Multiple Agency Fiscal Note Summary

Bill Number: 1505 HB	**Title:** Alternative jet fuel

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
Department of Revenue	0	0	0	(520,000)	(520,000)	(520,000)	(9,290,000)	(9,290,000)	(9,294,000)
Department of Ecology	0	0	1,184,404	0	0	907,478	0	0	907,478
Total $	**0**	**0**	**1,184,404**	**(520,000)**	**(520,000)**	**387,478**	**(9,290,000)**	**(9,290,000)**	**(8,386,522)**

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
Joint Legislative Audit and Review Committee	.1	20,000	20,000	20,000	.0	9,000	9,000	9,000	.0	9,000	9,000	9,000
Department of Commerce	Fiscal note not available											
Department of Revenue	1.7	1,113,500	1,113,500	1,113,500	.7	155,100	155,100	155,100	.6	124,600	124,600	124,600
Washington State University	.1	40,000	40,000	40,000	.1	40,000	40,000	40,000	.1	40,000	40,000	40,000
Department of Ecology	4.4	0	0	1,184,404	3.5	0	0	907,478	3.5	0	0	907,478
Total $	**6.3**	**1,173,500**	**1,173,500**	**2,357,904**	**4.3**	**204,100**	**204,100**	**1,111,578**	**4.2**	**173,600**	**173,600**	**1,081,078**

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Joint Legislative Audit and Review Committee	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	Fiscal note not available								
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Washington State University	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

Estimated Capital Budget Breakout

Prepared by: Lisa Borkowski, OFM	**Phone:** (360) 742-2239	**Date Published:** Preliminary

Individual State Agency Fiscal Note

Bill Number: 1505 HB	Title: Alternative jet fuel	Agency: 014-Joint Legislative Audit and Review Committee

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	0.1	0.0	0.1	0.0	0.0
Account					
General Fund-State 001-1	20,000	0	20,000	9,000	9,000
Total $	20,000	0	20,000	9,000	9,000

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:	Jacob Lipson	Phone: 360-786-7196	Date: 01/23/2023
Agency Preparation:	Dana Lynn	Phone: 360-786-5177	Date: 01/25/2023
Agency Approval:	Eric Thomas	Phone: 360 786-5182	Date: 01/25/2023
OFM Review:	Gaius Horton	Phone: (360) 819-3112	Date: 01/25/2023

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.

The bill creates four new tax preferences intended to support development of the alternative jet fuel industry in Washington. All preferences are included in Part II.

TAX PERFORMANCE STATEMENT DETAILS

Section 8 is the tax preference performance statement that categorizes the preferences as intended to improve industry competitiveness, as indicated in RCW 82.32.808(2)(b). The Legislature's specific public policy objective is to encourage production and use of alternative jet fuels and to support development of the alternative jet fuels industry in the state by providing targeted tax relief. If a review finds that production and use of alternative jet fuels has increased because of the tax preferences contained in this act, then the Legislature intends to extend the expiration dates of the preferences.

TAX PREFERENCE DETAILS

Section 9 adds a new section to chapter 82.04 RCW, applying a 0.275% B&O tax rate to Washington businesses that manufacture, or make retail or wholesale sales of, manufactured alternative jet fuel. Users of this rate must file an annual tax preference performance report with the Department of Revenue (DOR). The preferential rate applies for 10 calendar years beginning on the first day of the month after the month when DOR receives notification from the Department of Ecology (DOE) that a facility capable of producing at least 20 million gallons of alternative jet fuel is operating in the state.

Section 10 adds a new section to chapter 82.04 RCW, creating a B&O tax credit equal to $1 for each gallon of alternative jet fuel that has at least 50% less carbon dioxide equivalent emissions than conventional jet fuel and is sold during the prior calendar year by either a business producing alternative jet fuel and located in a qualifying county or a business's designated alternative jet fuel blender located in Washington.

The credit amount must increase by 2 cents for each additional 1% reduction in carbon dioxide equivalent emissions beyond 50%, not to exceed $2/gallon of alternative jet fuel. The credit is calculated only on the portion of jet fuel considered alternative jet fuel when such fuels are blended or used in a jet fuel mixture. Credit cannot be claimed until the DOE verifies there is at least one facility operating in the state capable of producing at least 20 million gallons of alternative jet fuel per year and provides such notice. The credit only applies to jet fuel that meets the appropriate ASTM international standards as they existed on the effective date of this section or a later date provided by DOE by rule.

Businesses must apply to DOR to claim the credit and provide specific documentation detailed in the bill. Terms are defined, including "qualifying county" - a county with a population of less than 650,000 at the time of application for the credit. Credits may be earned and claimed for 10 calendar years beginning the first day of the month following the month that DOE notifies DOR as noted in section 9. Users of this rate must file an annual tax preference performance report with DOR.

