

Multiple Agency Fiscal Note Summary

Bill Number: 1032 2S HB	Title: Wildfires/electric utilities
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Governor's Office of Indian Affairs	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	.6	188,284	188,284	188,284	.6	191,114	191,114	191,114	.6	191,114	191,114	191,114
Utilities and Transportation Commission	.3	0	0	99,955	.0	0	0	5,730	.1	0	0	26,660
Washington State Patrol	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Natural Resources	3.0	1,159,300	1,159,300	1,159,300	3.2	876,200	876,200	876,200	3.2	876,200	876,200	876,200
Total \$	3.9	1,347,584	1,347,584	1,447,539	3.8	1,067,314	1,067,314	1,073,044	3.9	1,067,314	1,067,314	1,093,974

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

Estimated Capital Budget Expenditures

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

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

Estimated Capital Budget Breakout

NONE

Prepared by: Lisa Borkowski, OFM	Phone: (360) 742-2239	Date Published: Final 3/ 6/2023
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Individual State Agency Fiscal Note

Bill Number: 1032 2S HB	Title: Wildfires/electric utilities	Agency: 086-Governor's Office of Indian Affairs
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/28/2023
Agency Preparation: Seth Flory	Phone: 360-407-8165	Date: 03/02/2023
Agency Approval: Seth Flory	Phone: 360-407-8165	Date: 03/02/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 03/02/2023

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.

2nd Substitute House Bill 1032, regarding efforts to mitigate the risk of wildfire, requires the Department of Natural Resources (DNR) in partnership with the Energy Resilience and Emergency Managements Office (EREMO) to develop recommendations for strengthening wildfire prevention and response.

Per Section 2(1) of the legislation, DNR and EREMO should seek input from The Governor's Office of Indian Affairs (GOIA). GOIA expects their involvement in this process to be minimal and without significant cost. Any costs resulting from involvement in this process can be absorbed by the agency, no fiscal impact.

II. B - Cash receipts Impact

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

II. C - Expenditures

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1032 2S HB	Title: Wildfires/electric utilities	Agency: 103-Department of Commerce
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.6	0.6	0.6	0.6	0.6
Account					
General Fund-State 001-1	92,727	95,557	188,284	191,114	191,114
Total \$	92,727	95,557	188,284	191,114	191,114

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: 02/28/2023
Agency Preparation: Marla Page	Phone: 360-725-3129	Date: 03/02/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 03/02/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 03/03/2023

Part II: Narrative Explanation

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

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

Differences between the 2SHB 1032 and the SHB 1032:

Section 3(1) removes language for each investor-owned utility to adopt its wildfire mitigation plan.

Section 3(1)(a) changes submittal of wildfire mitigation plans from the Department of Natural Resources (DNR) to Utilities and Transportation Commission (UTC) to include the following changes: the commission will confirm if plans submitted include the recommended elements; removes the requirement for DNR to review the plan; adds copy of the plan must be provided to DNR; and removes the requirement to provide a list and description of wildland fires involving utility equipment from within an investor owned utility customer area.

Section 3(1)(b) changes the lead from DNR to UTC and allows an investor-owned utility to pursue recovery of costs and investments associated with a wildfire mitigation plan.

Section 6 adds that if specific funding for the purposes of this act is not provided by June 30, 2023, in the omnibus appropriations act, this act is null and void.

Summary of the 2SHB 1032:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 6 in new and states if specific funding for the purposes of this act is not provided by June 30, 2023, in the omnibus appropriations act, this act is null and void.

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

II. B - Cash receipts Impact

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

II. C - Expenditures

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

General Assumptions:

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

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

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

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

Salaries and Benefits:

FY24: \$63,300

FY25-FY29: \$65,427 per fiscal year

Goods and Services:

FY24: \$8,601

FY25-FY29: \$8,605 per fiscal year

Intra-Agency Reimbursements:

FY24: \$20,826

FY25-FY29: \$21,525 per fiscal year

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

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Total Costs:

FY24: \$92,727

FY25-FY29: \$95,557 per fiscal year

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	92,727	95,557	188,284	191,114	191,114
Total \$			92,727	95,557	188,284	191,114	191,114

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.6	0.6	0.6	0.6	0.6
A-Salaries and Wages	47,593	49,020	96,613	98,040	98,040
B-Employee Benefits	15,707	16,407	32,114	32,814	32,814
C-Professional Service Contracts					
E-Goods and Other Services	8,601	8,605	17,206	17,210	17,210
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	20,826	21,525	42,351	43,050	43,050
9-					
Total \$	92,727	95,557	188,284	191,114	191,114

