

Multiple Agency Fiscal Note Summary

Bill Number: 1812 HB	Title: Energy facility site council
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Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Utilities and Transportation Commission	0	0	(9,154,865)	0	0	(17,141,106)	0	0	(17,141,106)
SWF Statewide Fiscal Note - OFM	0	0	8,333,000	0	0	16,795,657	0	0	16,925,314
Total \$	0	0	(821,865)	0	0	(345,449)	0	0	(215,792)

Agency Name	2021-23		2023-25		2025-27	
	GF- State	Total	GF- State	Total	GF- State	Total
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 Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Financial Management	.0	0	0	0	.0	0	0	0	.0	0	0	0
Utilities and Transportation Commission	.2	0	0	(8,285,168)	.0	0	0	(16,666,000)	.0	0	0	(16,666,000)
SWF Statewide Fiscal Note - OFM	7.5	208,203	208,203	8,541,203	14.3	225,406	225,406	17,021,063	13.9	108,648	108,648	17,033,962
Total \$	7.7	208,203	208,203	256,035	14.3	225,406	225,406	355,063	13.9	108,648	108,648	367,962

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
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 Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
SWF Statewide Fiscal Note - OFM	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
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 Breakout

NONE

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Prepared by: Kyle Siefering, OFM	Phone: (360) 995-3825	Date Published: Revised 2/15/2022
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Individual State Agency Fiscal Note

Bill Number: 1812 HB	Title: Energy facility site council	Agency: 090-Office of State Treasurer
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

NONE

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: Megan McPhaden	Phone: 360-786-7114	Date: 01/12/2022
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 01/18/2022
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 01/18/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/19/2022

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 .

HB 1812 creates the energy facility site evaluation council account and allows the account to retain its earnings from investments.

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 .

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

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

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 1812 HB	Title: Energy facility site council	Agency: 105-Office of Financial Management
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Part I: Estimates

☒ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

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: Megan McPhaden	Phone: 360-786-7114	Date: 01/12/2022
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 01/24/2022
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 01/24/2022
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 01/25/2022

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 17 requires the Director of OFM to certify apportionments of budgeted and nonbudgeted funds to the agencies affected, the state auditor, and the state treasurer. The Director must also decide as to the proper allocation of personnel, funds, or other tangible property concerning the agencies involved with this bill if questions arise.

There is no fiscal impact to OFM. OFM may have additional accounting impacts, but that is within its normal business.

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

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Revised

Bill Number: 1812 HB	Title: Energy facility site council	Agency: 215-Utilities and Transportation Commission
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
General Fund-Private/Local 001-7		(8,965,144)	(8,965,144)	(16,666,000)	(16,666,000)
Public Service Revolving Account-State 111-1		(189,721)	(189,721)	(475,106)	(475,106)
Total \$		(9,154,865)	(9,154,865)	(17,141,106)	(17,141,106)

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	0.4	0.2	0.0	0.0
Account					
General Fund-Private/Local 001-7	0	(8,333,000)	(8,333,000)	(16,666,000)	(16,666,000)
Public Service Revolving Account-State 111-1	0	47,832	47,832	0	0
Total \$	0	(8,285,168)	(8,285,168)	(16,666,000)	(16,666,000)

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: Megan McPhaden	Phone: 360-786-7114	Date: 01/12/2022
Agency Preparation: Amy Andrews	Phone: 360-481-1335	Date: 02/02/2022
Agency Approval: Amy Andrews	Phone: 360-481-1335	Date: 02/02/2022
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 02/02/2022

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 8 revises RCW 80.50.071 :
Removes UTC and replaces with EFSEC for receiving payments, deposits, and invoicing for costs associated with EFSEC siting and compliance operations.

New Section 17 changes RCW 80.50:
This change means all powers, duties, and functions previously performed by UTC up to the enactment of this legislation will be transferred to EFSEC.

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 .

Beginning in FY23 the UTC (Account 111) will experience a decrease in cash receipts associated with the direct and overhead charges currently reimbursed by EFSEC’s private/local account to the Public Service Revolving Account. Based on historical data this is an annual decrease of \$237,553. For FY23 the decrease in cash receipts is assumed at \$189,721 which is offset by the expenditures for a transition period as outlined in the expenditure section of the fiscal note. For FY24 and beyond the decrease is assumed at \$237,553.

