

Multiple Agency Fiscal Note Summary

Bill Number: 1216 2S HB	Title: Clean energy siting
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Attorney General	0	0	526,000	0	0	520,000	0	0	520,000
Department of Ecology	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Natural Resources	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	526,000	0	0	520,000	0	0	520,000

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

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Governor's Office of Indian Affairs	.5	92,000	92,000	92,000	.5	94,000	94,000	94,000	.5	94,000	94,000	94,000
Office of Attorney General	1.8	0	0	526,000	1.8	0	0	520,000	1.8	0	0	520,000
Department of Commerce	Fiscal note not available											
Utilities and Transportation Commission	Fiscal note not available											
Department of Archaeology and Historic Preservation	1.1	476,927	476,927	476,927	1.1	272,952	272,952	272,952	1.1	272,952	272,952	272,952
Washington State University	Fiscal note not available											
Department of Transportation	Fiscal note not available											
Department of Ecology	26.5	0	0	13,248,232	20.7	0	0	6,708,838	20.7	0	0	6,708,838
Department of Ecology	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Energy Facility Site Evaluation Council	1.1	0	0	303,692	1.1	0	0	304,126	1.1	0	0	304,126
Department of Fish and Wildlife	2.0	620,000	620,000	620,000	2.0	620,000	620,000	620,000	2.0	620,000	620,000	620,000
Department of Natural Resources	.6	164,200	164,200	164,200	.3	81,400	81,400	81,400	.3	81,400	81,400	81,400
Department of Agriculture	.5	200,600	200,600	200,600	.5	200,600	200,600	200,600	.5	200,600	200,600	200,600
Total \$	34.1	1,553,727	1,553,727	15,631,651	28.0	1,268,952	1,268,952	8,801,916	28.0	1,268,952	1,268,952	8,801,916

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
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Governor's Office of Indian Affairs	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	Fiscal note not available								
Utilities and Transportation Commission	Fiscal note not available								
Department of Archaeology and Historic Preservation	.0	0	0	.0	0	0	.0	0	0
Washington State University	Fiscal note not available								
Department of Transportation	Fiscal note not available								
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Energy Facility Site Evaluation Council	.0	0	0	.0	0	0	.0	0	0
Department of Fish and Wildlife	.0	0	0	.0	0	0	.0	0	0
Department of Natural Resources	.0	0	0	.0	0	0	.0	0	0
Department of Agriculture	.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

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Prepared by: Lisa Borkowski, OFM	Phone: (360) 742-2239	Date Published: Preliminary 3/ 1/2023
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Individual State Agency Fiscal Note

Bill Number: 1216 2S HB	Title: Clean energy siting	Agency: 075-Office of the Governor
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/24/2023
Agency Preparation: Tracy Sayre	Phone: 360-890-5279	Date: 02/27/2023
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 02/27/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/28/2023

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

II. B - Cash receipts Impact

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

II. C - Expenditures

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1216 2S HB	Title: Clean energy siting	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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5	0.5	0.5	0.5	0.5
Account					
General Fund-State 001-1	47,000	45,000	92,000	94,000	94,000
Total \$	47,000	45,000	92,000	94,000	94,000

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/24/2023
Agency Preparation: Seth Flory	Phone: 360-407-8165	Date: 02/27/2023
Agency Approval: Seth Flory	Phone: 360-407-8165	Date: 02/27/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/27/2023

Part II: Narrative Explanation

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

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

Section 101(1) of 2nd Substitute House Bill 1216 establishes the Interagency Clean Energy Siting Coordinating Council and grants the Governor's Office of Indian Affairs (GOIA) a seat on the council.

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

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

II. B - Cash receipts Impact

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

II. C - Expenditures

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

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

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

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	47,000	45,000	92,000	94,000	94,000
Total \$			47,000	45,000	92,000	94,000	94,000

III. B - Expenditures by Object Or Purpose

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

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Program Manager	61,632	0.5	0.5	0.5	0.5	0.5
Total FTEs		0.5	0.5	0.5	0.5	0.5

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1216 2S HB	Title: Clean energy siting	Agency: 100-Office of Attorney General
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

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

Estimated Operating Expenditures from:

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

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/24/2023
Agency Preparation: Chad Standifer	Phone: 3605863650	Date: 03/01/2023
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 03/01/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/01/2023

Part II: Narrative Explanation

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

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

Section 1: Findings.

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

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

Section 201: Provides definitions for statutory terms.

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

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

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

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

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

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

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

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

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

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

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

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

Section 304: Adds a new section to RCW 36.70B prohibiting local governments from requiring a project applicant of projects relating to electricity to designate the necessity or utility of the project.

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

Section 306: Requires the Washington State University (WSU) to conduct a process to identify issues and interests relating to siting pumped storage projects in Washington State, to support expanded capacity to store renewable energy. Must be completed by June 30, 2025.

Section 307: Requires Commerce to consult with stakeholders as specified in the section, and complete a report on rural clean energy and resilience for submission to the Joint Committee on Energy Supply, Energy Conservation, and Energy Resilience and the appropriate policy and fiscal committees of the Legislature. Final report to be submitted by December 1, 2024.