Section 11 adds a new section to chapter 82.04 RCW, establishing a B&O tax credit against any B&O tax for persons using alternative jet fuel. The credit is equal to $1/gallon of alternative jet fuel that has at least 50% less carbon dioxide equivalent emissions than conventional jet fuel and is purchased in the prior calendar year by a business for use as alternative jet fuel for flights originating in Washington. The same credit increase provision and credit calculation details as in section 10 apply to this credit, as well as the requirement that the credit cannot be claimed until DOR verifies a facility capable of producing at least 20 million gallons of alternative jet fuel is operating in the state. Businesses must apply to DOR to claim the credit and provide specific documentation detailed in the bill. Users of this rate must file an annual tax preference performance report with DOR.

Section 12 adds a new section to chapter 82.16 RCW, establishing a public utility tax credit for persons that use alternative jet fuel. The credit is equal to $1/gallon of alternative jet fuel that has at least 50% less carbon dioxide equivalent emissions than conventional jet fuel and is purchased in the prior calendar year by a business for use as alternative jet fuel for flights originating in Washington. The same credit increase provision and credit calculation details as in section 10 apply to this credit, as well as the requirement that the credit cannot be claimed until DOR verifies a facility capable of producing at least 20 million gallons of alternative jet fuel is operating in the state. Businesses must apply to DOR to claim the credit and provide specific documentation detailed in the bill. Credits may be earned and claimed for 10 calendar years beginning the first day of the month following the month that DOE notifies DOR as noted in section 9. Users of this rate must file an annual tax preference performance report with DOR.

Section 14 notes RCW 82.32.805 does not apply to the act.

Section 15 notes all the B&O and public utility tax credits take effect July 1, 2024.

The bill has an emergency clause and takes effect July 1, 2023.

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.

JLARC staff would contact and work with the Department of Revenue immediately after passage of the bill to ensure project contacts are established and any other necessary data for JLARC staff's future evaluation needs are identified and collected. JLARC will likely review these preferences in 2034.

The expenditure detail reflects work conducted to prepare for the future review of the preferences. Costs associated with the review are not included in this fiscal note. This fiscal note reflects only the costs associated with establishing data collection.

This tax preference review may require additional resources. The audit will be conducted and presented to JLARC consistent with the processes used for other tax preference reviews. Based on all tax preference legislation that is passed, JLARC may subsequently determine that it can absorb the costs for this proposed bill in its base budget, if the workload of other enacted tax preference legislation does not exceed current staffing. JLARC will assess all of the tax preference reviews mandated in the 2023 legislative session.

This audit will require an estimated 2 audit months.

JLARC Audit Months: JLARC calculates its staff resources in "Audit Months" to estimate the time and effort to undertake and complete its studies. An "Audit Month" reflects a JLARC analyst's time for a month, together with related administrative, support, and goods/services costs. JLARC's anticipated 2021-23 costs are calculated at approximately $22,100 per audit month.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	20,000	0	20,000	9,000	9,000
		Total $	20,000	0	20,000	9,000	9,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1		0.1		
A-Salaries and Wages	12,900		12,900	5,800	5,800
B-Employee Benefits	4,100		4,100	1,800	1,800
C-Professional Service Contracts					
E-Goods and Other Services	2,700		2,700	1,200	1,200
G-Travel	300		300	200	200
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 $	20,000	0	20,000	9,000	9,000

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 2024	FY 2025	2023-25	2025-27	2027-29
Research Analyst	126,694	0.1		0.1		
Support staff	89,671					
Total FTEs		0.1		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.

Department of Revenue Fiscal Note

Bill Number: 1505 HB	Title: Alternative jet fuel	Agency: 140-Department of Revenue

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
GF-STATE-State 01 - Taxes 05 - Bus and Occup Tax				(400,000)	(1,500,000)
GF-STATE-State 01 - Taxes 06 - Tax Credits - B & O					(3,850,000)
GF-STATE-State 01 - Taxes 10 - Compensating Tax				(120,000)	(2,540,000)
GF-STATE-State 01 - Taxes 34 - Tx Cr-Pub Utilities					(1,400,000)
Performance Audits of Government Account-State 01 - Taxes 10 - Compensating Tax					(4,000)
Total $				(520,000)	(9,294,000)

Estimated Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.3	2.2	1.7	0.7	0.6
Account					
GF-STATE-State 001-1	515,300	598,200	1,113,500	155,100	124,600
Total $	515,300	598,200	1,113,500	155,100	124,600

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:

- [X] 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.
- [X] Requires new rule making, complete Part V.

Legislative Contact:	Jacob Lipson	Phone: 360-786-7196	Date: 01/23/2023
Agency Preparation:	Anna Yamada	Phone: 360-534-1519	Date: 01/28/2023
Agency Approval:	Valerie Torres	Phone: 360-534-1521	Date: 01/28/2023
OFM Review:	Cheri Keller	Phone: (360) 584-2207	Date: 01/30/2023

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 fiscal note only addresses sections 8 through 12 of the bill, which impact the Department of Revenue (department).

CURRENT LAW:

PRODUCERS OF JET FUELS:
Currently no manufacturers of alternative jet fuel exist in Washington.

Oil refineries, who produce and sell conventional petroleum products (jet fuels), pay business and occupation (B&O) tax at a rate of 0.484% on their manufacturing and wholesaling activities, and 0.471% on retailing activities.

Processors for hire pay B&O tax rate of 0.484%.