A one-time transfer of deposits payable will occur in FY23. As of December 31, 2021 the balance in GL5191 is \$632,144.22. For FY24-FY27 cash receipts are decreased in the amount of current expenditure authority for the GF-L account.

A one-time transfer for any outstanding receivable for EFSEC will also be required based on balance as of June 30, 2022 but the amount is unknown at this time.

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.

EFSEC Agency Creation and Removing UTC Support Functions
\$47,832 FY23
One-Time Cost

Sec. 8 and 17 remove the Utilities and Transportation Commission (UTC) from providing administrative support and account management for the Energy Facilities Site Evaluation Council (EFSEC). The UTC assumes a transition period is required to transfer records, provide consultation for historical processes and transactions including invoicing methodology, and the separation of EFSEC electronic records from UTC systems and applications during FY23.

[Deputy Director/CFO, FTE 0.04; Finance Manager, FTE 0.04; Fiscal Analyst 3, FTE 0.08; Chief Information Officer, FTE 0.02; IT App Development – Journey, FTE 0.15; Records Center Supervisor, FTE 0.04; Records Management Specialist, FTE 0.04]

Removing Expenditure Authority for EFSEC Private/Local Account (001-7) from Agency 215
FY23 (\$8.333M)

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-7	General Fund	Private/Local	0	(8,333,000)	(8,333,000)	(16,666,000)	(16,666,000)
111-1	Public Service Revolving Account	State	0	47,832	47,832	0	0
Total \$			0	(8,285,168)	(8,285,168)	(16,666,000)	(16,666,000)

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		0.4	0.2		
A-Salaries and Wages		(977,669)	(977,669)	(2,026,200)	(2,026,200)
B-Employee Benefits		(338,425)	(338,425)	(701,652)	(701,652)
C-Professional Service Contracts		(4,674,910)	(4,674,910)	(9,349,820)	(9,349,820)
E-Goods and Other Services		(2,052,664)	(2,052,664)	(4,105,328)	(4,105,328)
G-Travel		(31,000)	(31,000)	(62,000)	(62,000)
J-Capital Outlays		(10,000)	(10,000)	(20,000)	(20,000)
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		(200,500)	(200,500)	(401,000)	(401,000)
9-					
Total \$	0	(8,285,168)	(8,285,168)	(16,666,000)	(16,666,000)

III. C - Operating FTE 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 2022	FY 2023	2021-23	2023-25	2025-27
Chief Information Officer	114,768		0.0	0.0		
Deputy Director/CFO	132,000		0.0	0.0		
Finance Manager	93,812		0.0	0.0		
Fiscal Analyst 3	62,748		0.1	0.0		
IT App Development - Journey	96,888		0.2	0.1		
Records Center Supervisor	65,928		0.0	0.0		
Records Management Specialist	47,844		0.0	0.0		
Total FTEs			0.4	0.2		0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1812 HB	Title: Energy facility site council
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: Indeterminate Impacts
- ☒ Counties: Same as above.
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☒ Legislation provides local option: Allows local governments to alter their land use and zoning laws after a public hearing has been completed regarding a site.
- ☒ Key variables cannot be estimated with certainty at this time: How many local governments would utilize the new option of altering zoning and land use regulations.

Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Ian Bogley	Phone: 564-999-3469	Date: 01/19/2022
Leg. Committee Contact: Megan McPhaden	Phone: 360-786-7114	Date: 01/12/2022
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/19/2022
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 01/21/2022

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 1 would amend RCW 80.50.010 and 2001 c 214 s 1 to explicitly mention reducing dependency on fossil fuels as an policy of the state and streamlining application reviews for energy facilities as an intention of the legislature. It would insert mentions of environmental justice and the development and integration of clean energy sources.

Section 2 would amend RCW 80.50.020 and 2021 c 317 s 17 to include renewable natural gas, renewable or green hydrogen, and energy storage facilities in the definition of alternative energy sources. The section would add the definitions of clean energy product manufacturing facility, director of energy facility site evaluation councils, green electrolytic hydrogen, renewable hydrogen, and renewable natural gas.

Section 3 would reenact and amend RCW 80.50.030, 2010 c 271 s 601 and 2010 c 152 s 2 regarding the representation at the energy facility site evaluation council.

Section 4 would add a new section to RCW 80.50 outlining the responsibilities of the chair of the council and the director.

Section 5 would amend RCW 80.50.040 and 2001 to include regulatory oversight of energy facilities and the monitoring of energy facility operational conditions as powers of the energy facility site evaluation council.