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

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

Section 310: Specifies what the Joint Committee on Energy Supply, Energy Conservation, and Energy Resilience (Joint Committee) should review. Requires the Joint Committee to hold at least two meetings. Requires the Joint Committee to reports its findings and recommendations to the Energy Facility Site Evaluation Council and the legislative committees with jurisdiction over environment and energy laws by December 1, 2024. Provides an expiration date of June 30, 2025 for the section.

Section 401: Provides that Sections 101 and 102 constitute a new chapter in RCW 43.

Section 402: Provides that Sections 201 through 210 constitute a new chapter in RCW 43.

Section 403: Severability clause.

II. B - Cash receipts Impact

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

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

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

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

AGO AGENCY ASSUMPTIONS:

WSU will be billed for non-Seattle rates:

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

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

Ecology will be billed for non-Seattle rates:

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

Commerce will be billed for non-Seattle rates:

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

II. C - Expenditures

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

Attorney General's Office (AGO) Agency Assumptions:

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

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

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

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

1. Assumptions for the AGO Washington State University Division's (AGO-WSU) Legal Services for the Washington State University (WSU):

The AGO will bill WSU for legal services based on the enactment of this bill.

The enactment of this bill will impact the provision of legal services to WSU. AGO-WSU assumes there will be some legal services required under Section 306, which requires conducting a process to identify issues and interests relating to siting pumped storage projects in Washington State.

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

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

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

2. Assumptions for the AGO Ecology Division's (ECY) Legal Services for the Department of Ecology (Ecology):

The AGO will bill Ecology for legal services based on the enactment of this bill.

The enactment of this bill would entail a new workload for ECY in several different areas. First, an ECY AAG would need to provide advice to the new clean energy siting coordinating council as it performs the work required by the bill. Second, an ECY AAG would need to provide advice to Ecology regarding specific clean energy projects that are proposed under this bill's new permitting process. Third, an ECY AAG will need to advise Ecology as it completes the programmatic

Environmental Impact Statements (EIS) required by this bill. Finally, an ECY AAG will need to handle any appeals of Ecology permit decisions made under the new process for clean energy facilities. The Ecology's fiscal note for the bill estimates approximately 30 new energy projects will be proposed under this bill each biennium. Each such project will likely be complex and present a wide variety of legal issues. The Ecology's fiscal note estimates a need to hire approximately 25 new staff to implement this bill. Based on Ecology's assumption that approximately 30 new projects will be proposed under this bill each biennium, or 15 projects per FY, ECY's estimated AAG workload in FY 2024 is as follows: 0.1 AAG to advise the coordinating council; 0.3 AAG to advise Ecology regarding specific projects under this bill (assuming 15 projects per FY); 0.1 AAG to advise Ecology regarding the programmatic EISs required by this bill; and 0.5 AAG for litigation costs (assuming approximately two new appeals per FY).

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

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

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

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

3. Assumptions for the AGO Agriculture and Health Division's (AHD) Legal Services for the Department of Archaeology and Historic Preservation (DAHP), the Washington State Department of Agriculture (WSDA), and the Department of Commerce (Commerce).

The enactment of this bill will not impact the provision of legal services by AHD to DAHP because DAHP's participation on the interagency clean energy siting coordinating council created in Section 101 is not expected to generate requests for legal services. Therefore, cost are not included in this request.

The enactment of this bill will not impact the provision of legal services by AHD to WSDA because WSDA's participation on the interagency clean energy siting coordinating council created in Section 101 is not expected to generate requests for legal services. Therefore, cost are not included in this request.

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

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

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

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

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

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

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

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

III. B - Expenditures by Object Or Purpose

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

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Assistant Attorney General	118,700	1.0	1.0	1.0	1.0	1.0
Legal Assistant 3	55,872	0.5	0.5	0.5	0.5	0.5
Management Analyst 5	91,524	0.3	0.3	0.3	0.3	0.3
Total FTEs		1.8	1.8	1.8	1.8	1.8

III. D - Expenditures By Program (optional)

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

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: 1216 2S HB	Title: Clean energy siting	Agency: 355-Department of Archaeology and Historic Preservation
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.1	1.1	1.1	1.1	1.1
Account					
General Fund-State 001-1	340,451	136,476	476,927	272,952	272,952
Total \$	340,451	136,476	476,927	272,952	272,952

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/24/2023
Agency Preparation: Diann Lewallen	Phone: 360-407-8121	Date: 02/28/2023
Agency Approval: Diann Lewallen	Phone: 360-407-8121	Date: 02/28/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/28/2023

Part II: Narrative Explanation

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

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

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

Section 102 of the substitute bill clarifies the responsibilities of the CESCC to include support for DAHP and other agencies to develop and provide training to project developers on consultation and engagement processes. The second substitute requires the Governor's Office of Indian Affairs to collaborate with federally recognized tribes in the development of the training. This section also clarifies the responsibilities of the CESCC to include support to DAHP in updating the statewide predictive archaeological model which would provide information to project developers about where archaeological resources are likely to be found and the potential need for investigation. DAHP would incur a one-time cost to update the statewide predictive archaeological model.

