

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1216 S HB	<b>Title:</b> Clean energy siting
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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
Office of Attorney General	0	0	526,000	0	0	520,000	0	0	520,000
Department of Ecology	Non-zero but indeterminate cost and/or savings. Please see discussion.								
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>526,000</b>	<b>0</b>	<b>0</b>	<b>520,000</b>	<b>0</b>	<b>0</b>	<b>520,000</b>

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	Fiscal note not available					
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
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Governor's Office of Indian Affairs	.5	92,000	92,000	92,000	.5	94,000	94,000	94,000	.5	94,000	94,000	94,000
Office of Attorney General	1.8	0	0	526,000	1.8	0	0	520,000	1.8	0	0	520,000
Department of Commerce	Fiscal note not available											
Utilities and Transportation Commission	Fiscal note not available											
Department of Archaeology and Historic Preservation	1.1	476,927	476,927	476,927	1.1	272,952	272,952	272,952	1.1	272,952	272,952	272,952
Washington State University	Fiscal note not available											
Department of Transportation	Fiscal note not available											
Department of Ecology	26.5	0	0	13,248,232	20.7	0	0	6,708,838	20.7	0	0	6,708,838
Department of Ecology	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Energy Facility Site Evaluation Council	Fiscal note not available											
Department of Fish and Wildlife	2.0	620,000	620,000	620,000	2.0	620,000	620,000	620,000	2.0	620,000	620,000	620,000
Department of Natural Resources	Fiscal note not available											
Department of Agriculture	.5	205,200	205,200	205,200	.5	205,200	205,200	205,200	.5	205,200	205,200	205,200
<b>Total \$</b>	<b>32.4</b>	<b>1,394,127</b>	<b>1,394,127</b>	<b>15,168,359</b>	<b>26.6</b>	<b>1,192,152</b>	<b>1,192,152</b>	<b>8,420,990</b>	<b>26.6</b>	<b>1,192,152</b>	<b>1,192,152</b>	<b>8,420,990</b>

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	Fiscal note not available								
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Governor's Office of Indian Affairs	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	Fiscal note not available								
Utilities and Transportation Commission	Fiscal note not available								
Department of Archaeology and Historic Preservation	.0	0	0	.0	0	0	.0	0	0
Washington State University	Fiscal note not available								
Department of Transportation	Fiscal note not available								
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Energy Facility Site Evaluation Council	Fiscal note not available								
Department of Fish and Wildlife	.0	0	0	.0	0	0	.0	0	0
Department of Natural Resources	Fiscal note not available								
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

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	Fiscal note not available								
Local Gov. Total									

## Estimated Capital Budget Breakout

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<b>Prepared by:</b> Lisa Borkowski, OFM	<b>Phone:</b> (360) 742-2239	<b>Date Published:</b> Preliminary 2/16/2023
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1216 S HB	<b>Title:</b> Clean energy siting	<b>Agency:</b> 075-Office of the Governor
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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: Dan Jones	Phone: 360-786-7118	Date: 02/11/2023
Agency Preparation: Tracy Sayre	Phone: 360-890-5279	Date: 02/15/2023
Agency Approval: Kathy Cody	Phone: (360) 480-7237	Date: 02/15/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/15/2023

## 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.*

Substitute House Bill 1216 requires the Office of the Governor to participate in the Interagency Clean Energy Siting Council. We believe this participation can be accomplished within current resources and therefore does not have a fiscal impact.

### 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.*

## 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

<b>Bill Number:</b> 1216 S HB	<b>Title:</b> Clean energy siting	<b>Agency:</b> 086-Governor's Office of Indian Affairs
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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	0.5	0.5	0.5	0.5	0.5
<b>Account</b>					
General Fund-State 001-1	47,000	45,000	92,000	94,000	94,000
<b>Total \$</b>	47,000	45,000	92,000	94,000	94,000

### 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: Dan Jones	Phone: 360-786-7118	Date: 02/11/2023
Agency Preparation: Seth Flory	Phone: 360-407-8165	Date: 02/14/2023
Agency Approval: Seth Flory	Phone: 360-407-8165	Date: 02/14/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/15/2023

## 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 101(1) of Substitute House Bill 1216 establishes the Interagency Clean Energy Siting Coordinating Council and grants the Governor's Office of Indian Affairs (GOIA) a seat on the council.

Section 102(1)(f) give GOIA the task of creating and maintaining a list of contacts at federally recognized tribes, and tribal preferences regarding outreach about clean energy project siting and permitting, such as outreach by developers directly, by state government in the government-to-government relationship, or both. Section 102(1)(g) further tasks GOIA and other agencies with developing a training on consultation and engagement with recognized tribes.

GOIA anticipates needing to designate .5 FTE of a Program Managers position to serve on the Council, maintain the list of contacts, and act as a liaison with tribal communities.

### 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.*

GOIA anticipates needing to designate .5 FTE of a Program Managers position to serve on the Council, maintain the list of contacts, and act as a liaison with tribal communities.

Up to \$4000 in one time funding would be needed in the first year to provide equipment, furniture, and office supplies for the position.

Travel, costing at least \$1000/yr, is expected for the Program Manager to carry out the duties of the Council and maintain relationships with tribal communities.

## 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	47,000	45,000	92,000	94,000	94,000
<b>Total \$</b>			47,000	45,000	92,000	94,000	94,000



**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5	0.5	0.5	0.5	0.5
A-Salaries and Wages	31,000	32,500	63,500	68,000	68,000
B-Employee Benefits	11,000	11,500	22,500	24,000	24,000
C-Professional Service Contracts					
E-Goods and Other Services	500		500		
G-Travel	1,000	1,000	2,000	2,000	2,000
J-Capital Outlays	3,500		3,500		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	47,000	45,000	92,000	94,000	94,000

**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
Program Manager	61,632	0.5	0.5	0.5	0.5	0.5
<b>Total FTEs</b>		0.5	0.5	0.5	0.5	0.5

**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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1216 S HB	<b>Title:</b> Clean energy siting	<b>Agency:</b> 100-Office of Attorney General
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Legal Services Revolving Account-State 405-1	263,000	263,000	526,000	520,000	520,000
<b>Total \$</b>	263,000	263,000	526,000	520,000	520,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.8	1.8	1.8	1.8	1.8
<b>Account</b>					
Legal Services Revolving Account-State 405-1	263,000	263,000	526,000	520,000	520,000
<b>Total \$</b>	263,000	263,000	526,000	520,000	520,000

### 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: Dan Jones	Phone: 360-786-7118	Date: 02/11/2023
Agency Preparation: Chad Standifer	Phone: 3605863650	Date: 02/15/2023
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 02/15/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/15/2023

## 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: Findings.

Section 101: Creates the “Interagency Clean Energy Siting Coordinating Council”, co-chaired by the Department of Commerce (Commerce) and the Department of Ecology (Ecology), with participation by the Office of the Governor and several other agencies.

Section 102: Details the duties of the coordinating council, requires the coordinating council to provide an annual report, and requires the coordinating council to advise Commerce in contracting with a third party to evaluate state agency siting and permitting. Pursue development of a consolidated clean energy application for state permits needed for clean energy projects, and explore development of a consolidated permit for clean energy permits led by Ecology.

Section 201: Provides definitions for statutory terms.

Section 202: Requires Commerce to develop an application for designating clean energy projects of statewide significance.

