

Multiple Agency Fiscal Note Summary

Bill Number: 5039 S SB	Title: Wildfires/electric utilities
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Estimated Cash Receipts

NONE

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
Governor's Office of Indian Affairs	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	.6	185,454	185,454	185,454	.6	185,454	185,454	185,454	.6	185,454	185,454	185,454
Utilities and Transportation Commission	.1	0	0	40,733	.0	0	0	5,730	.0	0	0	5,730
Washington State Patrol	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Natural Resources	3.0	1,159,300	1,159,300	1,159,300	3.2	876,200	876,200	876,200	3.2	876,200	876,200	876,200
Total \$	3.7	1,344,754	1,344,754	1,385,487	3.8	1,061,654	1,061,654	1,067,384	3.8	1,061,654	1,061,654	1,067,384

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Governor's Office of Indian Affairs	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Washington State Patrol	.0	0	0	.0	0	0	.0	0	0
Department of Natural Resources	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Revised fiscal note from the Department of Commerce.

Prepared by: Lisa Borkowski, OFM

Phone:
(360) 742-2239

Date Published:
Revised 2/22/2023

Individual State Agency Fiscal Note

Bill Number: 5039 S SB	Title: Wildfires/electric utilities	Agency: 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:

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: Mahnur Khan	Phone: 360-786-7437	Date: 02/08/2023
Agency Preparation: Seth Flory	Phone: 360-407-8165	Date: 02/09/2023
Agency Approval: Seth Flory	Phone: 360-407-8165	Date: 02/09/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/09/2023

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 Senate Bill 5039, regarding efforts to mitigate the risk of wildfire, tasks the Department of Commerce's Energy Resilience and Emergency Managements Office (EREMO) with contracting a consultant capable of developing a plan and list of recommendations for strengthening wildfire prevention and response. Per the legislation, the DOE should seek input from The Governor's Office of Indian Affairs (GOIA). GOIA expects their involvement in this process to be minimal and without significant cost. Any costs resulting from involvement in this process can be absorbed by the agency, no 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

Revised

Bill Number: 5039 S SB	Title: Wildfires/electric utilities	Agency: 103-Department of Commerce
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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	0.6	0.6	0.6	0.6	0.6
Account					
General Fund-State 001-1	92,727	92,727	185,454	185,454	185,454
Total \$	92,727	92,727	185,454	185,454	185,454

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: Mahnur Khan	Phone: 360-786-7437	Date: 02/08/2023
Agency Preparation: Marla Page	Phone: 360-725-3129	Date: 02/22/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 02/22/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/22/2023

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 the SSB 5039 and the original bill:

Section 2 changes the lead agency from Department of Commerce (department), energy resilience and emergency management office to Department of Natural Resources (DNR) to contract with an independent consultant with experience in developing electric utility wildfire mitigation plans to recommend a format and identify a list of elements to be included in electric utility wildfire mitigation plans and to make public by April 1, 2024, the energy resilience and emergency management office will be consulted by DNR. The bill also removes the requirement for the department to provide technical assistance to consumer-owned and investor-owned utilities in the revision of their plans.

Section 2(4) changes from the department's energy resilience and emergency management office to DNR providing technical assistance to all electric utilities to support inclusion guidelines in the revision of their plans.

Removes Section 2(5) removing the requirement for the department's energy resilience and emergency management office to create a public website to host electric utility wildfire mitigation plans and renumbers sub-sections 6-7 to 5-6

New Section 2(5) changes the requirement from the department's energy resilience and emergency management office to DNR to submit a summary of existing wildfire mitigation plans maintained by electric utilities by December 31, 2024.

New Section 2(6) removed the definition of "Office".

Section 3 removes UTC as the reviewer of the Investor-owned utility (IOU) plans and changes the lead from the department's energy resilience and emergency management office to DNR for the electrical companies to provide a copy of the plan.

Section 4 changes the reviewer from the department's energy resilience and emergency management office to DNR utility wildland fire prevention advisory committee as the reviewer of the COUs plans and changes.