Section 6 would amend RCW 80.50.060 and 2021 c 317 s 18 to revise qualifications for certification under this chapter. It also inserts a requirement for the council to notify local governments upon receipt of an application for certification. The section also mandates the council to extract input from local governments during siting review and compliance monitoring

Section 7 would add a new section to RCW 80.50 including clean energy product manufacturing facilities under the jurisdiction of the chapter for certification and including them under the jurisdiction of the council.

Section 8 would amend RCW 80.50.071 and 2016 sp.s. c 10 s 1 directs all payments to the council rather than a combination with the Utilities and Transportation commission.

Section 9 would reenact and amend RCW 80.50.090 and 2006 c 205 s 3 and 2006 c 196 s 6 to remove a restriction on local governments altering land use plans and zoning ordinances which affect proposed sites after conducting a public meeting on it.

Section 10 would make diction changes to RCW 80.50.100 and 2011 c 180 s 109.

Section 11 would amend RCW 80.50.175 and 1983 c 3 s 205 such that the council is authorized to conduct preliminary studies on potential projects.

Section 12 would add a new section to RCW 80.50 enabling preapplication reviews.

Section 13 would amend RCW 80.50.340 and 2007 c 325 s 4 such that fees paid for the preapplication process are directed to the energy facility site evaluation council.

Section 14 would add a new section to RCW 41.06 exempts the energy facility site evaluation council and other related positions from this chapter.

Section 15 would add a new section to RCW 80.50 creating the energy facility site evaluation council account under the state treasurer.

Section 16 would reenact and amend RCW 43.79A.040 and 2021 c 175 s 10 and 2021 c 108 s 5 such that the energy facility site evaluation council account receives their proportionate share of earnings from various funds.

Section 17 would add a new section to RCW 80.50 transferring various responsibilities from the utilities and transportation commission to the council.

Section 18 would put this legislation into effect on Jun 30, 2022.

Section 19 would repeal RCW 80.50.190 and RCW 80.50.904

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 bill would have an indeterminate impact on local government expenditures. It is unknown how many local governments would choose to alter their land use and zoning regulations in response to changes contained in this legislation, and it is unknown how many pieces of legislation and ordinances associated with them would be passed. Altering the zoning regulations of a local jurisdiction would require passing an ordinance, which would increase local expenditures.

The typical cost to adopt an ordinance per jurisdiction ranges from \$561 for a simple ordinance to \$5,639 for a complex ordinance. These costs include costs for draft ordinances, advisory commission meeting and recommendation, finalized ordinance, publication of ordinance, and general public information.

Note: These cost estimates are for only one meeting or staff report, more complex ordinances would likely require more meetings and potentially more staff reports. There would be further costs associated with enforcing or executing the ordinance.

According to the Washington Public Utility Districts Association, this bill would incorporate all issues relating to a site to be addressed in a single hearing, reducing the number of hearings related to an individual project. It is anticipated that this would reduce expenditures by an indeterminate amount, as it is unknown how often sites undergo multiple hearings under current procedure. This bill would also likely reduce expenditures by an indeterminate amount through the preliminary process mandated, as it is anticipated that the number of applications with significant issues would be reduced.

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 have an indeterminate impact on local government revenues. According to EFSEC, the council already enacts interagency agreements to reimburse local governments for additional expenses incurred. It is unknown if there would be an increase in such agreements in response to the impacts of this legislation.

Sources:

Washington Energy Facility Site Evaluation Council

Washington State Association of Counties

Association of Washington Cities

Washington Public Utility Districts Association

Individual State Agency Fiscal Note

Bill Number: 1812 HB	Title: Energy facility site council	Agency: SWF-SWF Statewide Fiscal Note - OFM
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
Energy Facility Site Evaluation Council Account-Private/Local New-7		8,333,000	8,333,000	16,795,657	16,925,314
Total \$		8,333,000	8,333,000	16,795,657	16,925,314

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	15.0	7.5	14.3	13.9
Account					
General Fund-State 001-1	0	208,203	208,203	225,406	108,648
Energy Facility Site Evaluation Council Acct-Private/Local New-7	0	8,333,000	8,333,000	16,795,657	16,925,314
Total \$	0	8,541,203	8,541,203	17,021,063	17,033,962

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:

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- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact: Megan McPhaden	Phone: 360-786-7114	Date: 01/12/2022
Agency Preparation: Kathy Cody	Phone: 360-480-7237	Date: 02/15/2022
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 02/15/2022
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/15/2022

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 revises RCW 80.50.020:

Subsection (1) Definition of “Alternative Energy Resource” is revised to include renewable or green electrolytic hydrogen.

