

Multiple Agency Fiscal Note Summary

Bill Number: 5057 P S SB	Title: Energy standards/commercial
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	No fiscal impact					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	1.2	366,556	366,556	366,556	1.4	387,298	387,298	387,298	2.1	591,070	591,070	591,070
Department of Enterprise Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Social and Health Services	Fiscal note not available											
Department of Corrections	Fiscal note not available											
Superintendent of Public Instruction	.0	0	0	0	.0	0	0	0	.0	0	0	0
University of Washington	.0	15,183	15,183	15,183	.0	0	0	0	.0	0	0	0
Washington State University	.0	0	0	0	.0	0	0	0	.0	0	0	0
Eastern Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Central Washington University	.0	0	0	0	.0	0	0	0	.0	0	0	0
The Evergreen State College	Fiscal note not available											
Western Washington University	.1	19,866	19,866	19,866	.0	0	0	0	.0	0	0	0
Community and Technical College System	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	1.3	401,605	401,605	401,605	1.4	387,298	387,298	387,298	2.1	591,070	591,070	591,070

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	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Enterprise Services	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	Fiscal note not available								
Department of Corrections	Fiscal note not available								
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
University of Washington	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Washington State University	.0	0	0	.0	0	0	.0	0	0
Eastern Washington University	.0	0	0	.0	0	0	.0	0	0
Central Washington University	.0	0	0	.0	0	0	.0	0	0
The Evergreen State College	Fiscal note not available								
Western Washington University	.0	100,000	100,000	.0	0	0	.0	0	0
Western Washington University	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Community and Technical College System	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	100,000	100,000	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	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Agency Name	2023-25	2025-27	2027-29
	Total	Total	Total
University of Washington	Non-zero but indeterminate cost and/or savings. Please see discussion.		
Western Washington University			
Other	100,000	0	0
	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.		
Total \$	100,000	0	0

Prepared by: Gwen Stamey, OFM	Phone: (360) 790-1166	Date Published: Preliminary 2/23/2023
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Individual State Agency Fiscal Note

Revised

Bill Number: 5057 P S SB	Title: Energy standards/commercial	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	1.2	1.2	1.2	1.4	2.1
Account					
General Fund-State 001-1	203,241	163,315	366,556	387,298	591,070
Total \$	203,241	163,315	366,556	387,298	591,070

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:	Phone:	Date: 02/16/2023
Agency Preparation: Tami Clark	Phone: 360-725-2935	Date: 02/21/2023
Agency Approval: Joyce Miller	Phone: 360-725-2710	Date: 02/21/2023
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 P SSB 5057 and the original Bill:

Section 1 is new adding the intent of the bill and renumbering section 1 to section 2.

Section 2(7)(vi)(F) added "Starting July 1, 2023, a building owner may apply for a financial hardship exemption three years in advance of each compliance requirement."

Section 2(8) is changed to only reflect the reporting on which covered commercial building owners must comply with the energy benchmarking, operations and maintenance program, and energy management planning established under this section.

Section 2(9) is added to establish a one-year delay of meeting the site-based energy use intensity targets (EUI_t) under the building performance standard for Tier 1 buildings. Buildings with more than 220,000 gross square feet must meet their EUI_t by June 1, 2027. Buildings 90,001-220,000 gross square feet must meet their EUI_t by June 1, 2028. Buildings 50,001-90,000 gross square feet must meet their EUI_t by June 1, 2029.

Section 3 replaces Washington State University extension energy program with Department of Commerce (department) to convene the work group.

Section 3(2) adds the workgroup membership must include, but is not limited to, one representative of healthcare and one representative of local government.

Summary of P SSB 5057:

The bill relates to delaying the state building performance standard for covered commercial building and creating a work group to evaluate the costs of the standard; amends RCW 19.27A.210 and 19.27A.250; creates a new section; and provides an expiration date.

Under the Clean Buildings Act (HB 1257, 2019) and its expansion (SB 5722, 2022) large non-residential and multifamily buildings must complete a series of efficiency activities and include: energy management planning; operations and maintenance; and energy use benchmarking.

This bill would delay timeline for Tier 1 energy use intensity target (EUI_t) compliance by one year.

The bill would also create a workgroup to report on financial impacts and provide recommendations to the legislature.