Section 203: Provides specificity with regard to the review done by Commerce in reviewing applications seeking the designation of a clean energy project of statewide significance.

Section 204: Specifies the duties of Ecology in support of an optional, fully coordinated permit process for clean energy projects.

Section 205: Requires Ecology to conduct an initial assessment to determine the level of coordination needed upon request by a proponent of a clean energy project, and specifying the requirements of that assessment.

Section 206: Authorizing a project proponent to submit a request to Ecology for participating in fully coordinated permitting process, and specifies Ecology’s duties relating to the fully coordinated permitting process.

Section 207: Requiring counties and cities with clean energy projects of statewide significance to enter into agreements with Ecology and the project proponent.

Section 208: Requiring project proponents to enter into cost-reimbursement agreements with Ecology in accordance with RCW 43.21A.690 to recover reasonable costs incurred by Ecology and other agencies in carrying out the coordinated permitting process.

Section 209: Requiring Ecology to offer consultation with affected Indian tribes on clean energy projects of statewide significance, and engagement with overburdened communities.

Section 210: Requires Commerce to make available decisions regarding clean energy projects of statewide significance. Authorizing Commerce to terminate those designations. Other miscellaneous provisions.

Section 301: Adds a new section to RCW 43.21C relating to the State Environmental Policy Act, Clean Energy Facilities, and environmental impact statements for clean energy projects.

Section 302: Adds a new section to RCW 43.21C requiring Ecology to prepare non-project environmental impact statements for certain categories of projects.

Section 303: Adds a new section to RCW 43.21C requiring a lead agency to adopt a non-project environmental impact statement, where appropriate.

Section 304: Prohibiting local governments from requiring a project applicant of projects relating to electricity to designate the necessity or utility of the project.

Section 305: Adds a new section to RCW 36.01 relating to county permits for activities associated with renewable energy projects.

Section 306: Requiring the Washington State University to conduct a least-conflict pumped siting process for Washington State, to support expanded capacity to store renewable energy.

Section 307: Requires Commerce to consult with stakeholders as specified in the section, and complete a report on rural clean energy and resilience for submission to the Joint Committee on Energy Supply, Energy Conservation, and Energy Resilience, the Energy Facility Site Evaluation Council, and the legislature.

Section 308: Amends RCW 44.39.010 to create the Joint Committee on Energy Supply, Energy Conservation, and Energy Resilience.

Section 309: Amends RCW 44.39.012 by modifying the definition of “committee” used in the chapter.

Section 310: Specifies what the Joint Committee on Energy Supply, Energy Conservation, and Energy Resilience (Joint Committee) should review; requires the Joint Committee to hold at least four meetings; requires the Joint Committee to reports its findings and recommendations to the Energy Facility Site Evaluation Council and the legislature; provides an expiration date of June 30, 2025 for the section.

Section 401: Provide that sections 101 and 102 constitute a new chapter in RCW 43.

Section 402: Provide that sections 201 through 210 constitute a new chapter in RCW 43.

Section 403: Severability clause.

## **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.*

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agencies are the Washington State University (WSU), the Department of Ecology (Ecology), and the Department of Commerce (Commerce). The Attorney General’s Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO’s authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency’s/agencies’ fiscal note. Appropriation authority is necessary in the AGO budget.

### **AGO AGENCY ASSUMPTIONS:**

WSU will be billed for non-Seattle rates:

FY 2024: \$3,000 for 0.01 Assistant Attorney General FTE (AAG) and 0.01 Legal Assistant 3 FTE (LA).

FY 2025: \$3,000 for 0.01 AAG and 0.01 LA.

Ecology will be billed for non-Seattle rates:

FY 2024: \$257,000 for 1.0 AAG and 0.5 LA, and each FY thereafter.

Commerce will be billed for non-Seattle rates:

FY 2024: \$3,000 for 0.01 AAG and 0.01 LA, and each FY thereafter.

## 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.*

Attorney General's Office (AGO) Agency Assumptions:

This bill is assumed effective 90 days after the end of the 2023 legislative session.

Location of staffing housed is assumed to be in a non-Seattle and statewide office buildings.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 (MA), is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 FTE for a Legal Assistant 3 (LA) and 0.25 FTE of an MA.

1. The AGO Washington State University (AGO-WSU) Division has reviewed this bill and determined the following impact related to the enactment of this bill:

The enactment of this bill will impact the provision of legal services to the Washington State University (WSU). AGO-WSU assumes there will be some legal services required under Section 305 conducting a least-conflict pumped storage siting process for Washington State.

AGO-WSU's total FTE workload impact for non-Seattle rate:

FY 2024: \$3,000 for 0.01 AAG and 0.01 LA.

FY 2025: \$3,000 for 0.01 AAG and 0.01 LA.

2. The AGO Ecology (ECY) Division has reviewed this bill and determined the following impact related to the enactment of this bill:

The enactment of this bill would entail a new workload for ECY in several different areas. First, an ECY AAG would need to provide advice to the new clean energy siting coordinating council as it performs the work required by the bill. Second, an ECY AAG would need to provide advice to the Department of Ecology (Ecology) regarding specific clean energy projects that are proposed under this bill's new permitting process. Third, an ECY AAG will need to advise Ecology as it completes the programmatic Environmental Impact Statements (EIS) required by this bill. Finally, an ECY AAG will need to handle any appeals of Ecology permit decisions made under the new process for clean energy facilities. The Ecology's fiscal note for the bill estimates approximately 30 new energy projects will be proposed under this bill each biennium. Each such project will likely be complex and present a wide variety of legal issues. The Ecology's fiscal note estimates a need to hire approximately 25 new staff to implement this bill. Based on Ecology's assumption that approximately 30 new projects will

be proposed under this bill each biennium, or 15 projects per FY, ECY’s estimated AAG FTE workload in FY 2024 is as follows: 0.1 FTE to advise the coordinating council; 0.3 FTE to advise Ecology regarding specific projects under this bill (assuming 15 projects per FY); 0.1 FTE to advise Ecology regarding the programmatic EISs required by this bill; and 0.5 FTE for litigation costs (assuming approximately two new appeals per FY).

Advice requests will likely diminish over time, but litigation will likely increase as projects work through the process and get appealed. In FY 2025 ECY’s estimated workload is: 0.3 FTE to advise clean energy projects; 0.1 FTE to advise the programmatic EISs; and 0.6 FTE for litigation costs for Ecology appeals; and no legal assistance for the coordinating council.

ECY assumes the following workload in FY 2026: 0.3 FTE to advise projects; no legal assistance for the programmatic EISs (which should be finished after two years); and 0.7 FTE for litigation costs for Ecology appeals (assuming 2 Ecology appeals per FY).

ECY’s total FTE workload impact for non-Seattle rates:

FY 2024: \$257,000 for 1.0 AAG and 0.5 LA, and each FY thereafter.

3. The AGO Agriculture and Health Division (AHD) has reviewed this bill and determined the following assumptions related to the enactment of this bill:

The enactment of this bill will not impact the provision of legal services by AHD to the Department of Archaeology and Historic Preservation (DAHP) because DAHP’s participation on the interagency clean energy siting coordinating council created in Section 101 is not expected to generate requests for legal services.

The enactment of this bill will not impact the provision of legal services by AHD to the Washington State Department of Agriculture (WSDA) because WSDA’s participation on the interagency clean energy siting coordinating council created in Section 101 is not expected to generate requests for legal services.

