

Multiple Agency Fiscal Note Summary

Bill Number: 5165 SB	Title: Electric transm. planning
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	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	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	Fiscal note not available											
Utilities and Transportation Commission	Fiscal note not available											
Energy Facility Site Evaluation Council	Fiscal note not available											
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Agency Name	2023-25			2025-27			2027-29		
	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	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	Fiscal note not available								
Utilities and Transportation Commission	Fiscal note not available								
Energy Facility Site Evaluation Council	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	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

Prepared by: Tiffany West, OFM	Phone: (000) 000-0000	Date Published: Final
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LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5165 SB

Title: Electric transm. planning

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

Legislation Impacts:

- Cities:
- Counties:
- Special Districts: Municipal Electric Companies and Public Utility Districts would incur costs to solicit input from relevant interest groups, and require staff time to expand assessment forecasting and documentation.
- 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: The number of public utilities and municipal electric districts that already project 20-year electric transmission forecasts and document existing efforts to secure additional transmission capacity, and the amount of staff time required to do additional forecasting and documentation, for those that do not.

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: Chelsea Mickel	Phone: 518-727-3478	Date: 01/16/2023
Leg. Committee Contact: Kim Cushing	Phone: (360) 786-7421	Date: 01/09/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/16/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/16/2023

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This bill discusses the expansion of the electric power system's transmission capacity in order to meet utility customers' needs and the requirements of CETA.

Language in section 2 amends an RCW regarding utility clean energy action plans. It expands the transmission capacity assessment requirements to include a 20 year forecast rather than 10, and details the requirements of the assessment. Utilities will also be required to document their existing efforts to secure additional transmission capacity.

Section 3 adds language stating that electric utilities must consider allowing electricity generators greater access to their transmission services with certain limitations. Electric utilities are required to solicit input from interstate and voluntary industry organizations with a role in the bulk power transmission system, and public interest organizations that focus on improving the planning and development of transmission capacity.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This legislation would have indeterminate impacts on local government expenditures.

Public input provisions would have insignificant costs. Utilities already solicit input from relevant interest groups and organizations as part of their existing 10-year forecasts, and update their assessments and current transmission capacity and demand in annual reporting to the EPA, in which case there would be no additional costs.

Additional fiscal impacts on local governments would include staff time needed to expand the forecast assessment and document their existing efforts to secure additional transmission capacity. However, some public utilities and municipal electric companies already forecast 20-year electric transmission loads, and would not incur additional costs. Municipal electric companies have power purchase contracts with Bonneville Power Administration (BPA). Under these contracts, utilities receive power monthly according to their monthly net requirement, which is the difference between the utility's monthly net load and BPA's available resources. Power is sold at either a base system generation rate or at a market rate. Even if a municipal electric company does not plan to purchase market rate power, decisions that affect the market rate of BPA power may have a significant impact on their resource portfolio costs.

These requirements, with indeterminate expenditure impacts, would affect the following public utility districts (PUD) and municipal electric companies; Benton County PUD, Chelan County PUD, Clallam County PUD, Clark County PUD, Cowlitz County PUD, Franklin County PUD, Grays Harbor County PUD, Lewis County PUD, Grant County PUD, Mason County PUD, Richland Energy Services, Seattle City Light, Snohomish County PUD and Tacoma Power.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This legislation would have de minimis indeterminate impacts on local government revenues.

Public utility districts and municipal electric companies may increase customer pricing to offset costs incurred by additional staff workload or increased power prices from their resource portfolios. Not all utilities will need to increase staff time because these tasks form part of existing staff's general workload. However, whether or not a local jurisdiction needs to increase staff workload, or by how much, will vary by location. Increased costs incurred from power companies elevating resource prices will depend upon the type of contract utilities have with power companies, the diversity of their portfolio, and actual versus projected demand.

SOURCES

Clark County Public Utility District

Municipal Research Services Center

Revised Code of Washington, RCW 19.280

Seattle City Light

Washington Public Utility District Association

Washington State Department of Commerce