

Multiple Agency Fiscal Note Summary

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

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Energy Facility Site Evaluation Council	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

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	.0	0	0	0	.0	0	0	0	.0	0	0	0
Utilities and Transportation Commission	.1	0	0	43,756	.0	0	0	0	.0	0	0	0
Energy Facility Site Evaluation Council	.0	0	0	200,000	.0	0	0	200,000	.0	0	0	200,000
Total \$	0.1	0	0	243,756	0.0	0	0	200,000	0.0	0	0	200,000

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	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Energy Facility Site Evaluation Council	Non-zero but indeterminate cost and/or savings. Please see discussion.								
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

Energy Facility Site Evaluation Council	Non-zero but indeterminate cost and/or savings. Please see discussion.
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Prepared by: Tiffany West, OFM	Phone: (360) 890-2653	Date Published: Final
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Individual State Agency Fiscal Note

Bill Number: 5165 SB	Title: Electric transm. planning	Agency: 103-Department of Commerce
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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: Kim Cushing	Phone: (360) 786-7421	Date: 01/09/2023
Agency Preparation: Marla Page	Phone: 360-725-3129	Date: 01/11/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 01/11/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/13/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This bill makes improvements to the planning and siting processes for electric power transmission systems, implementing several recommendations of the Transmission Corridors Work Group created by the Clean Energy Transformation Act.

The Department of Commerce (department) does not execute or implement the activities stated in SB 5165; Therefore, this legislation does not affect the department.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

There is no fiscal impact to the department. The department does not execute or implement the activities stated in SB 5165.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5165 SB	Title: Electric transm. planning	Agency: 215-Utilities and Transportation Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.0	0.1	0.0	0.0
Account					
Public Service Revolving Account-State 111-1	38,292	5,464	43,756	0	0
Total \$	38,292	5,464	43,756	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: Kim Cushing	Phone: (360) 786-7421	Date: 01/09/2023
Agency Preparation: Amy Andrews	Phone: 360-481-1335	Date: 01/11/2023
Agency Approval: Amy Andrews	Phone: 360-481-1335	Date: 01/11/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 01/17/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1 adds findings related to expanded transmission capacity, more effective use of existing transmission capacity, existing constraints, and certain projects.

Section 2 modifies the integrated resource plan content requirements, including expanding the scope of the regional generation and transmission capacity assessment, and changing the forecast requirement to 20 years. The assessment must also identify new or upgrades to existing to bulk transmission facilities. The requirements are also expanded for the clean energy action plan content, including documenting existing and planned efforts by the utility to secure additional transmission capacity.

Section 3 establishes requirements for electric utilities regarding the selection and acquisition of renewable resources and use of transmission services considered to be conditional firm, and satisfaction of planning requirements through statewide or multiutility planning activities and through interstate transmission planning processes. The section includes requirements regarding seeking support of federal, interstate, and voluntary industry organizations.

Section 4 adds applicability requirements related to construction, reconstruction, or enlargement of existing or new electrical transmission facilities.

Section 5 modifies federal citations and updates applicability. New subsection (5) is added for electrical transmission projects proposed or sited by a federal agency, including additional coordination and participation requirements for environmental review.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Simple rulemaking to adopt integrated resource plan and clean energy action plan requirements for transmission planning
Section 2 includes integrated resource plan (IRP) and clean energy action plan (CEAP) topics and related requirements found in UTC rules, WAC 480-100 and 480-107. The UTC assumes it will conduct a simple rulemaking to revise an existing rule, which will occur between July 1, 2023, and June 30, 2024.

FY2024 - \$38,292 total cost

(Administrative Law Judge, 0.06 FTE; Director, Regulatory Services, 0.02 FTE; Deputy Director | Regulatory Services, 0.02 FTE; Policy Advisor, 0.02 FTE; Deputy Asst. Director | Regulatory Services, 0.02 FTE; Regulatory Analyst 2, 0.03 FTE; Regulatory Analyst 3, 0.04 FTE; Assistant Director, Policy, 0.02 FTE)

Review of transmission assessment in IRP and CEAP

Section 2 also requires additional UTC review for each investor-owned electric utility's IRP and CEAP, including evaluation of emissions reduction limits; evaluation of effective use of existing transmission capacity through energy efficiency, demand response, grid modernization; electrification of transportation; and expected needs to develop new, or expand or upgrade existing, bulk transmission facilities. UTC assumes this review will occur for the 2025 Electric IRP and CEAPs between January 1, 2025, and June 30, 2025.

