

Multiple Agency Fiscal Note Summary

Bill Number: 5165 S SB AMH ENVI H1630.2	Title: Electric transm. planning
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	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
Department of Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Utilities and Transportation Commission	.1	0	0	43,756	.0	0	0	0	.0	0	0	0
Energy Facility Site Evaluation Council	5.0	0	0	3,901,848	5.0	0	0	3,556,440	.0	0	0	0
Total \$	5.1	0	0	3,945,604	5.0	0	0	3,556,440	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 Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Energy Facility Site Evaluation Council	.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 4/ 5/2023
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Individual State Agency Fiscal Note

Bill Number: 5165 S SB AMH ENVI H1630.2	Title: Electric transm. planning	Agency: 103-Department of Commerce
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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: 03/25/2023
Agency Preparation: Marla Page	Phone: 360-725-3129	Date: 03/28/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 03/28/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 04/04/2023

Part II: Narrative Explanation

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

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

Differences between the SSB 5165 AMH ENVI H1630.2 and SSB 5165:

There are no differences between SSB 5165 AMH ENVI H1630.2 and SSB 5165 that affect the fiscal impact to the Department of Commerce (department).

Summary of SSB 5165 ANH ENVI H1630.2:

This bill makes improvements to the planning and siting processes for electric power transmission systems, implementing several recommendations of the Transmission Corridors Work Group created by the Clean Energy Transformation Act.

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 to the department. The department does not execute or implement the activities stated in SSB 5165 AMH ENVI H1630.2.

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: 5165 S SB AMH ENVI H1630.2	Title: Electric transm. planning	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	0.2	0.0	0.1	0.0	0.0
Account					
Public Service Revolving Account-State 111-1	38,292	5,464	43,756	0	0
Total \$	38,292	5,464	43,756	0	0

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: 03/25/2023
Agency Preparation: Amy Andrews	Phone: 360-481-1335	Date: 03/30/2023
Agency Approval: Amy Andrews	Phone: 360-481-1335	Date: 03/30/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 03/30/2023

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 is revised in SSB AMH H1630.2. Subsection (9) requires compliance from electric utilities that rely on contracted network transmission request providers with provisions of chapter 288, Laws of 2019 and chapter 70A.45 RCW in transmission planning process. Section 1 also includes findings related to expanded transmission capacity, more effective use of existing transmission capacity, existing constraints, and certain projects. UTC assumes no fiscal impact. UTC assumes no fiscal impact.

Section 2 requires a forecast requirement to 20 years and outlines that the assessment must also identify new or upgrades to existing to bulk transmission facilities. The requirements are expanded for the clean energy action plan (CEAP) content, including documenting existing and planned efforts by the utility to secure additional transmission capacity. Section 2 is revised in SSB AMH H1630.2 and requires utilities to assess regional generation and transmission capacity and meet requirements under chapter 288, Laws of 2019, and the state's greenhouse gas emissions reduction limits in RCW 70A.45.020. It also requires a transmission assessment to identify availability and a utility's expected needs to acquire, develop, or expand rights or facilities, and limits the utilities that must consider opportunities to make more effective use of existing transmission capacity in their integrated resource plan (IRP) to utilities that operate transmission assets rated at 115,000 volts or more, and allows utilities to satisfy the IRP transmission assessment and 20-year forecast requirements through a separate assessment process if that assessment meets the same requirements as those for the IRP. UTC assumes fiscal impact.

Section 3 is revised in SSB AMH H1630.2, clarifying that a utility's consideration of conditional firm transmission services must be consistent with prudent utility practice and must be considered in their planning and selection of renewable resources. Utilities are also encouraged to participate and contribute to statewide or multiutility planning activities and consult with other entities in transmission planning and development. It also establishes requirements for electric utilities regarding the selection and acquisition of renewable resources and use of transmission services considered to be conditional firm, and satisfaction of planning requirements through statewide or multiutility planning activities and through interstate transmission planning processes. The section includes requirements regarding seeking support of federal, interstate, and voluntary industry organizations. UTC assumes no fiscal impact.