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

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

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1032 2S HB	Title: Wildfires/electric utilities	Agency: 215-Utilities and Transportation Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.4	0.3	0.3	0.0	0.1
Account					
Public Service Revolving Account-State 111-1	57,014	42,941	99,955	5,730	26,660
Total \$	57,014	42,941	99,955	5,730	26,660

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: 02/28/2023
Agency Preparation: Amy Andrews	Phone: 360-481-1335	Date: 03/03/2023
Agency Approval: Amy Andrews	Phone: 360-481-1335	Date: 03/03/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 03/06/2023

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 2nd substitute House Bill changes the following related to utility wildfire mitigation plans prepared by investor-owned utilities:

- requires investor-owned utilities to submit their utility wildfire mitigation plans to the Utilities and Transportation Commission (UTC) for review;
- removes the requirement that the Department of Natural Resources (DNR) review utility wildfire mitigation plans prepared by investor-owned utilities;
- provides that the UTC, rather than the DNR, is not liable for an investor-owned utility's implementation of its wildfire mitigation plan;
- removes language that would have provided that the DNR's review of an investor-owned utility's wildfire mitigation plan and any recommendations associated with the review do not constitute a reasonableness review or approval of recovery of any measure, investment, cost, or other component of the plan; and
- authorizes investor-owned utilities to pursue recovery of costs and investments associated with a wildfire mitigation plan through a proceeding to set rates at the UTC.
- Provides that the DNR is not responsible, rather than not liable, for a consumer-owned utility's implementation of its wildfire mitigation plan.
- Adds a standard null and void clause.

The following descriptions are the fiscal impacts for this 2nd Substitute House Bill:

Section 2 requires the Department of Commerce - Energy Resilience and Emergency Office (Office) to consult with the UTC in the adoption of the utility wildfire mitigation plan format and list of actions and requires the UTC to review the proposed format and list of actions before submission. The UTC assumes this consultation and review will happen between July 1, 2023, and March 31, 2024.

Section 3(1) establishes filing requirements for each electrical utility company to submit to the UTC by October 31, 2024, and every three years thereafter, its wildfire mitigation plan for review. The UTC must complete a rulemaking under RCW 80.28 Gas, Electrical, and Water Companies to establish rules directing the companies to file the mitigation plans and recovery of costs and investments associated with a wildfire mitigation plan.

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

II. B - Cash receipts Impact

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

None

II. C - Expenditures

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

Wildfire Mitigation Plan consultation with Department of Commerce

Section 2 requires the Department of Commerce - Energy Resilience and Emergency Office (Office) to consult with the UTC in the adoption of the utility wildfire mitigation plan format and list of actions and requires the UTC to review the

proposed format and list of actions before submission. The UTC assumes this consultation and review will happen between July 1, 2023, and March 31, 2024.

FY2024 - \$35,003 total cost

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

Simple Rulemaking to Establish New Section under RCW 80.28

Section 3(1) establishes filing requirements for each electrical utility company to submit to the UTC its wildfire mitigation plan for review. The UTC must complete a rulemaking under RCW 80.28 Gas, Electrical, and Water Companies to establish rules directing the companies to file the mitigation plans.

FY2024 & FY2025 - \$19,146 per fiscal year

(Administrative Law Judge, 0.06 FTE; Director | Regulatory Services, 0.02 FTE; Deputy Director | Regulatory Services, 0.02 FTE; Policy Advisor, 0.02 FTE; Deputy Asst. Director | Regulatory Services, 0.02 FTE; Regulatory Analyst 2, 0.03 FTE; Regulatory Analyst 3, 0.04 FTE; Asst. Director Policy, 0.02 FTE)

Commission Staff Workload Addition with Mitigation Plan review (every three years)

Section 3(1)(a) requires the plans to be submitted to the UTC by October 31, 2024, and every three years thereafter. The UTC must review and confirm the plans contain the recommended actions.

FY2025 - \$20,931 total cost every three calendar years.