FY2025 - \$5,464 total cost

(Deputy Asst. Director | Regulatory Services, 0.01 FTE; Regulatory Analyst 3, 0.02 FTE; Regulatory Analyst 2, 0.01 FTE)

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
111-1	Public Service Revolving Account	State	38,292	5,464	43,756	0	0
Total \$			38,292	5,464	43,756	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.0	0.1		
A-Salaries and Wages	24,661	3,717	28,378		
B-Employee Benefits	8,631	1,301	9,932		
C-Professional Service Contracts					
E-Goods and Other Services	5,000	446	5,446		
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 \$	38,292	5,464	43,756	0	0

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 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Law Judge	119,088	0.1		0.0		
Asst. Director, Policy	110,064	0.0		0.0		
Deputy Asst. Director Regulatory Services	101,136	0.0	0.0	0.0		
Deputy Director Regulatory Services	117,996	0.0		0.0		
Director, Regulatory Services	134,532	0.0		0.0		
Policy Advisor	100,008	0.0		0.0		
Regulatory Analyst 2	82,896	0.0	0.0	0.0		
Regulatory Analyst 3	93,840	0.0	0.0	0.0		
Total FTEs		0.2	0.0	0.1		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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 2 includes integrated resource plan (IRP) and clean energy action plan (CEAP) topics and related requirements found in UTC rules, WAC 480-100 and 480-107. The UTC assumes it will conduct a simple rulemaking to revise an existing rule, which will occur between July 1, 2023, and June 30, 2024.

Individual State Agency Fiscal Note

Bill Number: 5165 SB	Title: Electric transm. planning	Agency: 463-Energy Facility Site Evaluation Council
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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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
Climate Commitment Account-State 26C-1	100,000	100,000	200,000	200,000	200,000
Total \$	100,000	100,000	200,000	200,000	200,000

Estimated Capital Budget Impact:

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

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: Kim Cushing	Phone: (360) 786-7421	Date: 01/09/2023
Agency Preparation: Osta Davis	Phone: 360-485-1674	Date: 01/11/2023
Agency Approval: Dave Walker	Phone: 360-664-1345	Date: 01/11/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/17/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Sections 1-3, no impact.

Section 4 of the measure requires transmission projects that over 500kW, cross more than one county, and involve more than one utility go through the Energy Facility Site Evaluation Council Process.

Section 5 requires the Energy Facility Site Evaluation Council director to coordinate state agency participation in environmental review under the national environmental policy act for federal projects.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

General Assumptions:

The measure requires transmission projects that over 500kW, cross more than one county, and involve more than one utility go through the Energy Facility Site Evaluation Council Process and designates the Energy Facility Site Evaluation Council director to coordinate state agency participation in environmental review under the national environmental policy act for federal projects.

To do this work, the Energy Facility Site Evaluation Council estimates costs of \$100,000, ongoing per year, to fund consultant work and staff time to:

- Identify specific geographic areas for siting transmission within corridors where additional transmission capacity is needed to meet the goals of the Clean Energy Transformation Act as part of regional planning for grid-critical transmission investment/projects.
- Identify opportunities for federal and state programs to establish programmatic permitting agreements for transmission projects.
- Align and coordinate process, timing, and analysis methodologies within and across national Environmental Policy Act (NEPA) and other federal laws, and State Environmental Policy Act (SEPA) during project planning.
- Approach expediting review and permitting with the primary goal of avoiding cultural resource impacts in transmission corridors.
- Work with the Department Archaeology and Historic Preservation and State Land Managers (Washington State Department of Natural Resources, Washington Department of Fish and Wildlife, Washington State Department of Transportation, etc.) to identify state owned land tracts in potential corridors and conduct cultural resource surveys on state owned lands.
- Invest in proactive and meaningful Tribal consultation.

The current transmission corridor workgroup is made up of participants from several state agencies, local governments, the Bonneville Power Administration (BPA), Department of Defense (DOD), and Tribes. The Energy Facility Site Evaluation Council will consult with workgroup participants, as well as additional interested parties, to determine next steps and best practices for siting transmission projects to ensure a stable and reliable electrical grid for Washington’s future.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
26C-1	Climate Commitment Account	State	100,000	100,000	200,000	200,000	200,000
Total \$			100,000	100,000	200,000	200,000	200,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts	100,000	100,000	200,000	200,000	200,000
E-Goods and Other 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 \$	100,000	100,000	200,000	200,000	200,000

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

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

IV. B - Expenditures by Object Or Purpose

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

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

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

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

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