Section 2 amends RCW 19.27A.210 to delay energy metric compliance for the department by one year for buildings more than 220,000 gross square feet from July 1, 2026, to 2027; buildings more than 90,000 gross square feet but less than 220,001 gross square feet from June 1, 2027, to 2028; and buildings more than 50,000 gross square feet but less than 90,001 square feet, from June 1, 2028, to 2029.

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.

Sections 2 and 3 – Delay Compliance and Convene Workgroup:

General Assumptions

Under the Clean Buildings Act (HB 1257, 2019) and its expansion (SB 5722, 2022) large non-residential and multifamily buildings must complete a series of efficiency activities and include: energy management planning; operations and maintenance; and energy use benchmarking.

This bill would delay by one year a series of efficiency activities and include: energy management planning; operations and maintenance; and energy use benchmarking by the Building Unit within the department. This delay would have a significant financial and administrative impact. Existing materials and processes would need to be extensively re-designed, resulting in significant costs and staff time. This delay would require continued database work, with an additional year of Tier 1 initial notifications before going into the regular 3-year Tier 1 refresh cycle once the compliance period has started. There will be system changes to support that out-of-cycle notification round, data research, as well as continued maintenance and support of the system since the timeframe is pushed out.

This bill delays the state building performance standard, there are no cost savings for the department in delaying work. Some costs will be pushed into future fiscal years (ex. Tier 2 rulemaking would not need to be completed in the near-term). Any near-term activity savings will be offset from the increase in customer assistance the department will need to provide. For example, when the first-round letters were sent out, the department received around 1,000 customer support tickets and anticipates the same or greater response with re-notification. The delay of compliance dates will impact the industry and market and increase the number of customer support and technical assistance requests the department receives.

The department assumes that buildings will need to be notified of this delay and will require one time printing services for building owner notifications through Department of Enterprise Services (DES) of \$20,000.

The department will convene the workgroup.

The bill does not require rulemaking.

To accomplish this work the department estimates:

0.30 FTE Commerce Specialist 3 (625 hours) in FY24-FY25 and 0.50 FTE (1,044 hours) in FY27-FY29 and ongoing through FY31, for convening of the work group and report on financial impacts and evaluate costs of the state energy performance standard for covered commercial buildings. FY27-FY29 to assist and support compliance verification requirements and provide customer support and technical assistance.

0.20 FTE Administrative Assistant 3 (418 hours) in FY24-FY25 to provide administrative support for workgroup and meetings.

0.50 FTE Management Analyst 5 (1,044 hours) in FY24-FY29 and ongoing through FY31, to lead a database refresh prompted by delaying Tier 1 and Tier 2 building compliance dates by two years. This position would lead the work to

re-identify buildings statewide.

0.30 FTE Commerce Specialist 4 (625 hours) in FY27-FY29 and ongoing through FY31, to support compliance verification reporting schedule requirements to meet energy use intensity targets, and provide customer support and technical assistance.

0.50 FTE Commerce Specialist 2 (1,044 hours) in FY27-FY29 and ongoing through FY31, to assist and provide program support for compliance verification requirements including customer support and review of reporting requirements.

Database Development:

This bill would delay by 2 years a series of efficiency activities and include: energy management planning; operations and maintenance; and energy use benchmarking by the Building Unit within the department. This delay would have a significant financial and administrative impact.

Existing materials and processes would need to be extensively re-designed, resulting in significant costs and staff time. This delay would require continued database work, with an additional two years of Tier 1 initial notifications before going into the regular 3-year Tier 1 refresh cycle once the compliance period has started. There will be system changes to support out-of-cycle notification round, data research, as well as continued maintenance and support of the system since the timeframe is pushed out. The department assumes a contractor would be hired for continued database support for changes/updates and any modifications that would be needed for the clean buildings system - estimated cost \$25,000 in FY24.

Salaries and Benefits:

FY24: \$111,858

FY25: \$115,671

FY26: \$65,427

FY27-FY29: \$209,385 per fiscal year

Goods and Services:

Good and Services includes a one-time printing service for building owner re-notifications through DES \$20,000 FY24.

FY24: \$29,582

FY25: \$9,588

FY26: \$4,811

FY27-FY29: \$17,262 per fiscal year

Professional Service Contract:

One professional services contract, \$25,000 in FY24 for continued database support for changes/updates and any modifications database.