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

Section 305 of the second substitute requires DAHP to provide the names of the potentially affected federally recognized Indian tribes. If cultural resources are determined to be present, site investigation work must cease pursuant to RCW 27.53.060, necessary permits must be obtained, and procedures required under RCW 68.50.645 and 27.44.055 must be followed. Failure to comply subjects a person to penalties under RCW 27.44.040.

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

II. B - Cash receipts Impact

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

II. C - Expenditures

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

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

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

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

some travel at the low cost per diem rates totaling \$175 per year.

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	340,451	136,476	476,927	272,952	272,952
Total \$			340,451	136,476	476,927	272,952	272,952

III. B - Expenditures by Object Or Purpose

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

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Commerce Specialist 4	82,896	1.0	1.0	1.0	1.0	1.0
Exempt	97,632	0.1	0.1	0.1	0.1	0.1
Total FTEs		1.1	1.1	1.1	1.1	1.1

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1216 2S HB	Title: Clean energy siting	Agency: 461-Department of Ecology
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

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

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	26.5	26.5	26.5	20.7	20.7
Account					
Climate Commitment Account-State 26C-1	6,524,116	6,724,116	13,248,232	6,708,838	6,708,838
Total \$	6,524,116	6,724,116	13,248,232	6,708,838	6,708,838

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

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/24/2023
Agency Preparation: Jessica Moore	Phone: 360-529-7583	Date: 02/28/2023
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/28/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/28/2023

Part II: Narrative Explanation

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

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

The differences between SHB 1216 and 2SHB 1216 are as follows:

Section 102 would expand the coordinating council duties to include a requirement to determine priorities and advise the legislature on categories of clean energy projects to be the focus of new nonproject environmental impact statements in future legislative cycles.

Section 201 would modify the definition of clean energy project.

Section 206 where the previous version would prompt Ecology to notify any relevant federal agency or federally recognized Indian tribe to participate in the process with a request from the project proponent, the new version would require Ecology to make this notification for any relevant federal agency or potentially affected federally recognized Indian tribe regardless of whether the project proponent requests it.

Section 210 would add that nothing in the bill would change the requirements for the responsible official under SEPA.

Section 302 would remove language about the goal of the consultation process with any affected federally recognized Indian tribe on nonproject review. It would add that certain information is exempt from disclosure in accordance with existing law. Maps would not be permitted to be used in the place of surveys where a federally recognized Indian tribe may be affected. Projects may be located outside areas designated as clean energy preferred zones.

Section 305 would remove language that counties could not require permits for clearing, grading and excavation of less than 500 cubic yards for a renewable energy project, design, and environmental planning. Work would be required to cease if cultural resources are deemed to be present at any point.

Section 306 would clarify the intent of work for Washington State University to identify information for pumped storage siting.

Section 307 would amend some of the duties for the Department of Commerce.

Section 310 would amend some of the duties of the joint committee on energy supply, energy conservation, and energy resilience.

The changes would result in no change in the fiscal impact to Ecology.

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

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

Section 101 would establish an Interagency Clean Energy Siting Coordinating Council (Coordinating Council) co-led by Ecology and the Department of Commerce (Commerce) with participation from Washington State's Office of the Governor, Energy Facility Site Evaluation Council (EFSEC), Department of Fish and Wildlife (DFW), Department of Agriculture (Agriculture), Office of Indian Affairs, Department of Archaeology and Historic Preservation (DAHP), Department of Natural Resources (DNR), Department of Transportation (DOT), Utilities and Transportation Commission

(UTC), Office of Regulatory Innovation and Assistance (ORIA), and other agencies invited by Commerce and Ecology on an ad hoc basis. Ecology and Commerce would be required to assign staff to lead work and provide updates to the governor and legislature.

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

Section 202 would require Commerce to develop an application for the designation of clean energy projects as clean energy projects of statewide significance.

Section 203 would require Commerce to determine whether to designate an applicant's project as a clean energy project of statewide significance within 60 days.

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

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

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

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

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

Section 209 would require Ecology to offer early, meaningful, and individual consultation with any affected federal recognized Indian tribe on designated clean energy projects using the coordinated permitting process. Ecology would be required to engage in consultation with all affected federally recognized Indian tribes at the earliest possible date and throughout the process. Ecology would be required to notify and offer to discuss the project with the DAHP, DFW, and all affected federally recognized Indian tribes with the elements required by the bill. Ecology would be required to keep any

summaries of tribal issues, questions, concerns or other statements regarding a project in the official project files for any coordinated permitting process. Ecology would be required to identify overburdened communities that may be potentially affected by a project and verify they have been meaningfully engaged.

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

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

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

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

Section 305 would add a section to chapter 36.01 RCW (general provisions for counties) that would remove the authority for a county to require an application for the acquisition of a permit for the installation of wind and solar resource evaluation equipment associated with a renewable energy project.

Section 306 would require Washington State University to conduct a study to identify issues and interests for pumped storage sites in Washington state by June 30, 2025.

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

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

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

Section 310 would add review requirements for the joint committee on energy supply, energy conservation, and energy resilience. Section 310 would expire on June 30, 2025.

II. B - Cash receipts Impact

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

The cash receipts impact to Ecology is indeterminate for future cost reimbursement agreements under section 208.