The enactment of this bill will impact the provision of legal services by AHD to the Department of Commerce (Commerce). AHD assumes there will be legal services required relating to: Commerce’s work under Sections 202 and 203; developing the application for designation as a clean energy project of statewide significance and reviewing applications; and Commerce co-chairing the interagency clean energy siting coordinating council created in Section 101.

AHD’s total FTE workload impact for non-Seattle rates:

FY 2024: \$3,000 for 0.01 AAG and 0.01 LA, and each FY thereafter.

The AGO’s total FTE workload for non-Seattle rates:

FY 2024: \$263,000 for 1.02 AAG and 0.52 LA.

FY 2025: \$263,000 for 1.02 AAG and 0.52 LA.

FY 2026: \$260,000 for 1.01 AAG and 0.51 LA, and each FY thereafter.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
405-1	Legal Services	State	263,000	263,000	526,000	520,000	520,000
	Revolving Account						
<b>Total \$</b>			263,000	263,000	526,000	520,000	520,000

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.8	1.8	1.8	1.8	1.8
A-Salaries and Wages	174,000	174,000	348,000	344,000	344,000
B-Employee Benefits	57,000	57,000	114,000	112,000	112,000
E-Goods and Other Services	30,000	30,000	60,000	60,000	60,000
G-Travel	2,000	2,000	4,000	4,000	4,000
<b>Total \$</b>	<b>263,000</b>	<b>263,000</b>	<b>526,000</b>	<b>520,000</b>	<b>520,000</b>

**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
Assistant Attorney General	118,700	1.0	1.0	1.0	1.0	1.0
Legal Assistant 3	55,872	0.5	0.5	0.5	0.5	0.5
Management Analyst 5	91,524	0.3	0.3	0.3	0.3	0.3
<b>Total FTEs</b>		<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>

**III. D - Expenditures By Program (optional)**

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Agriculture & Health Division (AHD)	3,000	3,000	6,000	6,000	6,000
Ecology Division (ECY)	257,000	257,000	514,000	514,000	514,000
Washing State University Division (WSU)	3,000	3,000	6,000		
<b>Total \$</b>	<b>263,000</b>	<b>263,000</b>	<b>526,000</b>	<b>520,000</b>	<b>520,000</b>

**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

<b>Bill Number:</b> 1216 S HB	<b>Title:</b> Clean energy siting	<b>Agency:</b> 355-Department of Archaeology and Historic Preservation
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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	1.1	1.1	1.1	1.1	1.1
<b>Account</b>					
General Fund-State 001-1	340,451	136,476	476,927	272,952	272,952
<b>Total \$</b>	<b>340,451</b>	<b>136,476</b>	<b>476,927</b>	<b>272,952</b>	<b>272,952</b>

### 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: Dan Jones	Phone: 360-786-7118	Date: 02/11/2023
Agency Preparation: Diann Lewallen	Phone: 360-407-8121	Date: 02/13/2023
Agency Approval: Diann Lewallen	Phone: 360-407-8121	Date: 02/13/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/15/2023



## 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 101 requires the Department of Archaeology and Historic Preservation (DAHP) to participate in the new Interagency Clean Energy Siting Coordinating Council (CESCC). DAHP anticipates needing .1 FTE of an exempt position to attend and participate in meetings of the coordinating council.

Section 102 of the substitute bill clarifies the responsibilities of the CESCC to include support for DAHP and other agencies to develop and provide training to project developers on consultation and engagement processes. This section also clarifies the responsibilities of the CESCC to include support to DAHP in updating the statewide predictive archaeological model which would provide information to project developers about where archaeological resources are likely to be found and the potential need for investigation. DAHP would incur a one-time cost to update the statewide predictive archaeological model.

Section 209 requires the Department of Ecology (ECY) to engage in a preapplication process that includes notification to and an offer to discuss the project with DAHP.

Section 305 requires DAHP to provide information regarding the federally recognized Indian tribes that would need to be contacted and that agencies would need to offer consultation in the event that any project development permit applications were to proceed.

DAHP anticipates an increased need for coordination with other agencies and tribes on cultural resources, archaeological sites, and sacred sites. The Governor's budget proposes 1 FTE for this work. That proposed funding would be sufficient to meet the staffing needs identified in this bill if the legislature chooses to fund it.

### 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.*

It is assumed DAHP will need 1 FTE Commerce Specialist 4 to attend meetings of the interagency clean energy siting coordinating council, coordinate with other agencies and tribes on cultural resources, and ensure that a cultural resource survey design and methodology are appropriate for the environmental area being considered.

A Commerce Specialist 4 makes \$82,896 per year (assumed step L) with related benefits estimated at \$29,056 at current benefits rates. Goods and services are estimated at \$6,068 per year and include communications, payroll processing, training, and other staff costs. Estimates include some travel at the low cost per diem rates totaling \$5,254 per year. Also included is one-time equipment costs for furniture and computers totaling \$3,477 in fiscal year 2024.

It is also assumed DAHP will need .1 FTE of an exempt position such as the agency executive director or deputy director to participate in meetings of the Interagency Clean Energy Siting Coordinating Council. The assumed salary is \$97,632 per year x .1 FTE for a total of \$9,763 plus related benefits totaling \$3,174 at current benefits rates. Goods and services are estimated at \$889 per year and include communications, payroll processing, training, and other staff costs. Estimates include some travel at the low cost per diem rates totaling \$175 per year.

It is assumed DAHP will also need to contract with Bellevue College to assist with updating the statewide predictive archaeological model. Further analysis is needed but the one-time cost is estimated at \$200,000 in FY 24. DAHP does not have enough internal resources to update the model without additional funding.

**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	340,451	136,476	476,927	272,952	272,952
<b>Total \$</b>			340,451	136,476	476,927	272,952	272,952

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.1	1.1	1.1	1.1	1.1
A-Salaries and Wages	92,659	92,659	185,318	185,318	185,318
B-Employee Benefits	32,230	32,230	64,460	64,460	64,460
C-Professional Service Contracts	200,000		200,000		
E-Goods and Other Services	6,656	6,158	12,814	12,316	12,316
G-Travel	5,429	5,429	10,858	10,858	10,858
J-Capital Outlays	3,477		3,477		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	340,451	136,476	476,927	272,952	272,952

**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
Commerce Specialist 4	82,896	1.0	1.0	1.0	1.0	1.0
Exempt	97,632	0.1	0.1	0.1	0.1	0.1
<b>Total FTEs</b>		1.1	1.1	1.1	1.1	1.1

**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

<b>Bill Number:</b> 1216 S HB	<b>Title:</b> Clean energy siting	<b>Agency:</b> 461-Department of Ecology
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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
FTE Staff Years	26.5	26.5	26.5	20.7	20.7
<b>Account</b>					
Climate Commitment Account-State 26C-1	6,524,116	6,724,116	13,248,232	6,708,838	6,708,838
<b>Total \$</b>	6,524,116	6,724,116	13,248,232	6,708,838	6,708,838

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

### 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: Dan Jones	Phone: 360-786-7118	Date: 02/11/2023
Agency Preparation: Jessica Moore	Phone: 360-529-7583	Date: 02/15/2023
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/15/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 02/16/2023

## 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 differences between HB 1216 and SHB 1216 are as follows:

Section 102 duties are added to the Coordinating Council. The annual report due date is changed from July 1, 2024, to October 1, 2024.