Summary of the SSB 5039:

Section 2(1) a new section added to 76.04 RCW requires DNR in consultation with the department's energy resilience and emergency management office to contract with an independent consultant with experience in developing electric utility wildfire mitigation plans to recommend a format and identify a list of elements to be included in electric utility wildfire mitigation plans and to make public by April 1, 2024. DNR must seek input from the Utilities and Transportation Commission (UTC), the utility wildland fire prevention advisory committee, electric utilities, the state fire marshal, the Governor's Office of Indian Affairs, and the public. By April 1, 2024, DNR must make public a recommended format and a list of elements for plans. DNR may update these guidelines annually if needed, but not more than once in each year.

Section 2(3) requires DNR to forward the recommended format and list of elements developed to UTC, the departments energy resilience and emergency management office and all electric utilities in Washington state for a review period of three months prior to finalizing the format and list of elements that utilities will adopt.

Section 2(5) requires DNR to submit to the appropriate committees of the senate and house of representatives a compilation and summary of existing wildfire mitigation plans maintained by electric utilities by December 31, 2024.

Section 2(6) provides for definitions that apply throughout this subsection unless the context clearly states otherwise.

Section 2(6)(a) defines "Consumer-owned utility" to mean a municipal electric, public, or irrigation district, cooperative or mutual corporation or association that is engaged in the business of distributing electricity to more than one retail electric customer in the state.

Section 2(6)(b) defines "Electric utility" or "electrical company" means a consumer-owned utility or an investor-owned utility.

Section 2(6)(c) defines "Investor-owned utility" to mean a corporation owned by investors and is engaged in distributing electricity to more than one retail electric customer in the state.

Section 3(1) adds a new section to chapter 80.28 RCW and requires each electrical company to review and revise its wildfire mitigation plan, if appropriate, by October 31, 2024 and every three years thereafter.

Section 3(1)(b) requires the electrical company to provide a copy of the plan to DNR along with a list and description of wildland fires within its customer service area over the previous two years as reported by the department of natural resources.

Section 4(1) adds a new section to chapter 19.29A RCW and requires each COU to review and revise its mitigation plan, if appropriate, by October 31, 2024 and every three years thereafter. Each COU is also required to submit their wildfire mitigation plan to DNR for review.

Section 4(2) states two or more abutting COU's may co-develop a wildfire mitigation plan. Wildfire mitigation plans that are codeveloped by more than one utility may identify areas of common implementation that will assist in implementing the identified recommended elements pursuant to section 2 of this act.

Section 5(1)(b) amends RCW 76.04.080 and removes language for "wildfire" and adds "wildland fire" to identify in the development and solutions to issues for wildland fire prevention and risk mitigation.

Section 5(3) requires that DNR will submit a report that includes the appropriate committees of the senate and house of representatives describing the prior biennium proceedings of the advisory committee to include identification of recommended legislation, if any, necessary to prevent wildfires related to electric utilities. The report must be submitted by December 31, 2023 and include: (a) an analysis of the costs and benefits of preparing and maintaining a comprehensive statewide wildland fire risk map that identifies relative risk classes, with detail at a level to assist property owners, local governments, utilities, wildland management agencies, and fire response agencies in taking actions to minimize wildland fire starts and resulting damage. The analysis must include incorporating the boundaries of the wildland urban interface and boundaries of electric utilities' service territories; and (b) recommendations for strengthening state agency coordination of wildland fire risk reduction, prevention, and suppression. In this work the utility wildland fire prevention advisory committee shall seek the views of the wildland fire advisory committee as well as the views of the energy resilience and emergency management office of the department.

Section 5(4) requires the Commissioner or designee to include the energy resilience and emergency management office of the department and a representative of UTC.

Section 5(6) requires the advisory committee chair to schedule and hold meetings on a regular basis in order to accomplish the duties and make recommendations regarding the elements described in subsection (3) of this section.

Effective date is assumed to be 90 days after adjournment of the session in which this bill is passed.

II. B - Cash receipts Impact

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

II. C - Expenditures

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

General Assumptions:

The bill requires the energy resilience and emergency management office of the department to provide recommendations for strengthening state agency coordination of wildfire risk reduction, prevention, and suppression and would be included in the advisory committee report sent to the legislature by December 31, 2023 and at the beginning of each subsequent biennium.