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

II. C - Expenditures

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

The expenditure impact to Ecology under this bill is estimated to be greater than \$50,000 in Fiscal Year (FY) 2024 and ongoing to implement the requirements of sections 101, 102, 204, 205, 206, 207, 208, 209, 301, and 302. In addition, there are indeterminate expenditures for future cost reimbursement agreements under section 208.

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

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

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

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

Section 101 and 102 Interagency Clean Energy Siting Coordinating Council

Ecology assumes that co-leading the Interagency Clean Energy Siting Coordinating Council with Commerce would require staff to participate in the council, provide updates to the Governor and legislature, provide input and help with the annual report, advise on contracting for an evaluation of the state agency siting and permitting processes and requirements, and participate in workgroups or advisory committees. In addition, Ecology would make recommendations for developing a consolidated permit for clean energy and pursue the development of a consolidated clean energy application. Ecology estimates that this work would require 1.0 FTE WMS 2 starting in FY 2024 and ongoing to serve in the lead role for the agency.

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

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

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

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

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

of proposals requiring Ecology permits and provide the necessary technical assistance for proposals following the EFSEC process.

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

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

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

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

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

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

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

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

Water Rights Permits: Ecology assumes that water will likely be needed for some projects. Ecology estimates that the level of effort required on a permit will depend on regulated status of the water body in question, the total volume of water

needed, and whether the water is consumptive. Ecology further assumes that permits would require ongoing maintenance. Therefore, Ecology estimates that 1.0 FTE Environmental Specialist 5 and 1 FTE Hydrogeologist 3 would be necessary to complete and maintain permits for water rights, either new or changed.

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

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

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

Section 208 Cost Reimbursement Agreements

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

Section 301 SEPA Changes

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

Section 302 Nonproject Environmental Impact Statements

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

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

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

Nonproject EIS for Utility-scale Onshore Wind Energy: Based on previous experience, Ecology assumes that this EIS will require 24 months. Ecology estimates that 1.0 FTE Environmental Planner 5 and 0.50 FTE Environmental Planner 4 in FY 2024 and FY 2025 would be required to conduct an EIS with statewide analysis based on the needs for the project sites to cover potential impacts and mitigation. Ecology estimates that \$500,000 in FY 2024 and \$500,000 in FY 2025 would be required for a contract with a consultant to manage meetings, help develop a scope of study, analyze potential impacts, develop mitigation, manage comments, prepare scoping, and complete draft and final reports. Ecology further estimates that \$100,000 each year in FY 2024 and FY 2025 would be needed to fund state interagency agreements for work by multiple experts from other state agencies, based on potential impacts. Ecology also assumes that funding for Tribes, communities, and local government participation, through grants/other funding, would not be included in Ecology's costs. Therefore, no estimate is made for their participation in this effort.

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

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

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

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

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

FY 2025: \$962,538 and 1.7 FTEs

Section 302 Nonproject EIS for Onshore Wind Energy is estimated to require:

FY 2024: \$862,538 and 1.6 FTEs

FY 2025: \$862,538 and 1.6 FTEs

The TOTAL Expenditure impact to Ecology under this bill is estimated to be:

FY 2024: \$6,524,116 and 26.45 FTEs

FY 2025: \$6,724,116 and 26.45 FTEs

FY 2026 and ongoing: \$3,354,419 and 20.7 FTEs

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36% of salaries.

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

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

Travel is the agency average of \$1,563 per direct program FTE.

Equipment is the agency average of \$1,031 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 28.75% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development - Journey.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
26C-1	Climate Commitment Account	State	6,524,116	6,724,116	13,248,232	6,708,838	6,708,838
Total \$			6,524,116	6,724,116	13,248,232	6,708,838	6,708,838

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

III. B - Expenditures by Object Or Purpose

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

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

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
ENVIRONMENTAL ENGINEER 3	98,592	2.5	2.5	2.5	2.5	2.5
ENVIRONMENTAL ENGINEER 5	108,804	3.0	3.0	3.0	3.0	3.0
ENVIRONMENTAL PLANNER 4	89,292	6.0	6.0	6.0	4.0	4.0
ENVIRONMENTAL PLANNER 5	98,592	5.0	5.0	5.0	2.0	2.0
ENVIRONMENTAL SPEC 4	73,260	2.0	2.0	2.0	2.0	2.0
ENVIRONMENTAL SPEC 5	80,952	2.0	2.0	2.0	2.0	2.0
FISCAL ANALYST 2		2.3	2.3	2.3	1.8	1.8
HYDROGEOLOGIST 3	87,144	1.0	1.0	1.0	1.0	1.0
IT APP DEV-JOURNEY		1.2	1.2	1.2	0.9	0.9
NAT RESOURCE SCIENTIST 4	91,524	0.5	0.5	0.5	0.5	0.5
WMS BAND 2	120,000	1.0	1.0	1.0	1.0	1.0
Total FTEs		26.5	26.5	26.5	20.7	20.7

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1216 2S HB	Title: Clean energy siting	Agency: 463-Energy Facility Site Evaluation Council
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.1	1.1	1.1	1.1	1.1
Account					
Climate Commitment Account-State 26c-1	151,629	152,063	303,692	304,126	304,126
Total \$	151,629	152,063	303,692	304,126	304,126

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/24/2023
Agency Preparation: Osta Davis	Phone: 360-485-1674	Date: 03/01/2023
Agency Approval: Dave Walker	Phone: 360-664-1345	Date: 03/01/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 03/01/2023

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 would add new sections to chapter 43.21C RCW, chapter 36.70B RCW and Title 43 related to siting and permitting for new clean energy projects.