Section 202 from the previous bill is removed and now section 203 is section 202 and section 204 is section 203.

Section 205 from the previous bill is removed and now section 206 is section 204. The requirement of coordination with the clean energy navigators from Commerce is removed. The clean energy coordinated permitting process is opened to any project that does not use the EFSEC process.

Section 207 becomes section 205. The requirement to be a project of statewide significance to use the coordinated permitting process is removed, and any clean energy project proponent may request an initial assessment from Ecology.

Section 208 becomes section 206. A few requirements for meeting the eligibility criteria to participate in the fully coordinated permit process are changed.

Section 209 becomes section 207. For projects eligible for the coordinated permitting process, a few elements of how cities and counties would enter into an agreement with Ecology for expediting the completion of projects are changed.

Section 210 becomes section 208. Project proponents would be required to enter into a cost reimbursement agreement with Ecology for the coordinated permitting process.

Section 211 becomes section 209. Ecology would be required to consult with all affected federally recognized Indian tribes at the earliest possible date and throughout the coordinated permit process. This includes Ecology notifying and offering to discuss projects with the Department of Archaeology and Historic Preservation, the Department of Fish and Wildlife, and all affected federally recognized Indian tribes.

Section 212 becomes section 210.

Section 301 removes language on mitigation from the section on SEPA for more consistency with SEPA rules.

Section 302 changes the programmatic EIS to nonproject EISs for designated clean energy projects and collocated battery energy storage projects. The non project EIS for solar energy projects located in the Columbia basin is removed and changed to statewide. A nonproject EIS for onshore utility-scale wind energy projects is added. Battery storage is added to solar and green hydrogen energy projects. The elements for what Ecology would be required to consider for the scope of a nonproject EIS is changed. The entities that Ecology would be required to request input from is changed. Ecology would be required to offer early and meaningful consultation with any affected federally recognized Indian tribe on the nonproject reviews. Ecology would be required to include maps identifying probable, significant adverse environmental impacts for the resources evaluated in any final nonproject environmental review documents for clean energy projects. The interagency clean energy siting coordination council created under section 101 of this bill would be required to consider the findings and make recommendations to the legislature and governor.

A new section 305 is added that would remove the authority for a county to require an application for or the acquisition for a grading permit or any other ministerial or discretionary permit for the activities listed in the bill associated with a renewable energy project.

Section 305 becomes section 306.

A new section 307 is added that would outline new duties for the Department of Commerce to consult with stakeholders on benefits and impacts from changes to the state's energy system and identify risks for rural communities.

A new section 308 would change the title of the joint committee on energy supply and energy conservation, to the joint committee on energy supply, energy conservation, and energy resilience.

A new section 309 would amend RCW 44.39.012 and 2005 c 299 s 4 that would add definitions.

A new section 310 would add issues that the joint committee on energy supply, energy conservation, and energy resilience would be required to review. Section 310 would expire on June 30, 2025.

The changes to section 302 would result in a change in the fiscal impact to Ecology.

Under current law, there are 41 potential different permits that the Department of Ecology (Ecology) can provide for a clean energy project.

This bill would amend sections in RCW 44.39.010 and 44.39.012, add new sections to chapter 43.21C RCW, chapter 36.70B RCW, chapter 36.01 RCW, and Title 43 related to siting and permitting for new clean energy projects.

Section 101 would establish an Interagency Clean Energy Siting Coordinating Council (Coordinating Council) co-led by Ecology and the Department of Commerce (Commerce) with participation from Washington State's Office of the Governor, Energy Facility Site Evaluation Council (EFSEC), Department of Fish and Wildlife (DFW), Department of Agriculture (Agriculture), Office of Indian Affairs, Department of Archaeology and Historic Preservation (DAHP), Department of Natural Resources (DNR), Department of Transportation (DOT), Utilities and Transportation Commission (UTC), Office of Regulatory Innovation and Assistance (ORIA), and other agencies invited by Commerce and Ecology on an ad hoc basis. Ecology and Commerce would be required to assign staff to lead work and provide updates to the governor and legislature.

Section 102 would require the newly established Coordinating Council to complete the tasks as outlined in the bill. An annual report to the governor and legislature would be due starting October 1, 2024. Ecology would also be required to advise Commerce in contracting for an evaluation of state agency siting and permitting processes and requirements to be done by July 1, 2024. Ecology would be required to pursue development of a consolidated clean energy application, with a report due to the governor and legislature by December 31, 2024. Ecology would be required to make recommendations to the legislature on developing a consolidated permit for clean energy by October 1, 2024.

Section 202 would require Commerce to develop an application for the designation of clean energy projects as clean energy projects of statewide significance. Section 203 would require Commerce to determine whether to designate an applicant's project as a clean energy project of statewide significance within 60 days.

Section 204 would require Ecology to establish and lead a coordinated permitting process for clean energy projects that do not apply to EFSEC under chapter 80.50 RCW. Ecology would be required to serve as a central point of contact, coordinate with the applicant, state agencies, and local agencies, conduct an initial assessment of the proposed project review and permitting actions, ensure that project proponents are informed, facilitate communication between project proponents and agency staff, verify process steps are complete, assist in resolving conflict or inconsistency, consult with federally recognized tribes, engage with potentially affected overburdened communities, manage a fully coordinated permitting process, and coordinate with local jurisdictions.

Section 205 would require Ecology to conduct an initial assessment within 60 days of a request from a proponent of a clean energy project to determine the level of coordination necessary with consideration to complexity, size, and need for assistance. The assessment would be required to be documented in writing and provided to the project proponent and the public.

Section 206 would require Ecology to lead and establish a fully coordinated permitting process as outlined in the bill. Ecology would be required to convene a work plan meeting within 30 days, or longer with agreement of the project proponent, attended by the project proponent, Commerce, and participating permit agencies to develop a coordinated permitting process schedule. Ecology would be required to notify any relevant federal agency or federally recognized Indian tribe of the meeting date and invite them to participate in the process. Upon completion of the meeting, Ecology would be required to finalize the schedule and share it in writing with the project proponent, participating state agencies, lead agencies as identified under chapter 42.21C RCW, cities and counties subject to an agreement as specified under section 209 of this bill, and the public. Ecology would be required to notify all parties of adjustments to the schedule and if necessary, convene another work plan meeting.

Section 207 would provide a process for local governments to enter into agreements with Ecology and project proponents to expedite the completion of projects.

Section 208 would require project proponents to enter into a cost-reimbursement agreement with Ecology to cover the cost of Ecology and other agencies in carrying out a fully coordinated permitting process.

Section 209 would require Ecology to offer early, meaningful, and individual consultation with any affected federal recognized Indian tribe on designated clean energy projects using the coordinated permitting process. Ecology would be required to engage in consultation with all affected federally recognized Indian tribes at the earliest possible date and throughout the process. Ecology would be required to notify and offer to discuss the project with the DAHP, DFW, and all affected federally recognized Indian tribes with the elements required by the bill. Ecology would be required to keep any summaries of tribal issues, questions, concerns or other statements regarding a project in the official project files for any coordinated permitting process. Ecology would be required to identify overburdened communities that may be potentially affected by a project and verify they have been meaningfully engaged.