USERS OF JET FUELS:
Air transportation business consume most jet fuels. These passenger carriers and air freighters have direct pay permits. Thus, they file and pay use tax directly to the department in lieu of retail sales tax for the fuel physically consumed in Washington (which includes fuel purchased in Washington as well as fuel brought in from outside Washington).
- All other consumers of jet fuels pay retail sales tax at the time of purchase.

PROPOSAL:

TAX PREFERENCE PERFORMANCE STATEMENT (Section 8):
This section provides the tax preference performance statement for the preferences contained in sections 9 through 12. This bill intends to improve industry competitiveness. Any taxpayer claiming these new tax preferences must file an annual tax performance report.

PREFERENTIAL BUSINESS AND OCCUPATION TAX RATE (Section 9):
This section provides a preferential B&O tax rate for those manufacturing, wholesaling, and retailing alternative jet fuel.

For manufacturers, the amount of tax equals the value of the product manufactured multiplied by the rate of 0.275%.

For processors for hire, the amount of tax equals the gross income of the business multiplied by the rate of 0.275%.

For those making sales at retail or wholesale, the amount of tax equals the gross proceeds of sales multiplied by the rate of 0.275%.

Alternative jet fuel means fuel made from petroleum or nonpetroleum sources that can be blended and used with conventional petroleum jet fuels without the need to modify aircraft engines. It also has a lower carbon intensity than the annual carbon intensity standard (found in WAC 173-424-900).

The preferential rate becomes effective for 10 calendar years from the first day of the month immediately following the month when the Department of Ecology notifies the department that at least one facility operating in Washington is capable of producing at least 20 million gallons of alternative jet fuel.

BUSINESS AND OCCUPATION TAX CREDIT FOR MANUFACTERS (Section 10):
This section provides a B&O tax credit to those manufacturing alternative jet fuel. The credit equals $1.00 per gallon of alternative jet fuel having at least 50% less carbon dioxide (CO2) equivalent emissions than conventional jet fuel that:
- Meets the appropriate ASTM international standards for alternative jet fuels.
- A business manufacturing alternative jet fuel located in a qualifying county sold in the prior calendar year or sold by the business's designated fuel blender located in Washington (but not for both businesses).

The credit amount must increase by 2 cents for each additional 1% reduction in CO2 equivalent emissions beyond 50%, not to exceed $2.00 per gallon.

The credit is calculated only on the portion of jet fuel that is considered alternative jet fuel and does not include conventional jet fuel when such fuels are blended or otherwise used in a jet fuel mixture.

The credit may be earned and claimed for 10 calendar years from the first day of the month immediately following the month when the Department of Ecology notifies the department that at least one facility operating in Washington can produce at least 20 million gallons of alternative jet fuel per year.

The manufacturer claiming this credit must reduce the wholesale price of alternative jet fuel by the amount of the claimed credit.

To claim this credit, the taxpayer must file all returns, forms, and other required information, including contract pricing for sales of alternative jet fuel, electronically with the department and complete an application for the credit. The taxpayer claiming the credit provided in this section must file a complete annual tax performance report with the department.

The bill allows credits for either manufacturing or using alternative jet fuels, but not both.

The department must notify those applying for the credit within 60 days of acceptance of their documentation.

This credit may be carried over until used as long as the sales or uses of alternative jet fuel occurred before the expiration date of this section. The department cannot grant refunds.

Qualifying county is defined as a county with a population less than 650,000 at the time of application for the credit.

BUSINESS AND OCCUPATION TAX CREDIT FOR USERS (Section 11):
This section provides a B&O tax credit to those using alternative jet fuel. The credit equals $1.00 per gallon of alternative jet fuel that has at least 50% less CO2 equivalent emissions than conventional jet fuel that:
- Meets the appropriate ASTM international standards for alternative jet fuels.
- A business purchased in the prior calendar year use in flights originating in Washington.

Credits cannot be claimed for both public utility tax and B&O tax for the same fuel purchased.

The credit amount must increase by 2 cents for each additional 1% reduction in CO2 equivalent emissions beyond 50%, not to exceed $2.00 per gallon.

The credit is calculated only on the portion of jet fuel considered alternative jet fuel and does not include conventional jet fuel when such fuels are blended or otherwise used in a jet fuel mixture.

The credit may be earned and claimed for 10 calendar years from the first day of the month immediately following the month when the Department of Ecology notifies the department that at least one facility operating in Washington can produce at least 20 million gallons of alternative jet fuel per year.

To claim this credit, the taxpayer must file all returns, forms, and other required information electronically with the department and complete an application for the credit. The taxpayer claiming the credit provided in this section must file a complete annual tax performance report with the department.

The department must notify those applying for the credit within 60 days of acceptance of their documentation.

This credit may be carried over until used as long as the sales or uses of alternative jet fuel occurred before the expiration date of this section. The department cannot grant refunds.

PUBLIC UTILITY TAX CREDIT FOR USERS (Section 12):
This section provides a public utility tax credit to those using alternative jet fuel. The credit equals $1.00 per gallon of alternative jet fuel having at least 50% less CO_2 equivalent emissions than conventional jet fuel that:
- Meets the appropriate ASTM international standards for alternative jet fuels.
- A business purchased in the prior calendar year use in flights originating in Washington.