Section 101 would establish an Interagency Clean Energy Siting Coordinating Council (Coordinating Council) co-led by Ecology and the Department of Commerce (Commerce) with participation from Washington State's Office of the Governor, Energy Facility Site Evaluation Council (EFSEC), Department of Fish and Wildlife (DFW), Department of Agriculture (Agriculture), Office of Indian Affairs, Department of Archaeology and Historic Preservation, Department of Natural Resources (DNR), Department of Transportation (DOT), Utilities and Transportation Commission (UTC), Office of Regulatory Innovation and Assistance (ORIA), Department of Ecology, the Department of Commerce.

The Energy Facility Site Evaluation Council assumes the coordinating council will meet periodically through the year on an ongoing basis. Fiscal impact includes staff time and potential travel required to participate in the Interagency Clean Energy Siting Coordinating Council.

Section 102 would require the newly established Coordinating Council to complete the tasks as outlined in the bill. An annual report to the governor and legislature would be due starting July 1, 2024. The Energy Facility Site Evaluation Council is tasked with supporting the department of archaeology and historic preservation, the governor's office of Indian affairs, the department of commerce, in developing and providing to clean energy project developers a training on consultation and engagement processes for federally recognized Indian tribes.

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.

Sec. 101 requires the Energy Facility Site Evaluation Council (EFSEC) to participate as a member of the interagency clean energy siting coordinating council. EFSEC assumes the Director of Administration will be selected as the representative and to meet the goals and duties of the coordinating council, this will take on average 0.1 FTE per month.

The Energy Facility Site Evaluation Council is tasked with supporting the department of archaeology and historic preservation, the governor's office of Indian affairs, the department of commerce, in developing and providing to clean energy project developers a training on consultation and engagement processes for federally recognized Indian tribes. In order to fully participate in the collaboration regarding tribal consultation, EFSEC would require a designated Tribal Liaison and Engagement Coordinator at an average of 1 FTE ongoing.

It is assumed that participating in the coordinating council will result in periodic meetings whether online or in-person. In-person meetings will result in travel costs for EFSEC. A round-trip distance of 7.8 miles was used (the distance from the EFSEC office to the Department of Commerce) at a frequency of once per month to attend the meetings.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
26c-1	Climate Commitment Account	State	151,629	152,063	303,692	304,126	304,126
Total \$			151,629	152,063	303,692	304,126	304,126

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.1	1.1	1.1	1.1	1.1
A-Salaries and Wages	115,442	115,809	231,251	231,618	231,618
B-Employee Benefits	36,128	36,195	72,323	72,390	72,390
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel	59	59	118	118	118
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 \$	151,629	152,063	303,692	304,126	304,126

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 of Administration		0.1	0.1	0.1	0.1	0.1
Tribal Engagement Manager		1.0	1.0	1.0	1.0	1.0
Total FTEs		1.1	1.1	1.1	1.1	1.1

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1216 2S HB	Title: Clean energy siting	Agency: 477-Department of Fish and Wildlife
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.0	2.0	2.0	2.0	2.0
Account					
General Fund-State 001-1	310,000	310,000	620,000	620,000	620,000
Total \$	310,000	310,000	620,000	620,000	620,000

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/24/2023
Agency Preparation: Tiffany Hicks	Phone: (360) 902-2544	Date: 02/27/2023
Agency Approval: Tiffany Hicks	Phone: (360) 902-2544	Date: 02/27/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 02/27/2023

Part II: Narrative Explanation

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

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

Differences in this bill version do not change the fiscal impact for WDFW. The following provisions may have a policy impact on WDFW:

Section 302 states that maps used in the non-project environmental review process may not be used in lieu of surveys of particular parcels. This ensures that understanding of the habitat of individual parcels will be most accurate. This will not have a fiscal impact on WDFW.

Section 305 alters the section on pumped storage, so that instead of identifying least-conflict areas, the WSU collects and analyzes information on pumped storage siting. WDFW will participate in this process with the same amount of staff time as planned in prior versions 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.

There is no fiscal impact for this version of the bill.

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

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

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

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

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

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

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	310,000	310,000	620,000	620,000	620,000
Total \$			310,000	310,000	620,000	620,000	620,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.0	2.0	2.0	2.0	2.0
A-Salaries and Wages	161,000	161,000	322,000	322,000	322,000
B-Employee Benefits	60,000	60,000	120,000	120,000	120,000
C-Professional Service Contracts					
E-Goods and Other Services	12,000	12,000	24,000	24,000	24,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	77,000	77,000	154,000	154,000	154,000
9-					
Total \$	310,000	310,000	620,000	620,000	620,000

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
ENVIRONMENTAL PLANNER 3	80,952	2.0	2.0	2.0	2.0	2.0
Total FTEs		2.0	2.0	2.0	2.0	2.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1216 2S HB	Title: Clean energy siting	Agency: 490-Department of Natural Resources
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

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

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.6	0.6	0.6	0.3	0.3
Account					
General Fund-State 001-1	82,100	82,100	164,200	81,400	81,400
Total \$	82,100	82,100	164,200	81,400	81,400

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/24/2023
Agency Preparation: Angela Konen	Phone: 360-902-2165	Date: 02/28/2023
Agency Approval: Collin Ashley	Phone: 360-688-3128	Date: 02/28/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/28/2023

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.