FY24: \$25,000

Intra-agency Reimbursement

FY24: \$36,801

FY25: \$38,056

FY26: \$21,525

FY27-FY29: \$68,888 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. Agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

Total Costs:

FY24: \$203,241

FY25: \$163,315

FY26: \$91,763

FY27-FY29: \$295,535 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	203,241	163,315	366,556	387,298	591,070
Total \$			203,241	163,315	366,556	387,298	591,070

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.2	1.2	1.2	1.4	2.1
A-Salaries and Wages	82,733	85,214	167,947	203,400	308,760
B-Employee Benefits	29,125	30,457	59,582	71,412	110,010
C-Professional Service Contracts	25,000		25,000		
E-Goods and Other Services	29,582	9,588	39,170	22,073	34,524
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	36,801	38,056	74,857	90,413	137,776
9-					
Total \$	203,241	163,315	366,556	387,298	591,070

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 Assistant 3	52,616	0.2	0.2	0.2		
Administrative Services - Indirect	111,168	0.2	0.2	0.2	0.2	0.3
Commerce Specialist 2	70,799				0.3	0.5
Commerce Specialist 3	82,056	0.3	0.3	0.3	0.3	0.5
Commerce Specialist 4	86,212				0.2	0.3
Management Analyst 5	95,185	0.5	0.5	0.5	0.5	0.5
Total FTEs		1.2	1.2	1.2	1.4	2.1

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 5057 P S SB	Title: Energy standards/commercial	Agency: 179-Department of Enterprise Services
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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:	Phone:	Date: 02/16/2023
Agency Preparation: Becky Guyer	Phone: (360) 407-9254	Date: 02/21/2023
Agency Approval: Ashley Howard	Phone: (360) 407-8159	Date: 02/21/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/21/2023

Part II: Narrative Explanation

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

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

This bill establishes a work group to determine the costs associated with the Clean Buildings Act.

Section 1 is a new section of intent language. No impact to the Department of Enterprise Services (DES).

Section 2 amends RCW 19.27A.210 and 2021 c 65 s 19 as follows:

Section 2 (7) (c) adds language that compliance exemptions will be granted for a five-year increment.

Section 2 (7) (c) (iii) adds language to allow building owners to apply for a financial hardship extension three years prior to the compliance date beginning July 1, 2023.

Section 2 (8) adds language requiring building owners with an exemption to still provide benchmarking, energy management plans, and operation and maintenance plans.

Section 2 (9) extends compliance deadlines for Tier 1 buildings by one year. This has no fiscal impact to DES.

Section 3 is a new section that directs the Department of Commerce to convene a workgroup that includes one representative from DES. DES participation in the workgroup can be completed within the routine business process. Therefore, 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

Bill Number: 5057 P S SB	Title: Energy standards/commercial	Agency: 350-Superintendent of Public Instruction
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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:	Phone:	Date: 02/16/2023
Agency Preparation: Kirti Vijay	Phone: 3607256261	Date: 02/22/2023
Agency Approval: Randy Newman	Phone: 360 725-6267	Date: 02/22/2023
OFM Review: Val Terre	Phone: (360) 280-3973	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.

The proposed legislation creates a work group to evaluate the costs of the state energy performance standard for state-owned covered commercial buildings. It also intends to delay compliance with the standard for tier 1 covered buildings for one year and allow the owners of tier 1 covered building owners to apply for an exemption three years in advance of their scheduled compliance date.

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.

No impact to OSPI's cash receipts.

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.

No impact to OSPI's operating budget.

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

No Fiscal impact to the Office of Superintendent of Public Instruction's (OSPI) K-12 capital grant programs.

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: 5057 P S SB	Title: Energy standards/commercial	Agency: 360-University of Washington
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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	0.0	0.0	0.0	0.0	0.0
Account					
General Fund-State 001-1	10,122	5,061	15,183	0	0
Total \$	10,122	5,061	15,183	0	0

Estimated Capital Budget Impact:

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

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/16/2023
Agency Preparation: Charlotte Shannon	Phone: 2066858868	Date: 02/21/2023
Agency Approval: Charlotte Shannon	Phone: 2066858868	Date: 02/21/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	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.

The substitute bill makes the following changes:

Delays one year, instead of two, the Tier 1 covered buildings reporting schedule

Clarifies that an exemption under the standard is for a five-year compliance period.

Provides that starting July 1, 2023, a building owner may apply for a financial hardship exemption three years in advance of each compliance requirement.

Removes the two-year delay for Tier 2 covered buildings rulemaking and reporting requirements for state energy management and benchmarking.