Section 301 would add a new section to Chapter 43.21C RCW to require a lead agency under the State Environmental Policy Act (SEPA) to notify an applicant if there is an anticipated finding of significance for a project. If an environmental impact statement (EIS) is required, it would be required to be completed within 24 months and a timeline prepared.

Section 302 would add a new section to Chapter 43.21C RCW to require Ecology to prepare three nonproject EISs for green electrolytic or renewable hydrogen, utility-scale solar energy, and onshore utility-scale wind projects using the results of the least conflicting mapping done there. This would be evaluated statewide and include battery storage systems. The scope would be required to include opportunities for engaging with Tribes, overburdened communities, and stakeholders. Ecology would be required to offer early and meaningful consultation with any affected federally recognized Indian tribe on the nonproject review. Ecology would be required to include maps identifying probable, significant adverse environmental impacts for the resources evaluated in any final nonproject environmental review documents for clean energy projects. The interagency clean energy siting coordination council created under section 101 of this bill would be required to consider the findings and make recommendations to the legislature and governor.

Section 303 would add a new section to Chapter 43.21C RCW to require the lead agency performing a SEPA review use the nonproject EIS.

Section 304 would add a new section to Chapter 36.70B RCW to remove the requirement for an applicant for a clean energy project to demonstrate a need or utility of the project.

Section 305 would add a section to chapter 36.01 RCW (general provisions for counties) that would remove the authority

for a county to require an application for the acquisition of a grading permit or any other ministerial or discretionary permit for the activities listed in the bill associated with a renewable energy project.

Section 306 would require Washington State University to conduct a least conflict mapping study for pumped storage sites in Washington state by June 30, 2025.

Section 307 would outline new duties for the Department of Commerce.

Section 308 would amend RCW 44.39.010 and 2005 c 299 s 1 to change the title of the joint committee on energy supply and energy conservation, to the joint committee on energy supply, energy conservation, and energy resilience.

Section 309 would amend RCW 44.39.012 and 2005 c 299 s 4 to add definitions.

Section 310 would add issues that the joint committee on energy supply, energy conservation, and energy resilience would be required to review. Section 310 would expire on June 30, 2025.

## **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 is indeterminate for future cost reimbursement agreements under section 208.

Ecology assumes we would enter into cost reimbursement agreements with project proponents to cover costs in carrying out permitting process requirements as specified in section 208. Future cost reimbursement agreements are unknown; therefore, the cash receipts are indeterminate (General Fund Private/Local).

## **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 Fiscal Year (FY) 2024 and ongoing to implement the requirements of sections 101, 102, 204, 205, 206, 207, 208, 209, 301, and 302. In addition, there are indeterminate expenditures for future cost reimbursement agreements under section 208.

Note: The Governor's 2023-25 proposed operating budget includes funding for some of the requirements of this bill as follows:

- Clean Energy Permitting \$6,308,000 and 19.5 FTEs (CEP Clean Energy Permitting)
- Programmatic EIS for Green Hydrogen \$2,000,000 and 2.3 FTEs (CE1 Green Hydrogen Projects) and Programmatic EIS for Solar Energy in the Columbia Basin \$996,000 and 1.6 FTEs (CE2 Solar Energy Projects)

Expenditures are estimated in the Climate Commitment Account consistent with the Governor's proposed budget.

Expenditures to co-lead the Council (\$217,938 and 1.2 FTE in FY 2024 and ongoing), conduct a nonproject EIS for Utility-scale Onshore Wind Energy (\$1,725,026 and 1.7 FTEs in 2023-25), and additional costs due to the increased scope of the nonproject EIS for green hydrogen and solar energy are not included in the Governor's budget.

## **Section 101 and 102 Interagency Clean Energy Siting Coordinating Council**

Ecology assumes that co-leading the Interagency Clean Energy Siting Coordinating Council with Commerce would require staff to participate in the council, provide updates to the Governor and legislature, provide input and help with the annual report, advise on contracting for an evaluation of the state agency siting and permitting processes and requirements, and participate in workgroups or advisory committees. In addition, Ecology would make recommendations for developing a



consolidated permit for clean energy and pursue the development of a consolidated clean energy application. Ecology estimates that this work would require 1.0 FTE WMS 2 starting in FY 2024 and ongoing to serve in the lead role for the agency.

Ecology assumes that 2.0 FTE Environmental Planner 4 identified below under “permit coordinators” would support this position in all the work necessary to track, facilitate, and coordinate all the work at Ecology required by this bill.

#### Sections 204, 205, 206, 207, 208, 209, 301 Clean Energy Permitting

Ecology assumes that many of the new clean energy projects will be processed through EFSEC, but because clean energy projects can choose to opt-in to the EFSEC process, some projects will be permitted by Ecology. Ecology staff contract with EFSEC to provide the technical review and permit writing functions that EFSEC requires for its own process. For projects not using the EFSEC process, Ecology would be the lead for issuing the permit and conducting a technical review. Permits and environmental review for energy and manufacturing projects are traditionally highly complex permits. The permit process for such projects is also complex, needing to meet many federal, state, and local requirements, while engaging the public, Tribes, interested parties, and communities in the process. The analysis and documentation required is resource intensive.

Ecology assumes that to meet the requirements of this bill additional permit writers for the expedited permitting of clean energy projects and “process coordinators” to further assist in efficient processing of permits would be needed. New staff would perform the following functions:

A team of Clean Energy Permit Writers are needed for proposals requiring permits in the following areas: NPDES/water quality, air quality, water rights, Section 401, CZM, wetlands and shorelands. Staff would conduct direct, expedited review of proposals requiring Ecology permits and provide the necessary technical assistance for proposals following the EFSEC process.

SEPA project managers would guide and complete environmental reviews either as lead SEPA agency, or through technical assistance to EFSEC and local government. In addition, staff would provide technical assistance and customer support to cities and counties to support inclusive, thorough analysis and engagement for clean energy planning.

Permit coordinators would aid applicants throughout the coordinated permit process led by Ecology.

Ecology would support the development of nonproject EISs and planned actions to identify, evaluate, and address potential impacts for possible sites and/or types of clean energy projects. The more comprehensive the environmental analysis is during the planning stage, the less review is needed during individual project review. In the case of planned actions, the review is already done. Projects would be able to use the analysis already done and conduct additional analysis for environmental issues not addressed during the planning stage. Prior review can result in significant time savings if the review was done in the recent past, thoroughly assessed impacts, and/or if the project is on preidentified build-ready sites.

Based on an estimate of 30 clean energy projects per biennium and recognizing that each kind of project would trigger different permit/review needs, Ecology would require ongoing funding for 19.6 FTEs and support from the Attorney General’s Office (AGO) to manage this new workload identified in sections 204, 205, 206, 207, 208, 209, and 301 as follows:

Permit Coordinators: Ecology assumes that staff would be needed to support the co-lead to the council and the work that is required under section 101 and 102, as well as to track, facilitate, and coordinate all the work at Ecology. Therefore, Ecology estimates 2.0 FTE Environmental Planner 4 to serve as coordinators on contracts, interagency agreements, and cost reimbursement agreements, organize pre-application meetings with applicants, assist with Tribal consultation, communications and outreach, ensure HEAL act requirements are followed (as applicable), identify and address

environmental justice issues, coordinate with EFSEC and other state, federal, and local agencies, and serve as agency leads to coordinate across the program and with regional planners as needed.