The energy resilience and emergency management office of the department staff will provide recommendations and views and represent the department on the advisory council to include attend all meetings.

To complete this work the department estimates (FY24-FY29), work is assumed to be ongoing:

0.50 FTE Emergency Management Program Specialist 4 (1,044 hours) in FY24-FY29, to provide recommendations, and attend meetings. This position will work with consultant on the recommended format to identify the list of elements.

Salaries and Benefits:

FY24-FY29: \$63,300 per fiscal year

Goods and Services:

FY24-FY29: \$8,601 per fiscal year

Intra-Agency Reimbursements:

FY24-FY29: \$20,826 per fiscal year

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney General costs, central services charges and agency administration. Intra-agency-administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

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Total Costs:

FY24-FY29: \$92,727 per fiscal year

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	92,727	92,727	185,454	185,454	185,454
Total \$			92,727	92,727	185,454	185,454	185,454

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.6	0.6	0.6	0.6	0.6
A-Salaries and Wages	47,593	47,593	95,186	95,186	95,186
B-Employee Benefits	15,707	15,707	31,414	31,414	31,414
C-Professional Service Contracts					
E-Goods and Other Services	8,601	8,601	17,202	17,202	17,202
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	20,826	20,826	41,652	41,652	41,652
9-					
Total \$	92,727	92,727	185,454	185,454	185,454

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Services - Indirect	111,168	0.1	0.1	0.1	0.1	0.1
Emergency Management Program Spec 4	95,185	0.5	0.5	0.5	0.5	0.5
Total FTEs		0.6	0.6	0.6	0.6	0.6

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

Revised

Bill Number: 5039 S SB	Title: Wildfires/electric utilities	Agency: 215-Utilities and Transportation Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	0.0	0.1	0.0	0.0
Account					
Public Service Revolving Account-State 111-1	37,868	2,865	40,733	5,730	5,730
Total \$	37,868	2,865	40,733	5,730	5,730

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: Mahnur Khan	Phone: 360-786-7437	Date: 02/08/2023
Agency Preparation: Amy Andrews	Phone: 360-481-1335	Date: 02/13/2023
Agency Approval: Amy Andrews	Phone: 360-481-1335	Date: 02/13/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 02/14/2023

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 2(1) changed the lead agency to Department of Natural Resources. No change was made to the requirement for them to consult with the UTC in the adoption of the utility wildfire mitigation plan. Additionally, the substitute bill changed “list of actions” to “list of elements” but still requires the UTC to review the proposed format and list of “elements” before submission. The UTC still assumes this consultation and review will happen between July 1, 2023, and March 31, 2024.

Section 4 changes the Department of Natural Resources to provide technical assistance to all electric utilities to support inclusion of the guidelines in the mitigation plan revisions.

Section 3 no longer requires investor-owned utilities to submit wildfire mitigation plans to the UTC. Each utility must now review, revise (if needed) and adopt by its wildfire mitigation plan and must provide local fire protection districts and the Department of Natural Resources an opportunity to review the plans. Utilities must also submit their wildfire mitigation plans to the Utility wildland fire prevention advisory committee created in RCW 76.04.780.

Section 5(6) still requires a UTC representative to participate in the Utility wildland fire prevention advisory committee. Meetings will be scheduled and held at minimum two times per year but no more than four.

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.

None

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.

Wildfire Mitigation Plan consultation with Department of Commerce

Section 2 requires the Department of Natural Resources to consult with the UTC in the adoption of the utility wildfire mitigation plan format and list of actions and requires the UTC to review the proposed format and list of actions before submission. The UTC assumes this consultation and review will happen between July 1, 2023, and March 31, 2024.

FY2024 - \$35,003 total cost

(Deputy Director | Regulatory Services, 0.02 FTE; Deputy Asst. Director | Regulatory Services, 0.06 FTE; Regulatory Analyst 3, 0.10 FTE; Policy Advisor, 0.06 FTE)

Utility Wildland Fire Prevention Advisory Committee Representation

Section 5 requires a UTC representative to participate in the Utility wildland fire prevention advisory committee.