Subsection (19) Definition of “Site” is expanded to include clean energy product manufacturing facilities. This allows energy project proposals meeting the definition for a “clean energy product manufacturing facility” to be eligible to opt-in to the Energy Facility Site Evaluation Council (EFSEC) application siting review process.

Subsection (23) Defines “Clean energy product manufacturing facility” as a facility that exclusively or primarily manufactures products or components of products, including: vehicles and other modes of transportation that emit no exhaust gas other than water vapor, charging infrastructure for such vehicles, renewable or green electrolytic hydrogen, clean transportation fuel, products used to produce alternative energy, and energy storage facilities.

Section 3 revises RCW 80.50.030:

Subsection (2)(b) removes the Washington utilities and transportation commission (UTC) as the provider of administrative and staff support for the council.

Subsection (3)(a) clarifies the chair of the council as a member of the council.

Subsection (7) Requires appointment of two council members to EFSEC from two federally recognized tribes when an energy facility is proposed in an area of such affected tribes.

NEW Section 4 added to RCW 80.50: The EFSEC Chair is established as the sole appointing authority for an EFSEC Director. The EFSEC Chair is authorized to delegate appointing authority, among other powers, to the EFSEC Director.

Section 6 revises RCW 80.50.060:

Subsection (2) EFSEC’s transmission project criterion are revised.

Subsection (7) adds a requirement for notification of local governments and federally recognized tribes upon receipt of an application for certification.

Subsection (8) adds a requirement for local governments to be invited to participate and provide input during the siting review and compliance monitoring processes.

Subsection (9) adds a requirement for the council to provide consultation with federally recognized tribes during the siting review and compliance monitoring processes.

NEW Section 7 to RCW 80.50 : Adds that a person proposing to construct, reconstruct, or enlarge a clean energy product manufacturing facility may choose to receive certification under this chapter and that such facilities are subject to the provisions of the chapter.

Section 8 revises RCW 80.50.071: Removes UTC and replaces with EFSEC for receiving payments, deposits, and invoicing for costs associated with EFSEC siting and compliance operations.

Section 9 revises RCW 80.50.090: Subsection (3) Adds the requirement for the EFSEC Director (SEPA Responsible official) to notify an applicant before making a SEPA threshold determination and allow opportunity for the applicant to amend the application. This has no fiscal impact as a similar procedure is already a requirement that exists under the

current SEPA statute, RCW 43.21.

Section 11 revises RCW 80.50.175: The powers of the council are updated to include preapplication review with potential applicants.

NEW Section 12 to RCW 80.50: Requires EFSEC staff to review preapplication materials for all non-transmission energy projects and to provide input to the pre-applicant for preparation of a formal application for site certification.

NEW Section 15 to RCW 80.50 :
Creates the EFSEC account.

NEW Section 17 to RCW 80.50 :
Transfers all powers, duties, and functions previously performed by UTC up to the enactment of this legislation to EFSEC.

NEW Section 18 states the effective date of the act as June 30, 2022.

Fiscal impacts resulting from the bill require restructuring of EFSEC operations and the development of a new EFSEC siting program. EFSEC must create applications and siting review procedures to carry out siting for new clean energy product manufacturing facility projects. EFSEC anticipates comprehensive rulemaking to develop/update its policies and procedures, which do not currently encompass the newly defined energy projects. EFSEC anticipates one full-time FTE Program Manager 5 position for development and implementation of the new program. EFSEC will require funds for continued program support on an ongoing basis. The estimated expenditures associated with initial program development and implementation as well as ongoing programmatic expenditures are estimated in the fiscal impact analysis below.

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.

Sec. 15 creates the Energy Facility Site Evaluation Council Account. All revenue received by the council for fees received under this chapter must be deposited into the account. The revenue is based on EFSEC current expenditure authority with program specific costs resulting from this legislation.

Revenue into the new account is as follows :

FY23: \$8,333,000

FY24: \$8,333,000

FY25: \$8,462,657

FY26 and annually ongoing: \$8,462,657

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The fiscal impact from Sections 7, 8, 12, and 15 of the act is anticipated to be greater than \$50,000 per fiscal year in the current biennium and in subsequent biennia.