Credits cannot be claimed for both public utility tax and B&O tax for the same fuel purchased.

The credit amount must increase by 2 cents for each additional 1% reduction in CO_2 equivalent emissions beyond 50%, not to exceed $2.00 per gallon.

The credit is calculated only on the portion of jet fuel considered alternative jet fuel and does not include conventional jet fuel when such fuels are blended or otherwise used in a jet fuel mixture.

The credit may be earned and claimed for 10 calendar years from the first day of the month immediately following the month when the Department of Ecology notifies the department that at least one facility operating in Washington can produce at least 20 million gallons of alternative jet fuel per year.

The department must notify those applying for the credit within 60 days of acceptance of their documentation.

This credit may be carried over and used as long as the sales or uses of alternative jet fuel occurred before the expiration date of this section. The department cannot grant refunds.

EFFECTIVE DATE:
Part II contains Sections 8 through 12 and takes effect July 1, 2024.

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.

ASSUMPTIONS:

ALTERNATIVE FUEL PRODUCTION IN WASHINGTON:

- Alternative jet fuel production facilities begin operations by fiscal year 2027, producing a total of 10 million gallons of alternative jet fuel in fiscal year 2027 but capable of producing 20 million gallons of alternative jet fuel per year.
- The Department of Ecology will verify at least one facility operating in Washington capable of producing at least 20 million gallons of alternative jet fuel per year at the beginning of fiscal year 2027.
- Producers and users of alternative fuel will claim credits beginning in fiscal year 2028.
- In fiscal year 2028, SeaTac International Airport (SeaTac) provides alternative jet fuel for 10% of the total jet fuel used.
- Beginning in fiscal year 2029, alternative jet fuel production will grow at the rate projected for worldwide production capacity, reported by Statista.
- B&O tax and PUT growth rates are as forecasted by the Economic and Revenue Forecast Council.
- When alternative jet fuel is manufactured in the state, it will be consumed by in-state users before being exported during the period of this fiscal note.
- Airlines/carriers will replace fossil-based jet fuels with alternative fuels as the in-state production begins.
- Washington oil refineries will continue to produce fossil-based jet fuel at current levels.
- Alternative jet fuel production in the state will not change current refinery activities; therefore, alternative jet fuel will be available in addition to the current production of fossil-based jet fuel in the state.
- It may be possible that the proposed incentives may accelerate either the in-state production quantity of alternative jet fuel and/or demand for it; however, in this estimate the in-state production of alternative jet fuel will occur regardless of the proposed bill.

ALTERNATIVE JET FUEL:
- The carbon dioxide (CO_2) emission quality will improve overtime. During the period of this fiscal note, a CO_2 emission certification rating (i.e., carbon intensity) of 67% will be expected for Washington's production facilities, which is an average level currently certified for California's producers.
- The amount of credit for the 67% reduction in CO_2 emissions will be $1.34 per gallon.
- The price of alternative jet fuel is, on average, two and a half times more expensive than the conventional jet fuel. In fiscal year 2027, the retail price of conventional jet fuel is projected to be $2.07 per gallon, while the price of alternative jet fuel will be two and a half times, or $5.17 per gallon.
- The contract price by an in-state producer, after applying the amount of producer credit of $1.34, will be $3.83 per gallon.

USERS OF ALTERNATIVE JET FUEL:
- Most of the alternative jet fuel produced in the state will be wholesaled to commercial airlines/carriers with direct pay permits.
- The local retail sales tax rate for SeaTac would apply as the main location of jet fuel sales, and any differences in local retail sales tax rates from other locations would be minimal.
- Airline usage of jet fuel in fiscal year 2022 will approximate the jet fuel usage for the post-pandemic trend for fiscal year 2023.
- Non-commercial persons (general aviation) will purchase alternative jet fuel and pay retail sales tax at retail price; however, the amount of retail consumption will be negligible.
- Commercial airlines/carriers will claim credits for all the alternative jet fuel they purchased within the state from in-state producers, regardless of where the fuel was consumed.
- Last year Alaska Airlines announced a contract to purchase a total of 185 million gallons of alternative jet fuel for a 5-year period, starting in 2026, from a producer located outside Washington. One-fifth of 75% of the contract amount will be delivered in Washington each year between 2026 and 2030.

OUT-OF-STATE (OOS) PRODUCERS:

- Producers of alternative jet fuel located outside Washington, that sell into Washington, will also qualify for the preferential rate of 0.275% for wholesaling and retailing; however, the OOS producers will not qualify for credits under this bill.
- OOS distributors will not qualify for the incentives.
- Currently various airlines and carriers are using approximately 20 million gallons of imported alternative fuels (or 2.5% of total jet fuels annually) through various distributions, which include fuel distributors and OOS producers.
- Of the total imported amount, less than 5 million gallons (less than 1%) is directly imported from OOS producers, and airlines will continue to import throughout this fiscal note period.