State Environmental Policy Act (SEPA): Ecology assumes that Ecology will be SEPA lead or co-lead on some proposals. Ecology further assumes that under WAC 197-11-938, if EFSEC is not lead, for a project with one million gallons of liquid fuel or more, Ecology would be the lead. Examples of this type of project could include biofuel and green hydrogen. Therefore, Ecology estimates that 1.0 FTE Environmental Planner 5 and 1.0 FTE Environmental Planner 4 would be needed to coordinate and lead the SEPA process when Ecology is SEPA lead or co-lead agency, including more controversial and complex projects.

Section 401 Water Quality and or Coastal Zone Management (CZM) Consistency: Ecology assumes that a Section 401 Water Quality project would need a federal permit, that a CZM Consistency permit would be needed for some projects, and that wetland review would be required if the proposal impacts wetlands. Therefore, Ecology estimates that 1.0 FTE Environmental Specialist 5 and 1.0 FTE Environmental Specialist 4 would be needed to complete permits for Section 401 Water Quality and/or CZM Consistency, wetlands review, and shoreline permitting.

Nonproject Environmental Impact Statements (EIS): Ecology assumes that separate funding for local governments, communities, and tribes to participate in the planning process would be needed. Ecology further assumes that there would be planning efforts where a nonproject EIS or planned action would be conducted and Ecology would provide support or lead the environmental review. Therefore, Ecology estimates that 1.0 FTE Environmental Planner 5 and 1.0 FTE Environmental Planner 4 would be needed to lead the nonproject EIS work on clean energy siting, to provide SEPA technical assistance and customer support, and to conduct outreach.

Water Rights Permits: Ecology assumes that water will likely be needed for some projects. Ecology estimates that the level of effort required on a permit will depend on regulated status of the water body in question, the total volume of water needed, and whether the water is consumptive. Ecology further assumes that permits would require ongoing maintenance. Therefore, Ecology estimates that 1.0 FTE Environmental Specialist 5 and 1 FTE Hydrogeologist 3 would be necessary to complete and maintain permits for water rights, either new or changed.

Construction Stormwater Permits and other General NPDES Permits: Ecology assumes that projects will need coverage under the construction stormwater permit and other general NPDES permits. Ecology further assumes that individual NPDES or state permits are also likely due to the use of water in processes and that the individual permit writer to permit ratio recommended would be at = 1:10 due to higher level of service necessary under this bill. Therefore, Ecology estimates that 1.0 FTE Environmental Specialist 4 and 3 FTE Environmental Engineer 5 would be necessary to expedite general permit administration and coordinate with Ecology and EFSEC.

Air Quality Permits: Ecology assumes that the work required by this bill would involve significant air permitting, including Prevention of Significant Deterioration permits, Air Operating permits, and Notice of Construction permits. Therefore, Ecology estimates that 2.5 FTE Environmental Engineer 3 and 0.50 FTE Natural Resource Scientist 4 would be necessary to complete the permits required.

In consultation with the AGO, Ecology assumes that AGO support is necessary to complete the work required by this bill. Therefore, consistent with the AGO, Ecology estimates a need for 1.0 AAG FTE at a cost of \$257,000 in FY 2024 and ongoing to advise Ecology on implementation of expected permitting process, specific permitting questions, and to represent Ecology in legal challenges and appeals.

#### Section 208 Cost Reimbursement Agreements

Ecology assumes we would enter into cost reimbursement agreements with project proponents to cover costs in carrying out permitting processes as specified in section 208. Future cost reimbursement agreements are unknown; therefore, the

expenditures are indeterminate (General Fund Private/Local).

### Section 301 SEPA Changes

Section 301 would add a new section to Chapter 43.21C RCW to require a lead agency under the State Environmental Policy Act (SEPA) to notify an applicant if there is an anticipated finding of significance for a project. If an environmental impact statement (EIS) is required, it would be required to be completed within 24 months and a timeline prepared. Ecology assumes that this change would not require an amendment to Ecology's rules at WAC 197-11-800. Ecology assumes that the statutory changes include definitions and provides additional clarifications to SEPA review processes that apply specifically to clean energy projects. Ecology assumes that these changes can be implemented without requiring further clarification in rule.

### Section 302 Nonproject Environmental Impact Statements

Section 302 would add a new section to Chapter 43.21C RCW to require Ecology to prepare one nonproject EIS each for green electrolytic and renewable hydrogen, utility-scale solar energy, and onshore utility-scale wind projects. The EIS would evaluate statewide and include co-located battery storage systems. The scope would be required to include opportunities for engaging with Tribes, overburdened communities, and stakeholders. Ecology would be required to offer early and meaningful consultation with any affected federally recognized Indian tribe on the nonproject review. Ecology would be required to include maps identifying probably, significant adverse environmental impacts for the resources evaluated in any final nonproject environmental review documents for clean energy projects. The interagency clean energy siting coordination council created under section 101 of this bill would be required to consider the findings and make recommendations to the legislature and governor.

Nonproject Environmental Impact Statement (EIS) for Green Hydrogen: Based on previous experience, Ecology assumes that this EIS will require 24 months. Ecology estimates that 1.0 FTE Environmental Planner 5 and 1.0 FTE Environmental Planner 4 in FY 2024 and FY 2025 would be required to perform a gap analysis to identify typical requirements for siting green hydrogen, conduct a EIS with statewide analysis based on the needs for the project sites to cover potential impacts and mitigation. Ecology estimates that \$800,000 in FY 2024 and \$1,000,000 in FY 2025 would be required for a contract with a consultant to manage meetings, manage comments, and prepare a report. Ecology further estimates that \$200,000 each year in FY 2024 and FY 2025 would be needed to fund state interagency agreements for work by multiple experts from other state agencies, based on potential impacts. Ecology assumes that the gap analysis required for a PEIS could be completed using information from Commerce and EFSEC, and funding identified above. Ecology also assumes that funding for Tribes, communities, and local government participation, through grants/other funding, would not be included in Ecology's costs. Therefore, no estimate is made for their participation in this effort.

Nonproject EIS for Solar Energy: Based on previous experience, Ecology assumes that this EIS will require 24 months. Ecology estimates that 1.0 FTE Environmental Planner 5 and 0.50 FTE Environmental Planner 4 in FY 2024 and FY 2025 would be required to perform a gap analysis to identify typical requirements for siting, conduct a EIS with statewide analysis based on the needs for the project sites to cover potential impacts and mitigation. Ecology estimates that \$600,000 in FY 2024 and FY 2025 would be required for a contract with a consultant to manage meetings, manage comments, and prepare a report. Ecology further estimates that \$100,000 each year in FY 2024 and FY 2025 would be needed to fund state interagency agreements for work by multiple experts from other state agencies, based on potential impacts. Ecology also assumes that funding for Tribes, communities, and local government participation, through grants/other funding, would not be included in Ecology's costs. Therefore, no estimate is made for their participation in this effort.