FY2024, FY2025, FY2026, FY2027 & FY2028 - \$2,865 per fiscal year

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
111-1	Public Service Revolving Account	State	37,868	2,865	40,733	5,730	5,730
Total \$			37,868	2,865	40,733	5,730	5,730

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	0.0	0.1	0.0	0.0
A-Salaries and Wages	25,761	1,949	27,710	3,898	3,898
B-Employee Benefits	9,016	682	9,698	1,364	1,364
C-Professional Service Contracts					
E-Goods and Other Services	3,091	234	3,325	468	468
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	37,868	2,865	40,733	5,730	5,730

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
Deputy Asst. Director Regulatory Services	101,136	0.1	0.0	0.0	0.0	0.0
Deputy Director Regulatory Services	117,996	0.0		0.0		
Policy Advisor	100,008	0.1		0.0		
Regulatory Analyst 3	93,840	0.1	0.0	0.1	0.0	0.0
Total FTEs		0.3	0.0	0.1	0.0	0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 5039 S SB	Title: Wildfires/electric utilities	Agency: 225-Washington State Patrol
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost 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: Mahnur Khan	Phone: 360-786-7437	Date: 02/08/2023
Agency Preparation: Yvonne Ellison	Phone: 360-596-4042	Date: 02/10/2023
Agency Approval: Mario Buono	Phone: (360) 596-4046	Date: 02/10/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 02/10/2023

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 proposed legislation will have a small indeterminate impact on the State Fire Marshal's Office (SFMO) in the Washington State Patrol (WSP).

The Substitute version of the proposed legislation changes the primary responsibility for the development of electric utility mitigation plans from the State Energy Office to the Department of Natural Resources (DNR) and allows utilities to redact information about sensitive or critical infrastructure prior to submitting their wildfire mitigation plans. This does not change our prior assumptions.

New Section 2 requires the DNR, in consultation with the Energy Resilience and Emergency Management Office of the Department of Commerce to contract with an independent consultant to recommend a plan format and identify and recommend a list of actions to be included in electric utility wildfire mitigation plans by April 1, 2024. Subsection (1) requires that they seek input from the SFMO.

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.

NONE

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.

We are unable to determine how much input the DNR will require while they develop the recommended format and elements of the electric utility wildfire mitigation plans, but we are assuming it will be between four and fifteen hours. We estimate a total cost of between \$250 - \$1,200 in regular salaries and benefits for a Chief Deputy State Fire Marshal to provide this consultation, which would be absorbed within current resources.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

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

III. B - Expenditures by Object Or Purpose

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

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 5039 S SB	Title: Wildfires/electric utilities	Agency: 490-Department of Natural Resources
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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	2.9	3.2	3.0	3.2	3.2
Account					
General Fund-State 001-1	721,200	438,100	1,159,300	876,200	876,200
Total \$	721,200	438,100	1,159,300	876,200	876,200

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: Mahnur Khan	Phone: 360-786-7437	Date: 02/08/2023
Agency Preparation: Nicole Dixon	Phone: 360-902-1155	Date: 02/09/2023
Agency Approval: Nicole Dixon	Phone: 360-902-1155	Date: 02/09/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/14/2023

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.

In this substitute bill, compared to the bill as originally introduced, has the following differences:

-The Department of Natural Resources (DNR) in consultation with the Energy Resilience and Emergency Management Office of the Department of Commerce (Commerce), rather than the Energy Resilience and Emergency Management Office by itself, is directed to contract with an independent consultant in order to develop an electric utility wildfire mitigation plan format, along with elements to be included in such plans.

-Utility wildfire mitigation plans prepared by investor-owned utilities must be submitted to the DNR to review, rather than the Utilities and Transportation Commission.

-Specifically states that DNR is not liable for an investor-owned utility's or consumer-owned utility's implementation of its wildfire mitigation plan.

-Utility wildfire mitigation plans must be submitted to the Utility Wildland Fire Prevention Advisory Committee (Committee) and be posted on the Committee's website, rather than submitted to the Energy Resilience and Emergency Management Office of Commerce.

-The Advisory Committee is required to update its 2021 report by May 30, 2024, and every three years thereafter.