Changes in the second substitute from the previous version do not affect the fiscal impact to the Department of Natural Resources (DNR).

Part 1 (Sections 101 and 102) requires DNR to participate in an interagency clean energy siting coordination council. The interagency council will be responsible for working with Ecology and Commerce to identify and report on improvements to the siting and permitting of clean energy projects, including an annual report to the Governor and Legislature.

Part 2 (Sec. 203 and 207): DNR may be asked to consult and provide technical guidance on proposed clean energy projects.

Part 3 (Sections 301 and 303): Creates a new SEPA process for clean energy facilities and requires a SEPA lead agency to use a programmatic Environmental Impact Statement (EIS) developed by Ecology (Section 302, developed by June 30, 2025) for utility scale solar and wind energy projects, co-located battery storage or for green electrolytic or renewable hydrogen project proposals.

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.

DNR may see an increase in clean energy project leases, however, amount of increase and associated revenues are unable to be determined at this time.

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.

DNR requires a WMS Band 2, Policy Advisor, to gather and read information related to clean energy project permitting and siting, consult with program staff, and attend meetings. A heavier workload is assumed in FY 2024 and FY 2025, due to the advising and consultation required prior to the Department of Commerce (COM) selecting a contractor. Additional requirements during this time include the initial annual report due to the Governor and legislature by July 1, 2024, ECY's update to the Governor and legislature on the consolidated permit options by October 1, 2024, and the consolidated permit applications by December 31, 2024.

DNR assumes the need for additional Washington Geological Survey (WGS) staff to provide input to discussions of clean energy projects, particularly those involving geothermal resources. A Natural Resource Scientist 4 is required to attend workgroup meetings and participate in discussions about joint permit applications for clean energy projects, including providing technical assistance in the evaluation of larger clean energy projects involving geothermal resources.

Costs include:

WMS Band 2 - Policy Advisor: 0.25 FTE for FY 2024 and FY2025, 0.13 FTE beginning in FY 2026 and on-going
Natural Resource Scientist 4: 0.20 FTE for FY 2024 and FY2025, 0.10 FTE beginning in FY 2026 and on-going

Total estimated costs are \$82,100 in FY 2024 and FY 2025, \$40,700 in FY 2026 and on-going.

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.

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	82,100	82,100	164,200	81,400	81,400
Total \$			82,100	82,100	164,200	81,400	81,400

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	0.3	0.3
A-Salaries and Wages	43,600	43,600	87,200	43,200	43,200
B-Employee Benefits	14,400	14,400	28,800	14,000	14,000
C-Professional Service Contracts					
E-Goods and Other Services	4,500	4,500	9,000	4,600	4,600
G-Travel	1,000	1,000	2,000	1,200	1,200
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	18,600	18,600	37,200	18,400	18,400
9-					
Total \$		82,100	82,100	164,200	81,400

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	0.1	0.1	0.1	0.1	0.1
Natural Resource Scientist 4	91,524	0.2	0.2	0.2	0.1	0.1
WMS Band 2	101,268	0.3	0.3	0.3	0.1	0.1
Total FTEs		0.6	0.6	0.6	0.3	0.3

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: 1216 2S HB	Title: Clean energy siting	Agency: 495-Department of Agriculture
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5	0.5	0.5	0.5	0.5
Account					
General Fund-State 001-1	100,300	100,300	200,600	200,600	200,600
Total \$	100,300	100,300	200,600	200,600	200,600

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/24/2023
Agency Preparation: Gary Bahr	Phone: (360) 902-1936	Date: 03/01/2023
Agency Approval: Nicholas Johnson	Phone: (360) 902-2055	Date: 03/01/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 03/01/2023

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.

Second Substitute House Bill 1216 differs from SHB 1216 as follows:

Section 307. (3) (d) Eliminates the requirement for Commerce to complete an interim rural clean energy and resilience report in December 2023, prior to the final report due on December 1, 2024.

Section 310. (1) Eliminates the requirement that Commerce's report be submitted to the Energy Facility Site Evaluation Council.

Section 310. (2) Reduces the number of meetings to be held by the Committee on the clean energy transition's impacts on rural communities from four meetings to two meetings, at least one of which must be held in eastern Washington. The travel is reduced for the official meetings, but the program manager workload remains the same.

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

Changes between bill versions:

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

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

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

Sections within Part 2 (Statewide Significance and Coordinated Permitting Process) were removed and all other sections

are re-numbered. Section 202 is removed and Sections 203 and 204 are moved up. Section 205 is removed and Sections 206-210 are moved up.