Directs the Department of Commerce to convene the work group rather than the Washington State University Energy Program.

Requires the work group report on financial impacts to apply to all Tier 1 rather than only state-owned buildings, public K-12 school buildings, and public buildings of institutions of higher education.

Adds to the work group one representative each from health care, local government, and an organization representing privately owned Tier buildings.

Adds an intent section.

FISCAL IMPACTS OF CHANGES TO SUBSTITUTE BILL:

There are no changes to the UW's determinate impacts as a result of this bill, however the indeterminate capital expenditures would be impacted by the changes to the tier 1 and tier 2 covered building reporting requirements. However, these changes would be negligible and do not change the UW's overall analysis.

Overall SSB 5057 delays the implementation of the clean building performance standards for Tier 1 (greater than 220,000 square feet) and creates a work group to evaluate the costs of the state energy performance standard for covered commercial buildings.

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.

SSB 5057:

Creates a work group, convened by the Department of Commerce, to report on the financial impacts to state-owned buildings required to comply with the Standard; and make specific recommendations to the Legislature regarding energy

efficiency in the building sector including:

- (a) Report on the financial impacts to state-owned buildings required to comply with the state energy performance standard
- (b) Make recommendations to the legislature regarding energy efficiency in the building sector

The work group will include one representative of each of the state's public four-year institutions of higher education;

The Department of Commerce must submit to the appropriate committees of the legislature: (a) Financial impacts as required under subsection (1)(a) of this section by December 15, 2023; and (b) A final report with recommendations as required under subsection (1)(b) of this section by September 1, 2024.

FISCAL IMPACTS:

While this section mandates that a representative from UW would serve on this newly created work group, the UW has not received lead agency assumptions to assess the scope of work and participation that would be required. For the purposes of this fiscal note, the UW assumes to participate in the working group will require 1 UW representative (Director, Campus Energy, Utilities, & Ops, Salary \$256k, benefits rate 31.8%) attending an hour zoom meeting each month. Further, the estimate allows for four hours per month of preparation time, and for follow-up actions associated with the work group, starting in FY24. The UW anticipates this will cost approximately \$10,122 in FY24 and \$5061 in FY25, as this section expires on January 1, 2025.

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	10,122	5,061	15,183	0	0
Total \$			10,122	5,061	15,183	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.0	0.0		
A-Salaries and Wages	7,680	3,840	11,520		
B-Employee Benefits	2,442	1,221	3,663		
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	10,122	5,061	15,183	0	0

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Director, Campus Energy, Utilities, & Ops	256,000	0.0	0.0	0.0		
Total FTEs		0.0	0.0	0.0		0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

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

IV. B - Expenditures by Object Or Purpose

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

IV. C - Capital Budget Breakout

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

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

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

NONE

SSB 5057:

Delays by one year the Tier 1 covered buildings reporting schedule required to comply with the State Energy Performance Standard (Standard).

FISCAL IMPACTS:

While there may be the potential for short-term cost savings to the UW due to a delayed compliance period for Tier 1 buildings, these impacts are very indeterminate, and also mitigated by the UW Capital project planning timelines, where investments in projects meant to bring the UW into compliance have already begun. While future project prioritization may be impacted by this delayed compliance period, the fiscal impacts of this delay are both extremely minimal over time and indeterminate for the purposes of this fiscal note.

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: 5057 P S SB	Title: Energy standards/commercial	Agency: 365-Washington State University
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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:	Phone:	Date: 02/16/2023
Agency Preparation: Anne-Lise Brooks	Phone: 509-335-8815	Date: 02/21/2023
Agency Approval: Chris Jones	Phone: 509-335-9682	Date: 02/21/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	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.

5057 P S HB, as amended, removes the requirement that the Washington State University (WSU) Energy Program convene a work group to report on the financial impacts to state-owned buildings required to comply with the state energy performance standard as reported under RCW 19.27A.210 (14). Therefore, WSU estimates no fiscal impact for this version of the bill.

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

Bill Number: 5057 P S SB	Title: Energy standards/commercial	Agency: 370-Eastern Washington University
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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:	Phone:	Date: 02/16/2023
Agency Preparation: Keith Tyler	Phone: 509 359-2480	Date: 02/21/2023
Agency Approval: Alexandra Rosebrook	Phone: (509) 359-7364	Date: 02/21/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	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.