Nonproject EIS for Utility-scale Onshore Wind Energy: Based on previous experience, Ecology assumes that this EIS will require 24 months. Ecology estimates that 1.0 FTE Environmental Planner 5 and 0.50 FTE Environmental Planner 4 in FY 2024 and FY 2025 would be required to conduct an EIS with statewide analysis based on the needs for the project sites to

cover potential impacts and mitigation. Ecology estimates that \$500,000 in FY 2024 and \$500,000 in FY 2025 would be required for a contract with a consultant to manage meetings, help develop a scope of study, analyze potential impacts, develop mitigation, manage comments, prepare scoping, and complete draft and final reports. Ecology further estimates that \$100,000 each year in FY 2024 and FY 2025 would be needed to fund state interagency agreements for work by multiple experts from other state agencies, based on potential impacts. Ecology also assumes that funding for Tribes, communities, and local government participation, through grants/other funding, would not be included in Ecology's costs. Therefore, no estimate is made for their participation in this effort.

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

Sections 101 and 102 for Co-Leading Interagency Clean Energy Siting Coordinating Council  
FY 2024 and ongoing: \$217,938 and 1.2 FTEs

Sections 102, 204, 205, 206, 207, 208, 209, 301 to support the Co-lead for the Interagency Clean Energy Siting Coordinating Council, establish and lead a clean energy permitting process for projects, carry out cost-reimbursement agreements, consult with affected federal recognized Indian tribes, and provide support for the SEPA process, serve as SEPA lead agency, and carry permitting requirements.  
FY 2024 and ongoing: \$3,136,481 and 19.6 FTEs

Section 302 Nonproject EIS for Green Hydrogen is estimated to require:  
FY 2024: \$1,334,621 and 2.3 FTEs  
FY 2025: \$1,544,621 and 2.3 FTEs

Section 302 Nonproject EIS for Solar Energy in the Columbia Basin is estimated to require:  
FY 2024: \$962,538 and 1.7 FTEs  
FY 2025: \$962,538 and 1.7 FTEs

Section 302 Nonproject EIS for Onshore Wind Energy is estimated to require:  
FY 2024: \$862,538 and 1.6 FTEs  
FY 2025: \$862,538 and 1.6 FTEs

The TOTAL Expenditure impact to Ecology under this bill is estimated to be:  
FY 2024: \$6,524,116 and 26.45 FTEs  
FY 2025: \$6,724,116 and 26.45 FTEs  
FY 2026 and ongoing: \$3,354,419 and 20.7 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.

Contracts includes \$1,900,000 in FY 2024 and \$2,100,000 in FY 2025 for consultant participation in the programmatic EIS's required under section 302.

Goods and Services are the agency average of \$5,224 per direct program FTE. Goods and Services also includes AGO costs of \$257,000 in FY 2024 and ongoing, and \$400,000 in FY 2024 and FY 2025 for interagency agreements with other state agencies in the PEIS's required under section 302.

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
26C-1	Climate Commitment Account	State	6,524,116	6,724,116	13,248,232	6,708,838	6,708,838
<b>Total \$</b>			6,524,116	6,724,116	13,248,232	6,708,838	6,708,838

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

### III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	26.5	26.5	26.5	20.7	20.7
A-Salaries and Wages	2,162,934	2,162,934	4,325,868	3,377,148	3,377,148
B-Employee Benefits	778,657	778,657	1,557,314	1,215,774	1,215,774
C-Professional Service Contracts	1,900,000	2,100,000	4,000,000		
E-Goods and Other Services	777,152	777,152	1,554,304	702,064	702,064
G-Travel	35,951	35,951	71,902	56,270	56,270
J-Capital Outlays	23,715	23,715	47,430	37,118	37,118
9-Agency Administrative Overhead	845,707	845,707	1,691,414	1,320,464	1,320,464
<b>Total \$</b>	6,524,116	6,724,116	13,248,232	6,708,838	6,708,838

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

### 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
ENVIRONMENTAL ENGINEER 3	98,592	2.5	2.5	2.5	2.5	2.5
ENVIRONMENTAL ENGINEER 5	108,804	3.0	3.0	3.0	3.0	3.0
ENVIRONMENTAL PLANNER 4	89,292	6.0	6.0	6.0	4.0	4.0
ENVIRONMENTAL PLANNER 5	98,592	5.0	5.0	5.0	2.0	2.0
ENVIRONMENTAL SPEC 4	73,260	2.0	2.0	2.0	2.0	2.0
ENVIRONMENTAL SPEC 5	80,952	2.0	2.0	2.0	2.0	2.0
FISCAL ANALYST 2		2.3	2.3	2.3	1.8	1.8
HYDROGEOLOGIST 3	87,144	1.0	1.0	1.0	1.0	1.0
IT APP DEV-JOURNEY		1.2	1.2	1.2	0.9	0.9
NAT RESOURCE SCIENTIST 4	91,524	0.5	0.5	0.5	0.5	0.5
WMS BAND 2	120,000	1.0	1.0	1.0	1.0	1.0
<b>Total FTEs</b>		26.5	26.5	26.5	20.7	20.7

### 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

<b>Bill Number:</b> 1216 S HB	<b>Title:</b> Clean energy siting	<b>Agency:</b> 477-Department of Fish and Wildlife
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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	2.0	2.0	2.0	2.0	2.0
<b>Account</b>					
General Fund-State 001-1	310,000	310,000	620,000	620,000	620,000
<b>Total \$</b>	310,000	310,000	620,000	620,000	620,000

### 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: Dan Jones	Phone: 360-786-7118	Date: 02/11/2023
Agency Preparation: Tiffany Hicks	Phone: 3609022544	Date: 02/13/2023
Agency Approval: Tiffany Hicks	Phone: 3609022544	Date: 02/13/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 02/13/2023

## 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.*

Differences between SHB 1216 and HB 1216:

Section 209 alters the review process so that DFW staff would engage in regular discussions with Ecology about proposed projects. This replaces the process identified in the original bill, which would have required similar staff time, so the assumptions for this section remain the same.

Section 302 requires Ecology to complete additional Environmental Impact Statements (three instead of one) and to consult DFW on fish, wildlife, and habitat impacts and mitigation. Increased staff capacity would be needed to provide meaningful engagement.

### 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.*

Section 101 requires 0.5 FTE Environmental Planner 3 in fiscal year 2024 and ongoing to serve on the Interagency Clean Energy Siting Coordinating Council, participate in monthly virtual meetings, review written materials, and prepare presentations.

Section 209 requires 0.5 FTE Environmental Planner 3 in fiscal year 2024 and ongoing to review project proposals for habitat and species considerations, and an addition to the review process in this version of the bill for WDFW to engage in regular discussions with Ecology about proposed projects.

Section 302 requires 0.8 FTE Environmental Planner 3 in fiscal year 2024 and ongoing to collect and provide habitat and corridor data for non-project Environmental Impact Statements (EIS), participate in monthly virtual meetings, and review draft materials. EIS workload increased from 1 to 3 in this version of the bill.

Section 305 requires 0.2 FTE Environmental Planner 3 in fiscal year 2024 and ongoing to participate in least-conflict pumped storage process, collect, and provide habitat data, and participate in monthly virtual meetings.

Salaries and benefits total \$221,000 in fiscal year 2024 and ongoing.

Goods and services, Object E, includes \$9,000 per FTE, per year, for WDFW standard costs, which cover an average employee's supplies, communications, training, and subscription costs per year. An infrastructure and program support rate of 33.5% is included in object T and is calculated based on WDFW's federally approved indirect rate.

Total costs are estimated at \$310,000 in FY 2024 and ongoing.