-The requirement that the DNR prepare an analysis of the costs and benefits of preparing and maintaining a statewide wildland fire risk map is removed.

The membership of the Committee is expanded to include other persons whom the commissioner deems appropriate the accomplish the duties of the Committee

In this substitute bill:

Section 2(1)

Creating a new chapter to 76.04 RCW, DNR, in consultation with the Energy Resilience and Emergency Management Office of the Department of Commerce, must hire an independent expert consultant to develop an electric utility wildfire risk mitigation model plan format/template and list of elements to be included and addressed in electric utility wildfire mitigation plans. The model plan and list of elements will be completed by April 1, 2024.

When developing the plant format and list of elements, DNR will seek input from specific identified partners: Utilities and Transportation Commission, all electric utilities, utility wildland fire prevention advisory committee, State Fire Marshal's Office, and the Governor's Office of Indian Affairs.

Section 2(3)

DNR must forward recommended plan format and list of elements to the Emergency Management Office of the Department of Commerce, the Utilities and Transportation Commission, and all electric utilities in Washington for a review period of no less than three months prior to finalizing the format and list of elements that utilities will use to adopt or update their electric utility wildfire mitigation plan.

It is assumed that DNR, Commerce, and the UTC will coordinate to finalize the utility wildland fire risk mitigation plan format and list of elements.

Section 2(4):

DNR will provide technical assistance to all electric utilities to support inclusion of the list of elements in their specific utility mitigation plans.

Section 2(5):

By December 31, 2024, DNR must submit to the legislature a compilation and summary of all existing wildfire mitigation plans maintained and submitted by electric utilities.

Section 3(1) – Investor-owned utilities

The bill adds a new chapter to 80.28 RCW to state that by October 31, 2024, and every three years thereafter, investor-owned must review, update as necessary, and adopt their wildfire mitigation plans and submit the plan to DNR and the Utility Wildland Fire Prevention Advisory Committee (“Advisory Committee”), along with a list and description of

wildland fires involving utility equipment within its customer service area over the previous two years as reported by DNR. Investor-owned utilities must provide local fire protection districts the opportunity to provide input for each wildfire mitigation plan.

Section 4(1) – Consumer-owned utilities

The bill adds a new chapter to 19.29A RCW to state that by October 31, 2024, and every three years thereafter, consumer-owned must review, update as necessary, and adopt their wildfire mitigation plans and submit the plan to their governing board for review, after which it is sent to DNR and the Utility Wildland Fire Prevention Advisory Committee (“Advisory Committee”), along with a list and description of wildland fires involving utility equipment within its customer service area over the previous two years as reported by DNR. Consumer-owned utilities must provide local fire protection districts the opportunity to provide input for each wildfire mitigation plan.

Section 5 – Amending RCW 76.04.780, this section makes some changes to the section referencing the Utility Wildland Fire Prevention Advisory Committee:

- Advisory Committee must develop recommendations for strengthening state agency coordination of wildland fire risk reduction, prevention, and suppression and must consult with the Wildland Fire advisory Committee and the Energy Resilience and Emergency Management Office of the Department of Commerce in doing so.
- The Advisory Committee is required to update its 2021 report by May 30, 2024 and every three years thereafter.
- Commissioner of Public Lands shall include on the Advisory Committee other persons whom the Commissioner deems appropriate to carry out the functions of the Committee
- Advisory Committee must hold meetings no less than twice per year but no more than four times per year
- Having fewer members on the Committee than specifically noted in RCW 76.04.780 will not prevent the Committee from meeting and conducting its business.

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.

To complete this work the department estimates the need for the following:

1.0 FTE Natural Resource Scientist – Lead on reviewing and evaluating risk mitigation plan format and list of elements, reviewing individual electric utility wildfire risk mitigation plans, providing technical assistance to utilities, and providing data to utilities on wildland fires occurring over the previous two years within a utility’s customer service area that involved utility equipment.