PSSB 5057 amends RCW 19.27A.210, deferring energy standard effective dates one year and creating a work group to evaluate the costs of the state energy performance standard for covered commercial buildings. The work group will be convened by the Department of Commerce, and will include (among others) a minimum of one representative of each public four-year institution of higher education.

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.

This bill adds a work group to evaluate the costs of the state energy performance standard for covered commercial buildings. The work group will be convened by the Department of Commerce, and will include (among others) a minimum of one representative of each public four-year institution of higher education. There is significant ambiguity as to how meetings for this work group will be conducted. Costs of staff time and travel will be variable dependent on who is assigned to the work group, as well as how many representatives EWU may have. Travel costs will be highly variable dependent on location, number of meetings, and whether meetings are held in-person or remotely. EWU anticipates that this bill could cause a range of fiscal impact less than \$50,000.

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: 5057 P S SB	Title: Energy standards/commercial	Agency: 375-Central Washington University
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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:	Phone:	Date: 02/16/2023
Agency Preparation: Erin Sargent	Phone: 509-963-2395	Date: 02/21/2023
Agency Approval: Lisa Plesha	Phone: (509) 963-1233	Date: 02/21/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	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.

S SB 5057 Amends sections 2 by clarifying requirements for (7) filing a financial hardship, and (8)(9) reporting. Section 2 refers to the requirements of the workgroup.

Any effort related to implementing the proposed legislation, including participation in the work group, will be allocated among existing resources. and will result in 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: 5057 P S SB	Title: Energy standards/commercial	Agency: 380-Western Washington University
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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	0.1	0.1	0.1	0.0	0.0
Account					
General Fund-State 001-1	9,933	9,933	19,866	0	0
Total \$	9,933	9,933	19,866	0	0

Estimated Capital Budget Impact:

	2023-25		2025-27		2027-29	
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Pre-design/Design	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Grants/Loans	0	0	0	0	0	0
Staff	0	0	0	0	0	0
Other	50,000	50,000	0	0	0	0
Total \$	50,000	50,000	0	0	0	0

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

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/16/2023
Agency Preparation: Gena Mikkelsen	Phone: 3606507412	Date: 02/22/2023
Agency Approval: Faye Gallant	Phone: 3606504762	Date: 02/22/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	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.

Section 1: Outlines the climate benefits of a district energy policy to reduce commercial and large state-owned building emissions, including state-run campus facilities, using a multi-year plan for capital investments and climate funding.

Section 2(1): Provides definitions where “campus” means a collection of buildings served by a campus district heating/cooling, water reuse, or power system.

Section 2(2): Stipulates the owner of a state campus district energy system must develop a decarbonization plan that includes replacement of fossil fuel systems through incentives and partnerships.

Section 2(4): Decarbonization planning must begin by June 30, 2024; the plan must be submitted to the department of commerce by June 30, 2025. Allowable exceptions to compliance with energy standards in RCW 19.27A.200 are noted in Section 2(5).

Section 3: Outlines energy performance standards and compliance criteria (and exceptions) to be established by the department of commerce.

Section 3(7): Requires the owner of a covered commercial building to report compliance with the energy performance standards. Phased implementation is based on square footage per Section 3(8).

Section 3(10): Provides for monetary penalties for noncompliance.

WWU Impact: Additional reporting and administrative requirements for compliance review of our feasibility study and development of the decarbonization plan to the Dept. Of Commerce. This bill will require minimal additional effort to adjust our existing heating conversion study to be compliant with these requirements. This could require additional consulting services to adjust our study to a decarbonization plan as described with a nominal cost of \$50,000+ estimated.

The substitute bill does not change the fiscal impact on WWU.

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.

The additional work required to develop a compliant decarbonization plan from our existing District Heating Conversion Study would be equivalent to 0.1 FTE for a Business Analyst (\$76,401 annual salary and 31% benefits).

