4,299	4,299	1,255	
C-Professional Service Contracts					
E-Goods and Other Services		2,149	2,149	627	
G-Travel		2,482	2,482		
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	$26,840	$26,840	$7,111	$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 2018	FY 2019	2017-19	2019-21	2021-23
Assist. Director, Conservation & Energy	91,536		0.1	0.0	0.0	
Policy Advisor	101,988		0.1	0.0	0.0	
Regulatory Analyst 3	82,344		0.1	0.1	0.0	
Total FTEs			0.2	0.1	0.0	0.0

Part IV: Capital Budget Impact

No 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.

The UTC has never incorporated net metering requirements directly into the administrative rules because the statute is very clear. Thus there is no need for rulemaking.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 6081 E S SB	Title: Distributed generation

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

Legislation Impacts:

- [ ] Cities:
- [ ] Counties:
- [X] Special Districts: Public utility districts
- [ ] Specific jurisdictions only:
- [X] Variance occurs due to: The rate structures of publicly owned utilities; how solar energy is distributed across a utility's grid; the retail and wholesale rates of electricty; the amount of customer-generated energy supplied across districts

Part II: Estimates

- [ ] No fiscal impacts.
- [ ] Expenditures represent one-time costs:
- [ ] Legislation provides local option:
- [X] Key variables cannot be estimated with certainty at this time: How solar energy is distributed across a utility's grid; whether the publicly owned utility obtains renewable energy certificates for the customer-generated energy and the value of those certificates; the amount of customer-generated energy supplied; and the growth rate of alternative energy sources over the coming years

Estimated revenue impacts to:

Indeterminate Impact

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Austin Scharff	Phone: 360-725-3126	Date: 02/21/2018
Leg. Committee Contact: Nikkole Hughes	Phone: 360-786-7156	Date: 02/16/2018
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/21/2018
OFM Review: Kathy Cody	Phone: (360) 902-9822	Date: 02/21/2018

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 PRIOR BILL:
-- The 0.5 percent threshold for each utility's cumulative generating capacity of net metering systems is increased to 4 percent.
-- The date for determining whether a customer has any remaining unused KWh credit accumulated changes from April 30 to March 31. Additionally, any unused kWh credits on March 31 are required to be used to assist low-income residential utility customers.
-- All electric or gas utilities in Washington that serve more than 20,000 customers are required to include the total amount of kWh of electricity consumed for the most recent 12-month period on customer bills.

BILL SUMMARY:
This legislation establishes a minimum threshold for the cumulative generating capacity that a utility must make available for net metering systems. It directs utilities to use any remaining unused kilowatt-hour credit accumulated to assist qualified low-income residential customers to pay their electricity bills. It requires the State Building Code Council, in consultation with the Dept. of Commerce (Commerce) and local governments, to conduct a study of the state building code and adopt changes necessary to encourage a greater use of renewable energy systems. It also requires Commerce to convene a work group with specific representatives to identify issues and laws associated with the future of net metering. The workgroup would also be charged with identifying the specific circumstances in which changes in the compensation for net metering systems would be warranted and what the policy should be for each customer-generator class.

DEFINITIONS:
Net metering: For electric customers who generate their own electricity, net metering allows for the flow of electricity both to and from the customer -- typically through a single, bi-directional meter. When a customer's generation exceeds the customer's use, electricity from the customer flows back to the grid, offsetting electricity consumed by the customer at a different time during the same billing cycle. In effect, the customer uses excess generation to offset electricity that the customer otherwise would have to purchase at the utility's full retail rate. Net metering is required by law in most U.S. states, but state policies vary widely.

BACKGROUND:
A utility's revenue requirement represents the amount of revenue that it must recover from customers to cover the costs of serving them in addition to any return it receives on its investments. Customers who invest in solar panels may increase certain costs while reducing others for public utilities. Costs associated with integration, administration, and interconnection of net energy metered systems would increase a utility's revenue requirements, and thus be considered a cost. At the same time, a net metering system would avoid other costs for a utility, such as energy, capacity, and line loss costs, among other things. These avoided costs would reduce revenue requirements, and thus be considered benefits for a utility.

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.

This legislation would have an indeterminate impact on local government expenditures. The impact of a 6 percent minimum threshold on public utility district expenditures are unknown and would vary by utility. Factors include the rate structure of a utility, where solar is located on the utility's grid, the distribution capacity of a utility's grid, the integration of variable resources and management of two-way power flows from consumer-generated energy at high penetration levels, and the relative difference between the retail and wholesale rates.

The Utilities & Transportation Commission assumes that there would be one state building code meeting in Olympia and that three representatives of public utility districts would attend. They assume this meeting would take eight hours. For illustrative purposes, the Local Government Fiscal Note (LGFN) program assumes that one of these officials would be from the Washington Public Utility District Association and the other two would be general managers that would come from opposite sides of the state. Based on these assumptions, LGFN estimates the cost of these meetings to be $1,061. ($69 per-hour salary for a general manager x 2 general managers x 8 hours) + (734 miles roundtrip from Newport to Olympia x $.0545 per-diem travel reimbursement rate) + (122 miles roundtrip from Seattle to Olympia x $.0545 per-diem travel reimbursement rate) = $1,061.

Commerce assumes that there would be six workgroup meetings, one in Bellingham, Mount Vernon, Wenatchee, Yakima, Tri-Cities, and Spokane. For illustrative purposes, LGFN assumes that 18 general, regulatory affairs, and operations managers would attend each meeting. Commerce assumes that the meeting would take eight hours. LGFN further assumes that the meetings are on average 160 miles away from each public utility district's office and that the managers of each utility would share a ride to the meeting. The Program also assumes a per-diem travel reimbursement rate of $.0545. Based on these assumptions, these meetings would cost public utility districts $171,227. (($69 per-hour salary for a general manager x 18 general managers at each meeting x 6 meetings x 8 hours per meeting) + ($65 per-hour salary for each regulatory affairs manager x 18 regulatory affairs manager at each meeting x 6 meetings x 8 hours per meeting) + ($62 per-hour salary for a operations manager x 18 operations managers x 6 meetings x 8 hours per meeting)) + (18 trips per-meeting x 6 meetings x 320 miles round-trip x $.0545 per-diem travel reimbursement rate) = $171,227.

The Washington Public Utility Districts Association assumes that the costs of providing all customers with 12-month statements and residential customers with additional assistance in paying their electricity bills to be negligible.

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.

This bill would result in indeterminate impact on local government revenues. The impact of a 6 percent threshold on public utility district revenues are unknown and would vary by utility. Factors include, but are not limited to the rate structure of a utility, where solar is located on the utility's grid, and whether the publicly owned utility obtains renewable energy certificates for the customer-generated energy and the value of those certificates.

Publicly owned utility districts may also charge a fee to net-metered customers to recoup any associated costs of extending renewable energy services to them, so long as the fee can be justified based on identified costs and benefits.

SOURCES:
Database of State Incentives for Renewables & Efficiency, http://www.dsireusa.org/glossary/
Putting the Potential Rate Impacts of Distributed Solar into Context, Lawrence Berkley National Laboratory, https://emp.lbl.gov/sites/default/files/lbnl-1007060.pdf
Snohomish County Public Utility District
Utility & Transportation Commission
Washington Public Utility Districts Association