1.0 FTE – WMS Band 2 - Utility Wildfire Liaison - Would lead interagency coordination and external stakeholder engagement on matters relating to utilities and wildfire. This includes partnering with the Energy Resilience & Emergency Management Office of the Department of Commerce and the Washington State Utilities and Transportation Commission. Furthermore, this position would serve as staff support lead for the Utility Wildland Fire Prevention Advisory Committee, to foster completion of all tasks and activities of the Advisory Committee as established in RCW 76.04.780, including required reporting to the legislature. The position will promote and support electric utilities entering into model agreements for vegetation management with DNR State Uplands, work with DNR’s small-forest land owner program and with large forest landowners to identify areas of increased wildfire risk adjacent to utility corridors, and to act as a liaison with Wildfire Ready Neighbor projects to promote inclusion of utility wildfire risk mitigation.

0.5 FTE – Policy Advisor – Would provide Policy support for coordinating between Executive Management Division, Uplands, and Wildland Fire and electric utilities, and with Department of Commerce and Utilities and Transportation

Commission.

Biennial FTE Costs:

FY24: \$271,100

FY25 & Ongoing: \$312,100

One-time Workstation Set-up: 8,700

Cost for Expert Consultant (\$325,000):

One-time cost for one professional service contract for an expert consultant to develop an electric utility wildfire mitigation plan format and list of elements to be included in electric utility wildfire mitigation plans and to make public by April 1, 2020.

Total Costs:

FY24: \$721,200

FY25 and Ongoing: \$438,100

Goods and services and travel are calculated on actual program averages per person.

Administrative costs are calculated at 31% of staff salary and benefits and staff-related goods and services and travel. For fiscal note purposes, this cost is represented as a Fiscal Analyst 2 position (0.7 FTE).

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	721,200	438,100	1,159,300	876,200	876,200
Total \$			721,200	438,100	1,159,300	876,200	876,200

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.9	3.2	3.0	3.2	3.2
A-Salaries and Wages	203,500	234,200	437,700	468,400	468,400
B-Employee Benefits	67,600	77,900	145,500	155,800	155,800
C-Professional Service Contracts	325,000		325,000		
E-Goods and Other Services	25,900	21,800	47,700	43,600	43,600
G-Travel	4,300	5,000	9,300	10,000	10,000
J-Capital Outlays	8,700		8,700		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	86,200	99,200	185,400	198,400	198,400
9-					
Total \$	721,200	438,100	1,159,300	876,200	876,200

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
Fiscal Analyst 2	55,872	0.7	0.7	0.7	0.7	0.7
Natural Resource Scientist 3	82,896	0.8	1.0	0.9	1.0	1.0
Policy Advisor	100,000	0.5	0.5	0.5	0.5	0.5
WMS Band 2	101,268	0.8	1.0	0.9	1.0	1.0
Total FTEs		2.9	3.2	3.0	3.2	3.2

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5039 S SB

Title: Wildfires/electric utilities

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

Legislation Impacts:

- Cities: Cities that operate municipal electric companies
- Counties: Counties that operate public utilities
- Special Districts: Public Utility Districts & Municipal Electric Companies, local fire districts
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time: The cost to utilities for reviewing, revising and submitting their plans to the appropriate public entities, and the amount of staff time required to do so.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

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

Part III: Preparation and Approval

Fiscal Note Analyst: Chelsea Mickel	Phone: 518-727-3478	Date: 02/13/2023
Leg. Committee Contact: Mahnur Khan	Phone: 360-786-7437	Date: 02/08/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/13/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/14/2023

Part IV: Analysis

A. SUMMARY OF BILL

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

CHANGES BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

The Department of Natural Resources (DNR) in consultation with the Energy Resilience and Emergency Management Office of the Department of Commerce (Commerce), rather than the Energy Resilience and Emergency Management Office by itself, is directed to contract with an independent consultant in order to develop an electric utility wildfire mitigation plan format, along with elements to be included in such plans.

The requirement that the recommended elements of an electric utility wildfire mitigation plan include protocols for the operation of re-closers is removed.

Utility wildfire mitigation plans prepared by investor-owned utilities must be submitted to the DNR to review, rather than the Utilities and Transportation Commission (UTC).

Utility wildfire mitigation plans must be submitted to the Utility Wildland Fire Prevention Advisory Committee (Advisory Committee) and be posted on the Advisory Committee's website, rather than submitted to the Energy Resilience and Emergency Management Office of Commerce.