DATA SOURCES:
- Washington State University Office of National Partnerships, Sustainable Aviation Biofuels Work Group, December 2022 Final Report
- Transportation Economic & Revenue Forecast, Summary Vol. I November 2022 Forecast
- U.S. Energy Information Administration, Prices, Sales Volume and Stocks by State
- U.S. Energy Information Administration, PADD 5 Refinery and Blender Net Production
- California Air Resources Board, LCFS Pathway Certified Carbon Intensities
- Washington Research Council, Economic contribution of Washington State's petroleum refining Industry in 2019, Appendix A.2 Quantity and Value of Output, June 2021
- Congressional Research Service, Sustainable Aviation Fuel (SAF)
- Air passenger Numbers to Recover in 2024, JETA, March 1, 2022, https://www.iata.org/en/pressroom/2022-releases/2022-03-01-01/
- Alaska Airlines makes significant investment in Sustainable Aviation Fuel, Alaska Airlines, August 3, 2022, https://news.alaskaair.com/newsroom/alaska-airlines-makes-significant-investment-in-sustainable-aviation-fuel/
- Statista, SAF World production capacity 2020-2025 trend
- Statista, U.S. price outlook of select fuels 2018-2050
- Department of Revenue, Excise tax return data
- Economic and Revenue Forecast Council, November 2022 forecast

REVENUE ESTIMATES:
This bill decreases state revenues by an estimated $520,000 in the 2025-27 Biennium and by $9.3 million in the 2027-29 Biennium.

This bill also decreases local revenues by an estimated $67,000 in the 2025-27 Biennium and by $1.4 million in the 2027-29 Biennium.

TOTAL REVENUE IMPACT:

State Government (cash basis, $000):

FY 2024 -	$ 0
FY 2025 -	$ 0
FY 2026 -	$ 0
FY 2027 -	$ (520)
FY 2028 -	$ (4,242)
FY 2029 -	$ (5,052)

Local Government, if applicable (cash basis, $000):

FY 2024 -	$	0
FY 2025 -	$	0
FY 2026 -	$	0
FY 2027 -	$	(67)
FY 2028 -	$	(608)
FY 2029 -	$	(798)

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.

ASSUMPTIONS:
- This bill affects 50 users and six manufacturers of alternative jet fuel.
- Washington will not have a facility capable of producing 20 million gallons of alternative jet fuel by July 1, 2024; therefore, updates to our systems to allow taxpayers to claim these new preferences do not need to be in place as of July 1, 2024. The department will require up to 18 months to fully implement all the required system changes and anticipates full implementation by January 1, 2025.

FIRST YEAR COSTS:
The department will incur total costs of $515,300 in fiscal year 2024. These costs include:

Labor Costs – Time and effort equate to 1.3 FTEs.
- Update web pages, publications, and forms for the reporting changes.
- Create a Special Notice and identify publications and information the department may need to create or update.
- Collaborate on an implementation plan, implementation meetings, documentation, and testing of system changes due to new line codes and credits.
- Set up, program, and test computer system changes to the combined excise tax return and e-file system, as well as implementing four new annual tax performance reports.
- Develop and maintain annual tax performance report questions.

Object Costs - $356,400.
- Computer system changes, including contract programming.

SECOND YEAR COSTS:
The department will incur total costs of $598,200 in fiscal year 2025. These costs include:

Labor Costs – Time and effort equate to 2.16 FTEs.
- Adopt one administrative rule.
- Amend one administrative rule.
- Respond to additional telephone questions, email, and letter correspondence.
- Continued implementation meetings, documentation, and testing of system changes due to new line codes and credits.
- Update and maintain annual tax performance report questions.
- Review annual tax performance report submissions, work to verify submission accuracy, and compile statistics and reports.

Object Costs - $330,000.
- Computer system changes, including contract programming.

ONGOING COSTS:
Ongoing costs for the 2025-27 biennium equal $155,100 and include similar activities described in the second-year costs.

Time and effort equate to 0.7 FTEs.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.3	2.2	1.7	0.7	0.6
A-Salaries and Wages	97,500	173,200	270,700	102,300	82,200
B-Employee Benefits	32,200	57,200	89,400	33,800	27,200
C-Professional Service Contracts	356,400	330,000	686,400		
E-Goods and Other Services	20,100	27,100	47,200	14,800	11,900
J-Capital Outlays	9,100	10,700	19,800	4,200	3,300
Total $	$515,300	$598,200	$1,113,500	$155,100	$124,600

III. B - Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
EMS BAND 4	126,619		0.0	0.0		
EMS BAND 5	147,919		0.0	0.0		
EXCISE TAX EX 3	61,632	0.1	0.3	0.2	0.3	0.2
IT SYS ADM-JOURNEY	92,844	0.1	0.8	0.5		
MGMT ANALYST4	73,260	0.5	0.5	0.5	0.1	
TAX INFO SPEC 4	66,420	0.3	0.1	0.2	0.1	0.1
TAX POLICY SP 2	75,120		0.0	0.0		
TAX POLICY SP 3	85,020	0.3	0.4	0.3	0.3	0.3
TAX POLICY SP 4	91,524		0.0	0.0		
WMS BAND 3	107,685		0.0	0.0		
Total FTEs		1.3	2.2	1.8	0.7	0.6

III. C - 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

Part V: New Rule Making Required

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

Should this legislation become law, the department will use the expedited process to amend WAC 458-20-126, titled: "Sales of motor vehicle fuel, special fuel, and nonpolluting fuel." The department will also use the standard process to adopt one new rule under chapter 458-20 WAC. Persons affected by this rulemaking would include manufacturers and sellers of alternative jet fuel.