Section 4 addresses applicability requirements related to construction, reconstruction, or enlargement of existing or new electrical transmission facilities and specifications for transmission projects that must seek EFSEC certification are of a nominal voltage of at least 500,000 volts alternating current or at least 300,000 volts direct current. UTC assumes no fiscal impact.

Section 5 modifies federal citations and updates applicability, including provisions for electrical transmission projects proposed or sited by a federal agency and additional coordination and participation requirements for environmental review. UTC assumes no fiscal impact.

New Sections 6 and 7 in SSB AMH H1630.2 direct EFSEC to prepare nonproject environmental impact statements (EISs) for project-level review of transmission facilities with 230 kilovolts or more, and specifies certain requirements for lead agency use and review of EISs. UTC assumes 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.

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.

Simple rulemaking to adopt integrated resource plan and clean energy action plan requirements for transmission planning Section 2 includes integrated resource plan (IRP) and clean energy action plan (CEAP) topics and related requirements found in UTC rules, WAC 480-100 and 480-107. The UTC assumes it will conduct a simple rulemaking to revise an existing rule, which will occur between July 1, 2023, and June 30, 2024.

FY2024 - \$38,292 total cost

(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; Assistant Director, Policy, 0.02 FTE)

Review of transmission assessment in IRP and CEAP or separate assessment

Section 2 also requires additional UTC review for each investor-owned electric utility’s IRP and CEAP, including evaluation of emissions reduction limits; evaluation of effective use of existing transmission capacity through energy efficiency, demand response, grid modernization; electrification of transportation; and expected needs to develop new, or expand or upgrade existing, bulk transmission facilities. UTC assumes this review will occur for the 2025 Electric IRP and CEAPs between January 1, 2025, and June 30, 2025, or similar time for a separate assessment review.

FY2025 - \$5,464 total cost

(Deputy Asst. Director | Regulatory Services, 0.01 FTE; Regulatory Analyst 3, 0.02 FTE; Regulatory Analyst 2, 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	38,292	5,464	43,756	0	0
Total \$			38,292	5,464	43,756	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.0	0.1		
A-Salaries and Wages	24,661	3,717	28,378		
B-Employee Benefits	8,631	1,301	9,932		
C-Professional Service Contracts					
E-Goods and Other Services	5,000	446	5,446		
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 \$	38,292	5,464	43,756	0	0

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Law Judge	119,088	0.1		0.0		
Asst. Director, Policy	110,064	0.0		0.0		
Deputy Asst. Director Regulatory Services	101,136	0.0	0.0	0.0		
Deputy Director Regulatory Services	117,996	0.0		0.0		
Director, Regulatory Services	134,532	0.0		0.0		
Policy Advisor	100,008	0.0		0.0		
Regulatory Analyst 2	82,896	0.0	0.0	0.0		
Regulatory Analyst 3	93,840	0.0	0.0	0.0		
Total FTEs		0.2	0.0	0.1		0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Revise existing rule

Section 2 includes integrated resource plan (IRP) and clean energy action plan (CEAP) topics and related requirements found in UTC rules, WAC 480-100 and 480-107. The UTC assumes it will conduct a simple rulemaking to revise an existing rule, which will occur between July 1, 2023, and June 30, 2024.

Individual State Agency Fiscal Note

Bill Number: 5165 S SB AMH ENVI H1630.2	Title: Electric transm. planning	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	5.0	5.0	5.0	5.0	0.0
Account					
Climate Commitment Account-State 26C-1	1,950,924	1,950,924	3,901,848	3,556,440	0
Total \$	1,950,924	1,950,924	3,901,848	3,556,440	0

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: 03/25/2023
Agency Preparation: Osta Davis	Phone: 360-485-1674	Date: 03/30/2023
Agency Approval: Dave Walker	Phone: 360-664-1345	Date: 03/30/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 04/05/2023