### 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	310,000	310,000	620,000	620,000	620,000
<b>Total \$</b>			310,000	310,000	620,000	620,000	620,000

#### III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.0	2.0	2.0	2.0	2.0
A-Salaries and Wages	161,000	161,000	322,000	322,000	322,000
B-Employee Benefits	60,000	60,000	120,000	120,000	120,000
C-Professional Service Contracts					
E-Goods and Other Services	12,000	12,000	24,000	24,000	24,000
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	77,000	77,000	154,000	154,000	154,000
9-					
<b>Total \$</b>	310,000	310,000	620,000	620,000	620,000

#### 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
ENVIRONMENTAL PLANNER 3	80,952	2.0	2.0	2.0	2.0	2.0
<b>Total FTEs</b>		2.0	2.0	2.0	2.0	2.0

#### 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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1216 S HB	<b>Title:</b> Clean energy siting	<b>Agency:</b> 495-Department of Agriculture
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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	0.5	0.5	0.5	0.5	0.5
<b>Account</b>					
General Fund-State      001-1	102,600	102,600	205,200	205,200	205,200
<b>Total \$</b>	102,600	102,600	205,200	205,200	205,200

### 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: Dan Jones	Phone: 360-786-7118	Date: 02/11/2023
Agency Preparation: Gary Bahr	Phone: (360) 902-1936	Date: 02/16/2023
Agency Approval: Jeannie Brown	Phone: 360-902-1989	Date: 02/16/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 02/16/2023

## 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.*

SHB 1216 is a substitute bill for HB 1216. SHB 1216 amends two additional RCW chapter 44.39 sections 010 and 012, adds an additional section to chapter 36.01 RCW, and provides for an expiration date. This bill is related to clean energy siting projects.

Changes between bill versions:

Section 1 - Statement of Legislative Intent (1) expands language for the protection of tribal rights, interests, and cultural resources within the clean energy siting and permitting process; (3) changes programmatic to non project environmental reviews to minimize impacts; (5) (b) removes the clean energy navigator as a part of the initial assessment process; (5) (c) adds subsection to require a fully coordinated permit process; (5) (d) adds requirements for separate nonproject environmental impact statements on green electrolytic and renewal hydrogen projects, colocated battery energy storage facilities, onshore utility-scale wind energy projects, and colocated battery energy storage facilities. Also expands requirement for nonproject environmental impact statements apply to all solar energy projects statewide and not just those within the Columbia Basin.

Part 1, Sec 102: Expands the responsibilities of the interagency clean energy siting coordinating council to include (1) (f) making available outreach and engagement reports requested of the Governor's office of Indian affairs; (1) (g) support to department of archeology and historic preservation to ensure projects follow archeological and historical site preservation requirements; (2) amends the first annual report due date from July 1, 2024 to October 1, 2024. Section 102 also adds new requirements for the coordinating council to include (A) carrying out the site evaluation consistent with the energy facility site evaluation council permitting process authorized in chapter 80.50 13 RCW; (B) identify successful models used in other states to include state and local government build ready sites; (C) (b) make available the consolidated permitting application process.

Part 2, Sec 201: changes were made to amend and add new definitions to include battery storage facilities under "associated facilities", "equipment" to include nonemitting electric equipment, adding hydroelectric renewal generation and biomass energy facilities to the definition of "clean energy projects", and expanding the definition of electric transmission facilities.

Sections within Part 2 (Statewide Significance and Coordinated Permitting Process) were removed and all other sections are re-numbered. Section 202 is removed and Sections 203 and 204 are moved up. Section 205 is removed and Sections 206-210 are moved up.

Part 3, Section 302 is modified to include expansion of list of clean energy projects identified in changes elsewhere in Part 2 of this bill.

New Section 305 adds a chapter to 36.01 RCW to include activity specifically not deemed as site development as part of the permitting process.

New Sections 307-310 are added which outline additional outreach, engagement, and reporting requirements for the Department Commerce.

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Substitute bill sections with impacts to WSDA:

Section 102 (2) the first annual report from the coordinating council was changed from July 1, 2024 to October 1, 2024. Under the original bill, WSDA is a member agency on the coordinating council.

Section 307 (1)(a) requires the department of commerce to consult with stakeholders from rural communities, agriculture, natural resource management and conservation, and forestry to gain a better understanding of the benefits and impacts of the anticipated changes in the state's energy system, including the siting of facilities under the jurisdiction of energy facility site evaluation council, and to identify risks and opportunities for rural communities. This section also requires commerce to consult with an array of rural community members to include those involved with agriculture to consider the benefits and impacts of changes in the state's energy system on rural communities. (c) consultation includes two community meetings each year. (2) (a),(d) requires commerce to complete an interim report with input from stakeholders on rural clean energy and resilience that examines the impact of energy projects in rural areas by December 1, 2023 and the final report by December 1, 2024.

In developing this fiscal impact statement, WSDA consulted with Commerce on their rural engagement plan. Commerce anticipates WSDA being involved in the work to engage and involve the rural and agricultural communities impacted by clean energy projects. In the lead agency assumptions, the Department of Ecology estimates approximately 30 clean energy site projects every biennium, approximately 50% of those are expected to be in rural and agricultural communities.

WSDA identified a resource need to manage the new and ongoing work created in the original bill of a part time WMS Bank 2 level position at .10 FTE. WSDA's role and involvement is expanded in the substitute bill, specifically in section 307, to include attending additional stakeholder meetings and coordinating with commerce to engage and work with rural and agricultural communities on up to approximately 15 clean energy sited projects per biennium. WSDA's new ongoing resource needs would increase the number of hours for the WMS 2 position to .50 FTE and to add travel costs. Updated costs for salaries, benefits, supplies, travel, and overhead for a .50 FTE WMS 2 position starting FY 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.*

WSDA does not set, administer, or collect the tax or fee revenue contained in this bill.

**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.*

A WMS2 Manager at 0.50 FTE is needed to fill the duties and requirements of the bill. This position would serve as a member of the council or other ad hoc groups, support all phases of Policy and Science Liaison work with the interagency clean energy siting coordinating council, and, in consultation with commerce, engage with the impacted rural and agricultural communities as it relates to clean energy siting project work. This WSDA staff member would be expected to participate in the siting processes under established time tables, and provide a variety of reports to the Governor and the appropriate committees of the legislature by various deadlines. Lead agency assumptions include monthly meetings and other ad hoc advisory group sessions as needed. Travel is assumed necessary as part of the engagement work.

**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	102,600	102,600	205,200	205,200	205,200
<b>Total \$</b>			102,600	102,600	205,200	205,200	205,200

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5	0.5	0.5	0.5	0.5
A-Salaries and Wages	55,000	55,000	110,000	110,000	110,000
B-Employee Benefits	18,000	18,000	36,000	36,000	36,000
C-Professional Service Contracts					
E-Goods and Other Services	6,900	6,900	13,800	13,800	13,800
G-Travel	4,500	4,500	9,000	9,000	9,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service	300	300	600	600	600
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Admin Overhead	17,900	17,900	35,800	35,800	35,800
<b>Total \$</b>	<b>102,600</b>	<b>102,600</b>	<b>205,200</b>	<b>205,200</b>	<b>205,200</b>

**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
WMS 2 Program Manager	110,000	0.5	0.5	0.5	0.5	0.5
<b>Total FTEs</b>		<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>

**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

No capital impacts.

**Part V: New Rule Making Required**

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