The requirement that the DNR prepare an analysis of the costs and benefits of preparing and maintaining a statewide wildland fire risk map is removed.

SUMMARY OF CURRENT BILL:

The DNR must contract with a consultant to recommend a format and list of elements to be included in an electric utility wildfire mitigation plan.

In identifying a plan format and list of elements, the DNR must seek input from the Utilities and Transportation Commission (UTC), the Utility Wildland Fire Prevention Advisory Committee (Advisory Committee), electric utilities, the State Fire Marshal, the Governor's Office of Indian Affairs, and the public. The DNR must publish a recommended format and list of actions by April 1, 2024.

It also requires each investor-owned and consumer-owned electrical company to review and revise its wildfire mitigation plan by October 31, 2024, and at a minimum every three years thereafter.

Each consumer-owned electrical company must review and revise, if appropriate, its wildfire mitigation plan by October 31, 2024, and every three years thereafter. The review should include a review of the specific circumstances of the utility and should incorporate as appropriate the recommended actions identified by the State Energy Office in its recommended format for wildfire mitigation plans. The electrical company must submit its plan to the governing board of the electrical company and make the plan publicly available.

The governing board of the electrical company must review the plan and confirm whether the plan contains the recommended actions. Local fire districts must be given an opportunity to review and comment during this period. After the governing board's review, the electrical company must provide a copy of the plan Commerce along with a list and description of wildland fires within its customer service area over the previous two years as reported by the DNR. Commerce must review the plan and provide feedback within six months for consideration for inclusion in the next plan revision.

DNR must submit a summary and compilation of the wildfire mitigation plans to the Legislature by December 31, 2024.

B. SUMMARY OF EXPENDITURE IMPACTS

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

CHANGES IN EXPENDITURE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

Utilities are required to submit their mitigation plans to DNR as well as Commerce, but the fiscal impacts of this change would be de minimis and otherwise the legislation would have indeterminate impacts as discussed below.

EXPENDITURE IMPACTS OF CURRENT BILL:

This bill would have an indeterminate expenditure impact on local governments.

Expenditure impacts on public utilities would include staff time needed to review and revise wildfire mitigation plans to incorporate best practices identified by DNR, as well as submitting plans to the electrical company's governing board, making the plans publicly available, particularly for local fire district review, and submitting the final plans to DNR. When developing the format and content required for the wildfire mitigation plans, DNR is required to consult with utilities for feedback, which would increase staff time required to engage in this process. Under the provisions of this bill, consumer-owned utilities may co-develop a wildfire mitigation plan. Collaborations between utilities to co-develop a mitigation plan could require more staff time to negotiate the terms of a plan that are acceptable to all parties involved. The average professional compensation at the local level is \$66 per hour, including benefits and overhead. Costs to local governments for this process would depend upon the number of hours of staff time required for utilities to revise mitigation plans to meet the content requirements of DNR. The amount of time required for these tasks would likely vary depending upon the jurisdiction's administrative capacity and level of wildfire risk. Rural utilities on the Eastern side may experience a higher cost burden due to higher wildfire risk and resource limitations. Local fire districts would also incur costs for the review of wildfire mitigation plans submitted by public utilities in their jurisdiction. It is difficult to ascertain the amount of time individual fire districts would require to review and comment on mitigation plans, and it would likely vary by location. Due to the uncertainties listed above, the expenditure impacts on local governments would be indeterminate.

C. SUMMARY OF REVENUE IMPACTS

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

CHANGES IN REVENUE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

This legislation would not result in additional revenue impacts to local governments.

REVENUE IMPACTS OF CURRENT BILL:

This bill would not impact local government revenues.

SOURCES

Bill Hearing, HB 1032, Agriculture and Natural Resources Committee, (January 13, 2023)

Fiscal Note, HB 1032, (2023)

House Bill Analysis, HB 1032, Agriculture and Natural Resources Committee, (2023)

House Substitute Bill Report, SHB 1032, Agriculture and Natural Resources Committee, (2023)

Klickitat County Public Utility District

Okanogan County Public Utility District

Washington Public Utilities District Association