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 Substitute Senate Bill 5165 and the original bill: The substitute senate bill adds the requirement that a transmission assessment must identify needs to acquire new long-term firm rights and specifies that utilities relying on a contract for transmission

services may comply with the transmission planning requirements by requesting that the counterparty to the contract include certain provisions of state law in the provider's process for assessing transmission need and for transmission planning and acquisition. The substitute also allows utilities to satisfy the transmission assessment and 20-year forecast requirements through a separate assessment process if that assessment meets the same requirements as those for the integrated resource plan. The substitute clarifies that utilities must consult with other entities in the transmission planning process and encourages participation in statewide and multiutility planning activities. Additionally, the substitute directs the Energy Facility Site Evaluation Council to prepare a nonproject environmental impact statement that assesses probable significant adverse environmental impacts and identifies related mitigation measures for electrical transmission facilities with a nominal voltage of 230kV or greater. The scope of the nonproject environmental impact statement must consider historical and cultural resources, endangered species, wildlife migration corridors, environmental justice and overburdened communities, tribal rights and resources, land uses, and military installations and operations. In developing the score of the nonproject review, the Energy Facility Site Evaluation Council shall request input from agencies, federally recognized tribes, industry, stakeholders, local governments, and the public and provide opportunities for engagement. The Energy Facility Site Evaluation Council must also offer early and meaningful consultation with any affected federally recognized tribes. The final nonproject environmental impact statement must include maps identifying probable significant adverse impacts with the intention to illustrate areas where impacts are avoided or capable of being minimized or mitigated. Lastly, the substitute sets out the process for lead agencies conducting project-level reviews to utilize the nonproject environmental impact statement.

The changes from the original bill to the substitute have a significant fiscal impact on the Energy Facility Site Evaluation Council (EFSEC). With the addition of the requirement to conduct a nonproject environmental impact statement, EFSEC must hire additional staff and contract with consultants in order to complete assessments of adverse environmental impacts and related mitigation measures. Additionally, EFSEC must conduct a broad level of stakeholder engagement, robust public meetings, and engage in tribal consultations requiring additional staff and consultant resources.

Substitute Senate Bill 5165 Summary:

Section 1 outlines Washington State's increased need for high voltage transmission capacity to meet the state's legal requirements and speaks to the timing challenges regarding transmission planning, development, and permitting.

Section 2 requires a 20-year forecast of the availability of and requirements for regional generation and transmission capacity. The assessment must identify the utility's expected needs to acquire new long-term firm rights, develop new or expand existing transmission facilities. A utility that operates transmission assets at 115,000 volts or greater must take into account opportunities to more effectively utilize existing transmission capacity.

Section 3 requires electric utilities to give consideration to renewable resources that would be considered conditional firm under the tariff of the relevant transmission provider.

Section 4 states that the construction, reconstruction, or enlargement of new or existing transmission facilities of 500,000 volts alternating current or at least 300,000 volts direct current, located in more than one county or service areas of more than one retail electric utility must utilize the Energy Facility Site Evaluation Council Process.

Section 5 states that the Energy Facility Site Evaluation Council Director must coordinate state agency participation in environmental review under the National Environmental Policy Act for transmission projects proposed or sited by a federal

agency.

Section 6 tasks the Energy Facility Site Evaluation Council with preparing a nonproject environmental impact statement that assesses probable significant adverse environmental impacts and identifies related mitigation measures for electrical transmission facilities with a nominal voltage of 230kV or greater. The scope of the nonproject environmental impact statement must consider historical and cultural resources, endangered species, wildlife migration corridors, environmental justice and overburdened communities, tribal rights and resources, land uses, and military installations and operations. In developing the score of the nonproject review, the Energy Facility Site Evaluation Council shall request input from agencies, federally recognized tribes, industry, stakeholders, local governments, and the public and provide opportunities for engagement. The Energy Facility Site Evaluation Council must also offer early and meaningful consultation with any affected federally recognized tribes. The final nonproject environmental impact statement must include maps identifying probable significant adverse impacts with the intention to illustrate areas where impacts are avoided or capable of being minimized or mitigated.

Section 7 states that a lead agency conducting a project-level environmental impact statement for an electrical transmission of 230kV or greater must consider the nonproject environmental impact statement completed by the Energy Facility Site Evaluation Council.