Individual State Agency Fiscal Note

Bill Number: 1505 HB	Title: Alternative jet fuel	Agency: 365-Washington State University

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	0.1	0.1	0.1	0.1	0.1
Account					
General Fund-State 001-1	20,000	20,000	40,000	40,000	40,000
Total $	20,000	20,000	40,000	40,000	40,000

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:	Jacob Lipson	Phone: 360-786-7196	Date: 01/23/2023
Agency Preparation:	Anne-Lise Brooks	Phone: 509-335-8815	Date: 01/24/2023
Agency Approval:	Chris Jones	Phone: 509-335-9682	Date: 01/24/2023
OFM Review:	Ramona Nabors	Phone: (360) 742-8948	Date: 01/27/2023

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.

HB 1505 section 5 states that the office of clean technology at Washington State University must convene an alternative jet fuels work group to further the development of alternative jet fuel as a productive industry in Washington. The work group must include members from the legislature and sectors involved in alternative jet fuel research, development, production, and utilization.

The work group must provide a report including any pertinent recommendations to the governor and appropriate committees of the legislature by December 1, 2024, and December 1st of every even-numbered year until December 1, 2028.

WSU estimates the costs associated would be approximately $20,000 a year.

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.

Costs include salaries and benefits of approximately $12,845 and operating and travel costs of $7,155.

For purposes of this fiscal note WSU assumes the following: There would be three meetings per year, and WSU assumes that meetings would be held in the Seattle area (WSU downtown offices or Port of Seattle offices at SeaTac) without costs. These facilities would need to accommodate video conferencing to allow members to attend if not able to travel. It is assumed that travel will be required for WSU personnel into the meeting site. WSU assumes that one travel per year would be needed for an expert in the field. Personnel requirements are included for meeting planning, logistics, facilitation, records, and full bi-annual (odd years) reports. WSU assumes a level engagement with stakeholders and legislature between meeting intervals. This role will be filled by personnel from the Office of Clean Technology.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	20,000	20,000	40,000	40,000	40,000
		Total $	20,000	20,000	40,000	40,000	40,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	0.1	0.1	0.1	0.1
A-Salaries and Wages	9,480	9,480	18,960	18,960	18,960
B-Employee Benefits	3,365	3,365	6,730	6,730	6,730
C-Professional Service Contracts					
E-Goods and Other Services	3,855	3,855	7,710	7,710	7,710
G-Travel	3,300	3,300	6,600	6,600	6,600
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 $	20,000	20,000	40,000	40,000	40,000

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 2024	FY 2025	2023-25	2025-27	2027-29
Ass. Director of ASCENT	113,873	0.1	0.1	0.1	0.1	0.1
Total FTEs		0.1	0.1	0.1	0.1	0.1

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: 1505 HB	Title: Alternative jet fuel	Agency: 461-Department of Ecology

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Clean Fuels Program Account-State 25Q-1	581,537	602,867	1,184,404	907,478	907,478
Total $	581,537	602,867	1,184,404	907,478	907,478

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	4.3	4.5	4.4	3.5	3.5
Account					
Clean Fuels Program Account-State 25Q-1	581,537	602,867	1,184,404	907,478	907,478
Total $	581,537	602,867	1,184,404	907,478	907,478

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:

- [X] 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.
- [X] Requires new rule making, complete Part V.

Legislative Contact:	Jacob Lipson	Phone: 360-786-7196	Date: 01/23/2023
Agency Preparation:	Emily Delancey	Phone: 360-280-6628	Date: 01/23/2023
Agency Approval:	Erik Fairchild	Phone: 360-407-7005	Date: 01/23/2023
OFM Review:	Lisa Borkowski	Phone: (360) 742-2239	Date: 01/26/2023

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.

Currently, the Department of Ecology administers the Clean Fuels Program, authorized in statute under chapter 70A.535 RCW. Under the Clean Fuel Standard, fuels are assessed to determine their carbon intensity. Cleaner fuels – those with carbon intensities below the standard – generate credits that can be kept or sold to producers of high-carbon fuels. Fuels with a carbon intensity above the standard generate deficits. Those producers must then buy enough credits to meet the carbon intensity reduction for that year. The requirement to reduce carbon intensity increases over time, making sure aggregate emissions from transportation fuels decrease. The Clean Fuel Standard works beside the Climate Commitment Act to target the largest source of emissions in Washington.

This bill would provide opportunities for financial incentives for alternative jet fuel (AJF), also called sustainable aviation fuel (SAF).

Section 1 would add a new section identifying the intent to use Climate Commitment Act (CCA) funds to promote the production and use of SAF.

Section 2 would add a definition for "alternative jet fuel" to RCW 70A.535.010, the Clean Fuel Standard (CFS) statute.