(Deputy Director | Regulatory Services, 0.01 FTE; Deputy Asst. Director | Regulatory Services, 0.01 FTE; Regulatory Analyst 3, 0.06 FTE; Regulatory Analyst 2, 0.04 FTE; Policy Advisor, 0.02 FTE; Asst. Director Policy, 0.01 FTE)

Utility Wildland Fire Prevention Advisory Committee Representation

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

FY2024 - FY2029 | \$2,865 per fiscal year

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
111-1	Public Service Revolving Account	State	57,014	42,941	99,955	5,730	26,660
Total \$			57,014	42,941	99,955	5,730	26,660

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.4	0.3	0.3	0.0	0.1
A-Salaries and Wages	38,092	28,518	66,610	3,898	18,136
B-Employee Benefits	13,332	9,982	23,314	1,364	6,348
C-Professional Service Contracts					
E-Goods and Other Services	5,590	4,441	10,031	468	2,176
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	57,014	42,941	99,955	5,730	26,660

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Law Judge	119,088	0.0	0.0	0.0		
Asst. Director, Policy	110,064	0.0	0.0	0.0		0.0
Deputy Asst. Director Regulatory Services	101,136	0.1	0.0	0.1	0.0	0.0
Deputy Director Regulatory Services	117,996	0.0	0.0	0.0		0.0
Director, Regulatory Services	134,532	0.0	0.0	0.0		
Policy Advisor	100,008	0.1	0.0	0.1		0.0
Regulatory Analyst 2	82,896	0.0	0.1	0.0		0.0
Regulatory Analyst 3	93,840	0.1	0.1	0.1	0.0	0.0
Total FTEs		0.4	0.3	0.4	0.0	0.1

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Section 3 requires the UTC to develop rules establishing the requirements and procedures to review and accept utility wildfire mitigation plans along with rules on recovering costs and investments associated with wildfire mitigation plans. The UTC assumes this will be a new section under WAC 480-100. The rules must be adopted by September 30, 2024. The UTC assumes this simple rulemaking will occur between July 1, 2023, and June 30, 2024.

Individual State Agency Fiscal Note

Bill Number: 1032 2S HB	Title: Wildfires/electric utilities	Agency: 225-Washington State Patrol
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

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

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/28/2023
Agency Preparation: Yvonne Ellison	Phone: 360-596-4042	Date: 03/02/2023
Agency Approval: Mario Buono	Phone: (360) 596-4046	Date: 03/02/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 03/06/2023

Part II: Narrative Explanation

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

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

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

The second substitute version of the proposed legislation makes changes to the requirements for utility companies, which do not impact the WSP.

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

New section 6 makes the act null and void if funding is not provided.

II. B - Cash receipts Impact

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

NONE

II. C - Expenditures

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

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

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

III. B - Expenditures by Object Or Purpose

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

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1032 2S HB	Title: Wildfires/electric utilities	Agency: 490-Department of Natural Resources
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.9	3.2	3.0	3.2	3.2
Account					
General Fund-State 001-1	721,200	438,100	1,159,300	876,200	876,200
Total \$	721,200	438,100	1,159,300	876,200	876,200

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Dan Jones	Phone: 360-786-7118	Date: 02/28/2023
Agency Preparation: Zoe Catron	Phone: 360-902-1121	Date: 03/02/2023
Agency Approval: Nicole Dixon	Phone: 360-902-1155	Date: 03/02/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 03/02/2023

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 between SHB 1032 and 2SHB 1032:

Section 4 (b):

-Changes language to state that the Department of Natural Resources (DNR) is not "responsible" (rather than not "liable") for the consumer owned utilities wildfire mitigation plans.

Section 6:

-Adds a null and void clause, requiring appropriation in the budget for this bill to be valid

New Description:

Section 2(1)

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

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

Section 2(2)

Describes the elements that should be included in the model plan/template should address: vegetation management along transmission and distribution lines; infrastructure inspection and maintenance; modification or upgrades to facilities; preventative programs; operational procedures; and rights-of-way vis a vis vegetation management

Section 2(3)

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

Section 2(4):

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

Section 2(5):

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

Section 3(1) – Investor-owned utilities

The bill adds a new chapter to 80.28 RCW to state that by October 31, 2024, and every three years thereafter, investor-owned utilities must review, update as necessary, and adopt their wildfire mitigation plans and submit the plan to the Utilities and Transportation Commission (UTC) for review. Plans must also be submitted to the DNR and the Utility Wildland Fire Prevention Advisory Committee ("Advisory Committee"), along with a list and description of wildland fires involving utility equipment within its customer service area over the previous two years as reported by DNR. Investor-owned utilities must provide local fire protection districts the opportunity to provide input for each wildfire mitigation plan.