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.

EFSEC would support the development of a Programmatic Environmental Impact Statements (PEISs) to identify, evaluate, and address potential impacts for new or upgraded high-voltage transmission lines. The analysis would not cover specific new lines, but rather assess the potential impacts of possible lines in those broad corridors where development is currently expected, based on the work of the Transmission Corridors Work Group. The more comprehensive the environmental analysis is during the planning stage, the better environmental impacts can be understood and characterized during individual project review. Projects would be able to build on the analysis already done and conduct additional analysis for site specific environmental issues not addressed during the planning stage. Programmatic review can result in significant project time savings if the review was done in the recent past and has thoroughly assessed impacts and potential mitigations.

EFSEC assumes that the high-voltage transmission line PEIS will require at least 36 months. The initial work will consist of a scoping analysis with input from agencies, federally recognized tribes, industry, stakeholders, local governments and overburdened communities to identify the geographic areas suitable for electrical transmission facilities with a nominal voltage of 230kV or greater, based on the climatic and geophysical attributes conducive to or required for project development. The scoping analysis will assist in determining which high-priority transmission corridor will be analyzed during the initial PEIS. Subsequent PEISs analyzing additional corridors may require additional time and funds beyond the resources listed below.

EFSEC determines the following staff would be required to perform scope and gap analyses to identify typical requirements for siting high-voltage transmission lines and conduct a high-priority transmission corridor PEIS that assesses and discloses the probable significant adverse environmental impacts and related mitigation measures:

- 1.0 FTE WMS 2 Project Manager in FY 2024, FY 2025, FY 2026, and FY 2027
- 1.0 FTE Environmental Planner 4 in FY 2024, FY 2025, FY 2026, and FY 2027
- 1.0 FTE Site Specialist in FY 2024, FY 2025, FY 2026, and FY 2027
- 1.0 FTE Communication Manager/Tribal Outreach Coordinator in FY 2024, FY 2025, FY 2026, and FY 2027

- 1.0 FTE Administrative Assistant FY 2024, FY 2025, FY 2026, and FY 2027

EFSEC estimates that \$1,000,000 in FY 2024 and FY 2025 and \$800,000 in FY 2026 and FY 2027 would be required for contracts with consultants. The contracted work would encompass both the technical environmental impact and mitigation reports as well as the development of robust public communication strategies, meeting facilitation, and public comment management.

EFSEC further estimates that \$300,000 in FY 2024, FY 2025, FY 2026, and FY 2027 would be needed to fund state interagency agreements for work by multiple experts from other state agencies, based on potential impacts.

EFSEC estimates \$100,000 each year in FY 2024 and FY 2025 would be needed to reimburse federally recognized tribes for their involvement in analyzing potential impacts to cultural resources, archaeological sites, sacred sites, fisheries, or other rights and interests in tribal lands and lands within which an Indian tribe or tribes possess rights reserved or protected by federal treaty, statute, or executive order.

EFSEC estimates travel expenses of \$1,000 per FTE per year totaling \$5,000 in FYs 2024, 2025, 2026, and 2027.

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	1,950,924	1,950,924	3,901,848	3,556,440	0
Total \$			1,950,924	1,950,924	3,901,848	3,556,440	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	5.0	5.0	5.0	5.0	
A-Salaries and Wages	403,824	403,824	807,648	848,030	
B-Employee Benefits	142,100	142,100	284,200	298,410	
C-Professional Service Contracts	1,000,000	1,000,000	2,000,000	1,600,000	
E-Goods and Other Services	400,000	400,000	800,000	800,000	
G-Travel	5,000	5,000	10,000	10,000	
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 \$	1,950,924	1,950,924	3,901,848	3,556,440	0