Section 3 would add a new section to chapter 70A.65 RCW, the cap-and-invest program statute, to amend the energy economy ratio (EER) for AJF relative to conventional jet fuel from 1.0 to 1.3 within ten years after the in-state production capacity of AJF is sufficient to satisfy the requirements under sections 10 and 11 of the act. The EER would need to be reduced at a rate of 0.1 every three years until it is equal to 1.0.

Section 4 would amend chapter 70A.535 RCW to require the Department of Ecology to: Allow one or more carbon intensity pathways for AJF no later than December 31, 2023; to allow biomethane to be claimed as a feedstock for renewable diesel and AJF; and, to notify the Department of Revenue (DOR) within 30 days when an AJF facility capable of producing at least 20,000,000 gallons of an AJF is operating in the state.

Section 10 would establish the eligibility and process for applying for the tax preference within chapter 82.04 RCW.

Section 11 would establish the credit per gallon of AJF and the process for claiming that credit, adding a section to chapter 82.04 RCW.

Section 12 would establish the credit per gallon of AJF and the process for claiming that credit, adding a section to chapter 82.16 RCW.

Section 15 would make sections 9 through 12 effective July 1, 2024. Section 16 would make sections 1 through 7 effective July 1, 2023.

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.

The cash receipts impact to Ecology under this bill is greater than $50,000 in Fiscal Year (FY) 2024 and ongoing to implement the requirements of sections 3 and 4.

Sections 3 and 4 – Fees for Rulemaking, Implementation, and IT Impacts

Under current law, RCW 70A.535.130 of the CFS, Ecology may require that persons that are required or elect to register or report under the program pay a fee. The fee must be set equal to the projected direct and indirect costs for developing and implementing the program, as well as the projected direct and indirect costs to the Department of Commerce to carry out the responsibilities under RCW 70A.535.100. All fees and penalties received through the program must be deposited into the Clean Fuels Program Account.

Sections 3 and 4 of this bill would increase the cost of developing and implementing the program, and would therefore increase the fee and the associated revenue collected for this purpose.

The revenue impact to Ecology under this bill is:

FY 2024: $581,537
FY 2025: $602,867
FY 2026 and ongoing: $453,739

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.

The expenditure impact to Ecology under this bill is estimated to be greater than $50,000 in FY 2024 and ongoing to implement the requirements of sections 3 and 4.

Sections 3 and 4(2) – Rulemaking

Section 3 would require Ecology to amend the EER for AJF relative to conventional jet fuel from the value of 1.0 to 1.3 within ten years after the in-state production capacity of AJF is sufficient to satisfy the requirements under sections 10 and 11 of this bill. The EER must be reduced at a rate of 0.1 every three years until it is equal to 1.0.

Section 4(2) would require Ecology to allow biomethane to be claimed as the feedstock for renewable diesel and AJF consistent with that allowable for compressed natural gas, liquified natural gas, liquified compressed natural gas, or hydrogen production.

Rulemaking would be required to implement the changes in these sections. Ecology estimates that rulemaking would be moderately complex and generate substantial public interest and input. It would require nineteen months, from July 1, 2023 to February 1, 2025. The rulemaking would include two preproposal meetings to gather input from stakeholders and two public hearings to accept comments on the rule proposal.

0.5 FTE Environmental Planner 3 in FY 2024 and 0.25 FTE in FY 2025 – this position would be the rulemaking lead, coordinating the rulemaking effort.

0.25 FTE Environmental Engineer 6 in FY 2024 and 0.13 FTE in FY 2025 – this position would be the technical lead, advising on rule language and driving the overall policy change of the program.

The following positions would complete an economic and regulatory analysis of the rule: 0.2 FTE Economic Analyst 3 in FY 2025; 0.05 FTE Regulatory Analyst 2 in FY 2025. Ecology would hold one public hearing in FY 2024 and one public hearing in FY 2025 for rulemaking. Goods and services estimates include facility rental costs estimated at $1,000 per hearing ($1,000 FY 2024 and $1,000 FY 2025). The Attorney General's Office assumes no additional fiscal impact for rulemaking support.

Section 4 – Implementation

Currently, Ecology is accepting Tier 1 pathways and fuels pathways certified in Oregon and California. This bill would require Ecology to begin accepting Tier 2 pathway applications by December 31, 2023 as opposed to in late CY 2024 as required in current statute. This would require significantly more staff time than the current, already certified pathways.

Adding SAF as a fuel pathway would be complex in nature and add a significant amount of new and ongoing work to the CFS program, as AJF requires using carbon intensity calculators that are not commonly used. We assume Ecology would create and maintain the SAF fuel pathway throughout the length of the CFS program.

Feedback from from external stakeholders who have experience in Oregon and California's programs is that approval of fuel pathways in these markets takes a significant amount of time. Ecology assumes the intent of this bill would be to provide a robust infrastructure in Washington to assess and approve fuel pathways in a timely manner. Section 4 would require Ecology to hire additional staff to accommodate the work of allowing biomethane to be claimed as a feedstock. This staffing need would be ongoing in order to allow Ecology to assess and approve Tier 2 fuel pathways in a timely manner throughout the length of the CFS program. Verifying when a facility is capable of producing at least 20,000,000 gallons of AJF and then notifying DOR of this would also require additional Ecology staff time as this is new work that we are not currently performing.