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	9,933	9,933	19,866	0	0
Total \$			9,933	9,933	19,866	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	0.1	0.1		
A-Salaries and Wages	7,641	7,641	15,282		
B-Employee Benefits	2,292	2,292	4,584		
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	9,933	9,933	19,866	0	0

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Business Analyst	76,401	0.1	0.1	0.1		
Total FTEs		0.1	0.1	0.1		0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
057-1	State Building Construction Account	State	50,000	50,000	100,000	0	0
Total \$			50,000	50,000	100,000	0	0

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

IV. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts	50,000	50,000	100,000		
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	50,000	50,000	100,000	0	0

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

IV. C - Capital Budget Breakout

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

Construction Estimate	FY 2024	FY 2025	2023-25	2025-27	2027-29
Predesign/Design					
Construction					
Grants/Loans					
Staff					
Other	50,000	50,000	100,000		
Total \$	50,000	50,000	100,000		

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

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

NONE

One time consulting services could be necessary to convert our existing District Heating Conversion Study into a document that is compliant with the requirements of this bill.

The cost for that effort cannot be determined at this time, but we are estimating at least \$50,000 in FY2024 and FY2025.

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: 5057 P S SB	Title: Energy standards/commercial	Agency: 699-Community and Technica College System
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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:	Phone:	Date: 02/16/2023
Agency Preparation: Brian Myhre	Phone: 360-704-4413	Date: 02/17/2023
Agency Approval: Cherie Berthon	Phone: 360-704-1023	Date: 02/17/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	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.

The proposed substitute differs from the original bill in the following ways:

Starting July 1, 2023, a building owner may apply for a financial hardship exemption three years in advance of each compliance requirement

A building owner of a covered commercial building must meet the following reporting schedule for complying with the site-based energy use intensity target:

- June 1, 2027 for buildings with more than 220,000 gross square feet,
- June 1, 2028 for buildings with more than 90,000 gross square feet but less than 220,001 gross square feet
- June 1, 2029 for buildings with more than 50,000 gross square feet but less than 90,001 gross square feet.

The entity directed to convene the workgroup in section 3 is changed from the Washington State University Extension Energy Program to the Department of Commerce.

These changes would not change the fiscal impacts when compared to the original bill.

Starting July 1, 2023, a building owner may apply for a financial hardship exemption three years in advance of each compliance requirement.

This bill would direct Department of Commerce to convene a workgroup to report on the financial impacts for state-owned buildings to comply with the state energy performance standard and make recommendations regarding energy efficiency in the building sector. The workgroup must report on financial impacts by December 15, 2023, with a final report due to the Legislature by September 1, 2024. The workgroup must include a representative from the State Board for Community and Technical Colleges.

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.

No cash receipts impact.

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.

No expenditure impact.

Allowing a building owner to apply for a financial hardship exemption three years in advance of each compliance requirement is not anticipated to have a fiscal impact. Participating in the work group required in Section 3 can be accomplished within current resources.

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5057 P S SB

Title: Energy standards/commercial

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

Legislation Impacts:

- Cities:
 Counties:
 Special 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:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Kristine Williams	Phone: (564) 669-3002	Date: 02/17/2023
Leg. Committee Contact:	Phone:	Date: 02/16/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/17/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/17/2023

Part IV: Analysis

A. SUMMARY OF BILL

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

This legislation creates a work group to evaluate and report to the Legislature on the compliance costs of the State Energy Performance Standard (Standard). The bill would delay certain compliance reporting requirements by five years.

Sec.2 amends 19.27A.210 RCW to provide covered commercial buildings (Tier 1) an exemption from meeting the Standard for the five-year compliance period if certain criteria are met. Beginning July 1, 2023, building owners may apply for a financial hardship exemption as outlined in this section. Sec.2 is further amended to include a compliance reporting schedule based on a building's gross square footage.

Sec.3 adds a new section which requires the department of commerce to convene a work group, subject to amounts appropriated, to evaluate the financial impacts on certain state and public buildings to comply with the Standard. The work group will also provide recommendations to the legislature to increase energy efficiency in the building sector.

Sec.3 (2) lists the membership affiliations required for the work group.

Sec.3 (3) requires the department to submit a financial impact report to the appropriate legislative committee by December 15, 2023, with a final report including recommendations, submitted by September 1, 2024.

Sec.3 (4) provides an expiration date of January 1, 2025, for this section.

This legislation would take effect 90 days after adjournment of the session in which the bill is passed.

B. SUMMARY OF EXPENDITURE IMPACTS

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

This legislation is not expected to impact local government expenditures. County assessors will need to provide data to the Department of Licensing during the extended compliance reporting period. The Washington Association of County Officials has stated this will be a very minor impact for county assessor offices.

C. SUMMARY OF REVENUE IMPACTS

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

This legislation is not expected to impact local government revenue.

SOURCES

Washington Association of County Officials (WACO).