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Assistant	50,592	1.0	1.0	1.0	1.0	
Communications/Tribal Outreach Coordinator	75,120	1.0	1.0	1.0	1.0	
Environmental Planner 4	89,292	1.0	1.0	1.0	1.0	
Project Manager	105,924	1.0	1.0	1.0	1.0	
Site Specialist	82,896	1.0	1.0	1.0	1.0	
Total FTEs		5.0	5.0	5.0	5.0	0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5165 S SB AMH ENVI H1630.2	Title: Electric transm. planning
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities:
- Counties:
- Special Districts: Municipal Electric Companies and Public Utility Districts would incur costs to solicit input from relevant interest groups, and require staff time to expand assessment forecasting and documentation.
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option: Utilities are encouraged, but not required, to participate and contribute to statewide or multi-utility planning activities. Utilities may satisfy the IRP transmission assessment and 20-year forecast requirements through a separate assessment process, as long as it meets IRP requirements.
- Key variables cannot be estimated with certainty at this time: The number of public utilities and municipal electric districts that already project 20-year electric transmission forecasts and document existing efforts to secure additional transmission capacity, and the amount of staff time required to do additional forecasting and documentation, for those that do not.

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: 03/27/2023
Leg. Committee Contact: Dan Jones	Phone: 360-786-7118	Date: 03/25/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 03/27/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 04/04/2023

Part IV: Analysis

A. SUMMARY OF BILL

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

This bill discusses the expansion of the electric power system's transmission capacity in order to meet utility customers' needs and the requirements of the Clean Energy Transformation Act (CETA).

CHANGES BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

--Adds that a utility's transmission assessment in its integrated resource plan (IRP) must identify needs to acquire new long-term firm rights. The utilities that must consider opportunities to make more effective use of existing transmission capacity in their IRPs are limited to utilities that operate transmission assets rated at 115,000 volts or more;

--Specifies that utilities relying on a contract for transmission services may comply with the IRP transmission planning requirements by requesting that the counterparty to the contract include certain provisions of state law in the provider's process for assessing transmission need and for transmission planning and acquisition.

--Allows utilities to satisfy the IRP transmission assessment and 20-year forecast requirements through a separate assessment process if that assessment meets the same requirements as those for the IRP;

--Clarifies that a utility's consideration of conditional firm transmission services must be consistent with prudent utility practice and must be considered not only their selection of but also in their planning of renewable resources. Clarifies that utilities are encouraged to participate and contribute to, rather than satisfy requirements through, statewide or multi-utility planning activities. Clarifies that utilities must consult with, rather than seek the support of, other entities in transmission planning and development;

--Directs the energy facility site evaluation council (EFSEC) to prepare non-project environmental impact statements (EISs) for transmission facilities with 230 kilovolts or more and specifies requirements for the content and development of the scope of non-project EISs. Requires EFSEC to offer early and meaningful consultation with any affected federally recognized Indian tribe on reviews of transmission non-project EISs. Includes requirements for maps that must be prepared with transmission non-project EIS documents for transmission facilities. Specifies that the reasonable alternatives analysis is limited to the proposed action and a no action alternative for certain transmission projects;

--Sets process and consideration requirements for a lead agency conducting a project-level environmental review for transmission facilities with 230 kilovolts or more, including that the lead agency consider the non-project EIS for transmission facilities. Specifies that transmission facility proposals following recommendations from a non-project EIS review must be considered to have mitigated probable impacts unless the project-specific environmental review identifies impacts not addressed in the non-project EIS;

--Modifies the requirements for an assessment that must be included in electric utilities' integrated resource plans by adding that the assessment must include the avoidance of burdens to vulnerable populations and highly impacted communities.

SUMMARY OF CURRENT BILL:

--Expands IRP requirements to include a 20-year, rather than a 10-year, forecast of the availability and requirements for regional generation and transmission capacity.

--Requires transmission planners to consider conditional firm service when planning and selecting renewable resources.

--Requires electric utilities to consult with federal, interstate, and industry entities to plan and develop transmission capacity, and encourages utilities to engage in statewide, multi-utility, and interstate transmission planning processes.

--Directs the EFSEC to oversee the siting of transmission facilities that are at least 500,000 volts alternating current or at least 300,000 volts direct current, and are located in more than one county and one electric utility service territory.

--Directs the EFSEC to prepare non-project EISs for transmission facilities with 230 kilovolts or more, and specifies how lead agencies may use these non-project EISs for a specific project.