Section 4(1) – Consumer-owned utilities

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

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

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

Sec. 6 –

Adds a null and void clause, requiring appropriation in the budget for this bill to be valid

II. B - Cash receipts Impact

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

II. C - Expenditures

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

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

1.0 FTE Natural Resource Scientist – FY24: \$94,100, FY25 and Ongoing: \$112,800 - Lead on reviewing and evaluating risk mitigation plan format and list of elements, reviewing individual electric utility wildfire risk mitigation plans, providing technical assistance to utilities, and providing data to utilities on wildland fires occurring over the previous two years within a utility’s customer service area that involved utility equipment.

1.0 FTE – WMS Band 2 - Utility Wildfire Liaison - – FY24: \$111,300, FY25 and Ongoing: \$133,500

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

0.5 FTE – Policy Advisor – \$65,800 ongoing- Would provide Policy support for coordinating between Executive Management Division, Uplands, and Wildland Fire and electric utilities, and with Department of Commerce and Utilities and Transportation Commission.

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

One-time cost for one professional service contract for an expert consultant to develop an electric utility wildfire mitigation plan format and list of elements to be included in electric utility wildfire mitigation plans and to make public by April 1, 20:

Total Costs:

FY24: \$721,200

FY25 and Ongoing: \$438,100

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

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	721,200	438,100	1,159,300	876,200	876,200
Total \$			721,200	438,100	1,159,300	876,200	876,200

III. B - Expenditures by Object Or Purpose

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

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Fiscal Analyst 2	55,872	0.7	0.7	0.7	0.7	0.7
Natural Resource Scientist 3	82,896	0.8	1.0	0.9	1.0	1.0
Policy Advisor	100,000	0.5	0.5	0.5	0.5	0.5
WMS Band 2	101,268	0.8	1.0	0.9	1.0	1.0
Total FTEs		2.9	3.2	3.0	3.2	3.2

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1032 2S HB

Title: Wildfires/electric utilities

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

Legislation Impacts:

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

Part II: Estimates

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

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

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

Part III: Preparation and Approval

Fiscal Note Analyst: Chelsea Mickel	Phone: 518-727-3478	Date: 02/28/2023
Leg. Committee Contact: Dan Jones	Phone: 360-786-7118	Date: 02/28/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/28/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/28/2023

Part IV: Analysis

A. SUMMARY OF BILL

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

CHANGES BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

The second substitute bill makes the following changes to utility wildfire mitigation plans prepared by investor-owned utilities:

--Requires investor-owned utilities to submit their utility wildfire mitigation plans to the Utilities and Transportation Commission (UTC) for review;

--Removes the requirement that the Department of Natural Resources (DNR) review utility wildfire mitigation plans prepared by investor-owned utilities;

--Provides that the UTC, rather than the DNR, is not liable for an investor-owned utility's implementation of its wildfire mitigation plan;

--Removes language that would have provided that the DNR's review of an investor-owned utility's wildfire mitigation plan and any recommendations associated with the review do not constitute a reasonableness review or approval of recovery of any measure, investment, cost, or other component of the plan; and

--Authorizes investor-owned utilities to pursue recovery of costs and investments associated with a wildfire mitigation plan through a proceeding to set rates at the UTC.

Provides that the DNR is not responsible, rather than not liable, for a consumer-owned utility's implementation of its wildfire mitigation plan.

Adds a standard null and void clause.

SUMMARY OF CURRENT BILL:

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

The DNR must publish a recommended format and list of actions for electric utility wildfire mitigation plans by April 1, 2024.

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

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

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

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

B. SUMMARY OF EXPENDITURE IMPACTS

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

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

In comparison to the previous version of this bill, the current bill would not result in additional expenditure impacts to local governments.

EXPENDITURE IMPACTS OF CURRENT BILL:

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

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

C. SUMMARY OF REVENUE IMPACTS

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

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

In comparison to the previous version of this bill, the current bill would not result in additional revenue impacts to local governments.

REVENUE IMPACTS OF CURRENT BILL:

This bill would not impact local government revenues.

SOURCES

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

Committee Materials, Proposed Second Substitute Bill as Adopted, 2SHB 1032, Agriculture and Natural Resources Committee, (2023)

Local Government Fiscal Note, SHB 1032, (2023)

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

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

Klickitat County Public Utility District

Okanogan County Public Utility District

Washington Public Utilities District Association