Section 7:

Complex Rulemaking to integrate & develop new siting program for clean energy product manufacturing facility projects: \$116,757 GF-S and 1.88 FTE in FY 2023 and \$116,757 GF-S and 1.88 FTE in FY 2024

FTE Detail:

-EFSEC Program Specialist 5: 1.00 FTE

- EFSEC Siting Specialist 0.05 FTE
- EFSEC Manager 0.05 FTE
- EFSEC Siting/Compliance 0.05 FTE
- Commerce Specialist 2 0.31 FTE
- Secretary Supervisor 0.07 FTE
- Administrative Law Judge 0.17 FTE
- EFSEC Chair 0.05 FTE
- Policy Advisor 0.13 FTE

Ongoing Program Support for Section 7: \$129,657 EFSEC Account and 1.12 FTE ongoing annually beginning FY 2025.

FTE Detail:

- Program Specialist 5 1.00 FTE
- Commerce Specialist 2 0.12 FTE

Additional projects resulting from the additional authority in Section 7 :

Indeterminate. EFSEC is unable to anticipate the number of clean energy manufacturing facility projects that will apply for review each year. EFSEC intends to submit a budget request to the Governor's Office for the FY23-25 biennium once data exists about the need for additional program support.

Section 8:

Transfer of existing expenditure authority from the UTC. \$8,333,000 and 12.4 FTEs ongoing annually beginning in FY2023 from the new account created in section 15.

Section 12:

Adjustments to the requirements of preliminary studies requested by potential applicants: ongoing costs of \$54,324 GF-S and .41 FTE in FY 2023 and ongoing annually to consult with potential applicants before application. Once an applicant decides to move forward with the EFSEC process, costs will be recovered through fees paid to the EFSEC Account.

FTE Detail:

- Policy Advisor 0.13 FTE
- EFSEC Manager 0.05 FTE
- EFSEC Site /Compliance Manager 0.05 FTE
- EFSEC Site Specialist 0.05 FTE
- Commerce Specialist 2 0.13 FTE

Section 15:

EFSEC New Account Creation: one-time costs of \$37,121 GFS and .30 FTE in FY 2023

FTE Detail:

- Policy Advisor 0.05 FTE
- EFSEC Manager 0.05 FTE
- EFSEC Siting /Compliance 0.05 FTE
- Commerce Specialist 2 0.15 FTE

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	0	208,203	208,203	225,406	108,648
New-7	Energy Facility Site Evaluation Council Acct	Private/Local	0	8,333,000	8,333,000	16,795,657	16,925,314
Total \$			0	8,541,203	8,541,203	17,021,063	17,033,962

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		15.0	7.5	14.3	13.9
A-Salaries and Wages		1,197,577	1,197,577	2,311,075	2,279,704
B-Employee Benefits		359,140	359,140	699,610	688,630
C-Professional Service Contracts		4,674,910	4,674,910	9,349,820	9,349,820
E-Goods and Other Services		2,068,076	2,068,076	4,177,558	4,232,808
G-Travel		31,000	31,000	62,000	62,000
J-Capital Outlays		10,000	10,000	20,000	20,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		200,500	200,500	401,000	401,000
9-					
Total \$	0	8,541,203	8,541,203	17,021,063	17,033,962

III. C - Operating FTE 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 2022	FY 2023	2021-23	2023-25	2025-27
Admin Law Judge	115,356		0.2	0.1	0.1	
Commerce Specialist 2	65,928		1.7	0.9	1.4	1.3
EFSEC Chair	133,992		1.1	0.5	1.0	1.0
EFSEC Director	106,080		1.2	0.6	1.1	1.1
EFSEC Site Certification/Compliance Manager	88,644		1.2	0.6	1.1	1.1
EFSEC Site Specialist	80,292		4.4	2.2	4.4	4.5
Envir Plan Specialist 4	86,484		1.0	0.5	1.0	1.0
Office Asst 3	48,996		1.0	0.5	1.0	1.0
Policy Advisor	112,560		1.3	0.7	1.2	1.1
Program Specialist 5	80,292		1.0	0.5	1.0	1.0
Secretary Supervisor	48,996		1.1	0.5	1.0	1.0
Total FTEs			15.0	7.5	14.4	13.9

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

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 .

Complex Rulemaking for Section 2 and Section 7 would be required.