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 the bill, the current amendment introduces local options and other changes that would result in indeterminate expenditure impacts on local governments.

This amendment introduces the following local options for utilities: utilities are encouraged, but not required, to participate and contribute to statewide or multi-utility planning activities; and utilities may satisfy the IRP transmission assessment and 20-year forecast requirements through a separate assessment process, as long as it meets IRP requirements. However, since local options are not required, it is unknown how many jurisdictions would choose to adopt them. Jurisdictions that choose to participate in multi-utility planning activities would likely incur meeting and staff costs to do so, but since participation is not required, expenditure impacts would be indeterminate. Utilities that choose to use a separate assessment to meet IRP requirements would incur staff costs to draft the report, but it is unknown if costs would differ from those incurred by completing the prescribed IRP assessment. It is also unknown how many jurisdictions would choose to adopt this local option, and so resulting expenditures would be indeterminate.

The current version of the bill also adds language stating that a utility's IRP transmission statement must identify needs to acquire new long-term firm rights. This requirement may result in increased costs in terms of staff time required to determine if, and how much, additional long-term firm rights are needed. Since it is unknown how much additional staff time would be needed to research this information, expenditure impacts would be indeterminate.

EXPENDITURE IMPACTS OF CURRENT BILL:

This legislation would have indeterminate impacts on local government expenditures.

Utilities do not expect that there would be additional costs beyond increased staff time to plan and expand upon the Integrated Resource Plans (IRP), or incurring fees for hiring a consultant to prepare the IRP. If the legislation is interpreted to require utilities to acquire additional transmission resources before they may be needed, then the fiscal impact would be more substantial. Since it is unknown how much additional staff time or consultant fees will be required to expand upon IRPs for each jurisdiction, expenditure impacts on local governments as a result of the substitute bill would be indeterminate.

Public input provisions would have insignificant costs. Utilities already solicit input from relevant interest groups and organizations as part of their existing 10-year forecasts, and update their assessments and current transmission capacity and demand in annual reporting to the EPA, in which case there would be no additional costs.

Additional fiscal impacts on local governments would include staff time needed to expand the forecast assessment and document their existing efforts to secure additional transmission capacity. However, some public utilities and municipal electric companies already forecast 20-year electric transmission loads, and would not incur additional costs. Municipal electric companies have power purchase contracts with Bonneville Power Administration (BPA). Under these contracts, utilities receive power monthly according to their monthly net requirement, which is the difference between the utility's monthly net load and BPA's available resources. Power is sold at either a base system generation rate or at a market rate. Even if a municipal electric company does not plan to purchase market rate power, decisions that affect the market rate of BPA power may have a significant impact on their resource portfolio costs.

These requirements, with indeterminate expenditure impacts, would affect the following public utility districts (PUD) and municipal electric companies; Benton County PUD, Chelan County PUD, Clallam County PUD, Clark County PUD, Cowlitz County PUD, Franklin County PUD, Grays Harbor County PUD, Lewis County PUD, Grant County PUD, Mason County PUD, Richland Energy Services, Seattle City Light, Snohomish County PUD and Tacoma Power.

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 the bill, the amended version would not create new revenue impacts.

REVENUE IMPACTS OF CURRENT BILL:

This legislation would have de minimis indeterminate impacts on local government revenues.

Public utility districts and municipal electric companies may increase customer pricing to offset costs incurred by additional staff workload or increased power prices from their resource portfolios. Not all utilities will need to increase staff time because these tasks form part of existing staff's general workload. However, whether or not a local jurisdiction needs to increase staff workload, or by how much, will vary by location. Increased costs incurred from power companies elevating resource prices will depend upon the type of contract utilities have with power companies, the diversity of their portfolio, and actual versus projected demand.

SOURCES

Clark County Public Utility District

Cowlitz County Public Utility District

Department of Commerce

Local Government Fiscal Note, SSB 5165, (2023)

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Senate Bill Report, SSB 5165, Environment, Energy & Technology Committee, (2023)

Snohomish Public Utility District

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