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

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

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

Substitute bill sections with impacts to WSDA:

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

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

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

WSDA identified a resource need to manage the new and ongoing work created in the original bill of a part time WMS Bank 2 level position at .10 FTE. WSDA's role and involvement is expanded in the substitute bill, specifically in section 307, to include attending additional stakeholder meetings and coordinating with commerce to engage and work with rural and agricultural communities on up to approximately 15 clean energy sited projects per biennium. WSDA's new ongoing resource needs would increase the number of hours for the WMS 2 position to .50 FTE and to add travel costs. Updated costs for salaries, benefits, supplies, travel, and overhead for a .50 FTE WMS 2 position starting FY 2024.

II. B - Cash receipts Impact

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

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

II. C - Expenditures

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

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

2SHB 1216 Section 310. (2) Committee reduced the number of meetings from four to two. Travel costs are reduced from \$4,500 to \$2,200 per 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	100,300	100,300	200,600	200,600	200,600
Total \$			100,300	100,300	200,600	200,600	200,600

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5	0.5	0.5	0.5	0.5
A-Salaries and Wages	55,000	55,000	110,000	110,000	110,000
B-Employee Benefits	18,000	18,000	36,000	36,000	36,000
C-Professional Service Contracts					
E-Goods and Other Services	6,900	6,900	13,800	13,800	13,800
G-Travel	2,200	2,200	4,400	4,400	4,400
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service	300	300	600	600	600
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Admin Overhead	17,900	17,900	35,800	35,800	35,800
Total \$	100,300	100,300	200,600	200,600	200,600

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
WMS 2 Program Manager	110,000	0.5	0.5	0.5	0.5	0.5
Total FTEs		0.5	0.5	0.5	0.5	0.5

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

No capital impacts.

Part V: New Rule Making Required

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

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1216 2S HB

Title: Clean energy siting

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

Legislation Impacts:

Cities: Costs associated with engaging in rulemaking

Counties: Same as above

Special Districts: Public Utilities that apply for the designation of Clean Energy Projects of Statewide Significance (CEPSS) for their facilities.

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: Costs associated with engaging in the regulatory process, staff time, the number of clean energy projects that would apply for CEPSS status, cost reimbursement agreements, and application fees.

Estimated revenue impacts to:

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

Estimated expenditure impacts to:

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

Part III: Preparation and Approval

Fiscal Note Analyst: Chelsea Mickel	Phone: 518-727-3478	Date: 02/27/2023
Leg. Committee Contact: Dan Jones	Phone: 360-786-7118	Date: 02/24/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/27/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/27/2023

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:

- Directs the Interagency Clean Energy Siting Coordinating Council to collaborate with federally recognized Indian tribes in creating the training for clean energy project developers that is focused on consultation and engagement processes with federally recognized Indian tribes.
- Directs the Interagency Clean Energy Siting Coordinating Council (ICESCC) to determine priorities for non-project environmental impact statements (EISs) to be funded by the Legislature after the non-project EISs to be carried out by the Department of Ecology (Ecology) for wind, solar, and hydrogen energy development.
- Excludes hydroelectric generation associated with facilities that have been the subject of an state Clean Water Act enforcement action or settlement that resulted in a penalty or mitigation of at least \$100,000, from the clean energy projects eligible for designation as a clean energy project of statewide significance, participation in the fully coordinated permit process, and the State Environmental Policy Act (SEPA) process changes.
- Clarifies that the designation of a clean energy project as a project of statewide significance or for participation in the fully coordinated permit process does not relieve a responsible official designated under SEPA of any SEPA responsibilities.
- Specifies that certain information obtained from a federally recognized Indian tribe in the consultation process for non-project EISs is exempt from public disclosure consistent with existing public records act exemptions.
- Specifies that maps developed as an outcome of non-project EIS reviews for wind, solar, and hydrogen may not be used in place of surveys on specific parcels or in place of input of potentially affected federally recognized Indian tribes.
- Amends the limitations on county permits for wind and solar evaluation equipment to eliminate references to grading permits and site excavation and clearing, and to include references to existing statutory requirements governing actions that must be taken in the event that cultural resources are determined to be present during site investigation work.
- Specifies that the Washington State University Energy Program's process for pumped storage siting is to be for the identification of interests, information, and issues related to pumped storage, rather than to identify areas in which the siting of pumped storage is likely to result in the least amount of potential conflict.

SUMMARY OF CURRENT BILL:

- Establishes an ICESCC to be co-chaired by the Ecology and the Department of Commerce (Commerce).
- Directs Commerce to establish a new program for the designation of Clean Energy Projects of Statewide Significance.
- Makes certain clean energy processes eligible for a coordinated permitting process to be overseen by Ecology.
- Amends provisions of SEPA for certain types of clean energy projects, including directing lead agencies to complete EISs within 24 months and specifying the content of SEPA review for clean energy projects.
- Directs Ecology to prepare non-project EISs for solar energy projects, onshore wind energy projects, green electrolytic or renewable hydrogen projects, and any co-located battery storage.
- Directs the Washington State University Energy Program to conduct a pumped storage siting process to identify interests and issues related to pumped storage.
- Directs Commerce to study and report on rural clean energy and resilience.
- Changes the name of the Joint Committee on Energy Supply, Energy Conservation, and Energy Resilience, and requires the committee to review and report on inequities in the historic and anticipated siting of large alternative energy facilities.