Ecology would require the following staff time in order to implement the proposed changes:

1.0 FTE Natural Resource Scientist (NRS) 4 in FY 2024 and ongoing – this position would be needed to research and update GHG emissions for transportation fuel pathways, and review and approve innovative fuel pathways based on the updated implementation date associated with the changes in this section. Ecology estimates that the workload associated with complex transportation fuel pathways would significantly increase due to the changes, and this NRS 4 would update carbon intensity lifecycle analysis modeling tools, provide technical support for the development, and provide analysis of verification program and criteria.

1.0 FTE Environmental Specialist (ES) 4 in FY 2024 and ongoing – this position would serve as a senior environmental section specialist to provide guidance and technical assistance to the increased number of program participants, review and process the additional quarterly and annual reports, implement routine program audits and compliance monitoring, and assist with routine review of the increase in complex verifier reports. This position would also undertake market monitoring to maintain a stable credit price by monitoring the market impacts of this increase in SAF credits.

1.0 FTE ES 5 in FY 2024 and ongoing – this position would serve as an expert program analyst to implement actions, including a study on the policy implications on adding renewable natural gas as a feedstock for AJF and renewable diesel production. Additionally, this position would engage with and provide outreach support for the stakeholder community around the approval of fuel pathways.

Section 4(2) – IT Impacts

Adding biomethane as a feedstock for AJF would require changes to our Alternative Fuel Portal (AFP) IT application. Ecology's existing IT application currently allows biomethane to be used as a fuel, but would need to be updated to include the use of feedstock to other fuels. Ecology assumes staff time would be required to make this update to the existing tool.

0.25 FTE IT Application Developer – Journey in FY 2025 to update the existing AFP IT application to align with the updated requirements.

Sections 10, 11, and 12 would be completed per and with the resources requested in Section 4.

SUMMARY: The expenditure impact to Ecology under this bill is:

RULEMAKING is estimated to require:

FY 2024: $127,798 and 0.9 FTEs
FY 2025: $103,384 and 0.7 FTEs

IMPLEMENTATION is estimated to require:
FY 2024 and ongoing: $453,739 and 3.5 FTEs

IT IMPACTS is estimated to require:
FY 2025: $45,744 and 0.3 FTEs

THE TOTAL EXPENDITURE IMPACT to Ecology under this bill is estimated to be:
FY 2024: $581,537 and 4.3 FTEs
FY 2025: $602,867 and 4.5 FTEs
FY 2026 and ongoing: $453,739 and 3.5 FTEs.

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.
Benefits are the agency average of 36% of salaries.
Goods and Services are the agency average of $5,224 per direct program FTE. Additional Goods and Services costs include rulemaking public hearing costs of $1,000 in FY 2024 and $1,000 in FY 2025.
Travel is the agency average of $1,563 per direct program FTE.
Equipment is the agency average of $1,031 per direct program FTE.
Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 28.75% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development - Journey.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
25Q-1	Clean Fuels Program Account	State	581,537	602,867	1,184,404	907,478	907,478
		Total $	581,537	602,867	1,184,404	907,478	907,478

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	4.3	4.5	4.4	3.5	3.5
A-Salaries and Wages	314,802	326,426	641,228	491,472	491,472
B-Employee Benefits	113,329	117,514	230,843	176,932	176,932
E-Goods and Other Services	20,590	21,243	41,833	31,344	31,344
G-Travel	5,862	6,057	11,919	9,378	9,378
J-Capital Outlays	3,867	3,996	7,863	6,186	6,186
9-Agency Administrative Overhead	123,087	127,631	250,718	192,166	192,166
Total $	581,537	602,867	1,184,404	907,478	907,478

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
ECONOMIC ANALYST 3	85,020		0.2	0.1		
ENVIRONMENTAL ENGINEER 6	114,360	0.3	0.1	0.2		
ENVIRONMENTAL PLANNER 3	80,952	0.5	0.3	0.4		
ENVIRONMENTAL SPEC 4	73,260	1.0	1.0	1.0	1.0	1.0
ENVIRONMENTAL SPEC 5	80,952	1.0	1.0	1.0	1.0	1.0
FISCAL ANALYST 2		0.4	0.4	0.4	0.3	0.3
IT APP DEV-JOURNEY	100,032		0.3	0.1		
IT APP DEV-JOURNEY (Admin)		0.2	0.2	0.2	0.2	0.2
NAT RESOURCE SCIENTIST 4	91,524	1.0	1.0	1.0	1.0	1.0
REGULATORY ANALYST 2	82,896		0.1	0.0		
Total FTEs		4.3	4.5	4.4	3.5	3.5

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.

Rulemaking would be required to implement the changes in sections 3 and 4(2). The current Clean Fuels Program Rule (WAC 173-424) would need to be amended to incorporate the new EER for AJF and to allow for the use of biomethane as a feedstock for AJF and renewable diesel production.