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:

In comparison to the original version of the bill, the substitute bill version would create new expenditure impacts.

In section 306, the second substitute bill requires the Washington State University Energy Program to engage with stakeholders, including special purpose districts, when conducting a process to identify interests and issues related to siting

pumped storage projects. Local governments that participate in stakeholder engagement may incur expenses in the form of staff time and potentially travel time to participate in any meetings required for the collaboration process. Illustrative examples of travel costs related to meetings are detailed in the narrative below.

EXPENDITURE IMPACTS OF CURRENT BILL:

This bill has indeterminate expenditure impacts on local governments.

Section 201 defines “clean energy projects” as clean energy product manufacturing facilities; electrical transmission facilities; facilities to produce non-emitting electric generation or electric generation from renewable resources, storage facilities; facilities or projects at any facilities that exclusively or primarily process biogenic feedstock into refined fuel products; or facilities or projects at any facilities that exclusively or primarily process alternative jet fuel.

Under this definition, public utilities or locally-funded clean energy projects may choose to apply for CEPSS designation. This would incur costs for staff time associated with drafting and submitting applications, as well as potential fees for application submittal. Local governments that apply for CEPSS would also incur costs by entering into required cost reimbursement agreements with Ecology. These reimbursements are meant to cover the ‘reasonable costs’ and costs of administrative burden on Ecology and other agencies associated with running a coordinated permitting process. Currently there is no definition of ‘reasonable costs’ and so the extent to which reimbursement agreements will impact local governments’ expenditures is uncertain.

Under section 209, Ecology is required to identify overburdened communities that might be affected by CEPSS, and verify that these communities have been meaningfully engaged in the regulatory processes in a timely manner by participating agencies. ICESCC is required to solicit input from interested parties and organizations involved in clean energy project siting and permitting, as well as organize a work plan meeting to develop a coordinated permit process schedule with the CEPSS project proponent, local government, and participating permit agencies. Local governments that have been solicited for input in either of these processes may incur costs for staff time and travel in order to be a part of the regulatory process. For example, if a one-day meeting was held in Olympia, it would cost \$334 for a local government staff member from Seattle to attend. This includes a \$74 per diem and \$138 hotel stay. Costs of the meeting would vary depending on the number of staff attending, how far they had to travel, and the length and number of meeting required. If the process requires or recommends that local governments adopt new ordinances in order to comply with Ecology’s requirements, local governments may incur costs for doing so. For discussion purposes, the Local Government Fiscal Note Program's cost models put the cost of adopting a simple ordinance with a public hearing is \$2,958 while adoption of a complex ordinance with hearing is estimated to be approximately \$9,492. However, since there is currently no requirement to adopt new ordinances under this legislation, these costs are speculative and indeterminate.

The bill requires Commerce to conduct at least three stakeholder meetings, with at least one in Eastern Washington and at least one in Western Washington. These meetings must include stakeholders from rural communities, agriculture, natural resource management and conservation, and forestry industries to better understand the impacts of renewable energy and siting project on rural communities. Representatives from local governments would incur costs attending these meetings if they are held in-person. For discussion purposes, if two single-day meetings were held in Olympia, and one was held in Spokane, the Local Government Fiscal Note Program Travel Calculator estimates that it would cost \$1,414 for a local government staff member from Seattle to attend all three. Meeting costs would vary depending on the number of staff attending, how far they had to travel, hotel prices, per diems, and the length and number of meeting required. Since it is unknown how many local governments would attend such meetings, or where the meetings would be held, these costs are 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:

In comparison to the original version of the bill, the substitute bill version would create new indeterminate revenue impacts.

The second substitute of the bill amends the limitations on county permits for wind and solar evaluation equipment to eliminate references to permitting for site investigation and limited excavation, and to include references to existing statutory requirements governing actions that must be taken if cultural resources are discovered during site investigation work. If cultural resources are found, site investigation work must stop, and necessary permits must be obtained. However, since it is unknown how many siting projects might encounter cultural resources that require special permits to be obtained, the effects on local government revenues are indeterminate.

REVENUE IMPACTS OF CURRENT BILL:

This bill has indeterminate revenue impacts on local governments.

New clean energy projects could bring in local revenues, but the number of new projects created due to ICESCC or CEPSS designation, and the amount of additional revenue is unknown. It is also possible that cost-reimbursement agreements with Ecology and CEPSS application fees could offset revenues brought in by new energy projects. However, it is unlikely that a jurisdiction would pursue or continue a project that is financially untenable.

SOURCES

Department of Commerce

Department of Ecology

Department of Ecology Fiscal Note, HB 1216, (2023)

House Bill Hearing, HB 1216, Environment & Energy Committee (2023)

House Bill Report, SHB 1216, Environment & Energy Committee (2023)

House Bill Report, HB 1216, Environment & Energy Committee (2023)

King County

Local Government Fiscal Note, SHB 1216, (2023)

Local Government Fiscal Note, HB 1216, (2023)

Local Government Fiscal Note Program Travel Calculator (2023)

Local Government Fiscal Note Program Unit Cost Model (2023)

Pierce County