

Multiple Agency Fiscal Note Summary

Bill Number: 2234 HB	Title: Low-income energy assistance
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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
Department of Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Utilities and Transportation Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.0	0	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 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
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

Prepared by: Val Terre, OFM	Phone: (360) 280-3973	Date Published: Final 1/18/2024
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Individual State Agency Fiscal Note

Bill Number: 2234 HB	Title: Low-income energy assistance	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: Megan McPhaden	Phone: 360-786-7114	Date: 01/10/2024
Agency Preparation: Marla Page	Phone: 360-725-3129	Date: 01/13/2024
Agency Approval: Marla Page	Phone: 360-725-3129	Date: 01/13/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/16/2024

Part II: Narrative Explanation

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

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

This bill assesses low-income energy assistance requirements on small and medium-sized electric utilities. It also changes the basis for assessing progress in providing low-income energy assistance from a cumulative change since 2018 to the percentage of energy burden met in any given year. Also allows utilities with fewer than 25,000 customers to offer a single energy assistance program where current law requires "programs."

Section 1(2) of the bill clarifies that utilities with more than 25,000 customers must offer two or more low-income energy assistance programs. It requires utilities with fewer customers to have one or more programs and funding available for low-income households. It also adds a definition of low-income energy assistance programs.

Section 1(3) of the bill turns an accumulative assessment of energy funding thresholds into an assessment of funding levels to meet 60 percent and 90 percent of current energy assistance need, and adds a requirement for utilities to calculate the average amount of energy bills of nonlow-income households that would have to increase each month for the utility to provide assistance at the 60 and 90 percent of need levels.

This bill places no new requirements on the Department of Commerce (department). Therefore this legislation does not affect the department and there is 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.

This bill places no new requirements on the Department of Commerce (department). Therefore this legislation does not affect the department and there is no fiscal impact.

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

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.

None.

Individual State Agency Fiscal Note

Bill Number: 2234 HB	Title: Low-income energy assistance	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:

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: Megan McPhaden	Phone: 360-786-7114	Date: 01/10/2024
Agency Preparation: Kim Anderson	Phone: 360-664-1153	Date: 01/12/2024
Agency Approval: Kim Anderson	Phone: 360-664-1153	Date: 01/12/2024
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 01/12/2024

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 clarifies the number of minimum programs, type of program available for energy assistance to low-income households, and UTC assumes it is part of existing workload related to low-income program review.

No Fiscal Impact - Sec. 1 (2) directs electric utilities, subject to RCW 19.285.040, to make two or more programs and funding available for energy assistance to low-income households. All other electric utilities must make one or more available. It allows the utility to focus and prioritize programs to maximize aid to a subset of low-income households and that energy assistance must include one or more programs in direct bill assistance, support for energy efficiency and space conditioning measures, support for on-sight generation or energy storage systems or both, or implementation of other mechanisms that reduce the amount low-income households expend on energy services.

No Fiscal Impact - Sec 1 (4)(a)(iii) changes the requirements for an electric utility to submit biennially to the Dept. of Commerce an assessment of energy assistance funding showing they meet 60% and 90% of the current energy need and how the average energy bills of non-low-income households increased each month for the utilities to provide assistance at these levels.

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.

NA

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.

None currently. This would not fiscally impact the existing analysis and review of programs or filings already performed by the commission.

No Fiscal Impact - Sec. 1 (2) directs electric utilities, subject to RCW 19.285.040, to make two or more programs and funding available for energy assistance to low-income households. All other electric utilities must make one or more available. It allows the utility to focus and prioritize programs to maximize aid to a subset of low-income households and that energy assistance must include one or more programs in direct bill assistance, support for energy efficiency and space conditioning measures, support for on-sight generation or energy storage systems or both, or implementation of other mechanisms that reduce the amount low-income households expend on energy services.

No Fiscal Impact - Sec 1 (4)(a)(iii) changes the requirements for an electric utility to submit biennially to the Dept. of Commerce an assessment of energy assistance funding showing they meet 60% and 90% of the current energy need and how the average energy bills of non-low-income households increased each month for the utilities to provide assistance at these levels.

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.

None.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2234 HB

Title: Low-income energy assistance

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

Legislation Impacts:

Cities: Cities that own or operate electric utilities.

Counties:

Special Districts: All electricity public utility districts. Electric utilities that do not currently provide a low-income energy assistance program would incur costs to develop and implement a program.

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: Implementation costs for new energy assistance programs for each jurisdiction.

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: Kristine Williams	Phone: (564) 669-3002	Date: 01/17/2024
Leg. Committee Contact: Megan McPhaden	Phone: 360-786-7114	Date: 01/10/2024
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/17/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/18/2024

Part IV: Analysis

A. SUMMARY OF BILL

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

Section 1 amends RCW 19.405 to require electric utilities serving more than 25,000 customers to make two or more energy assistance programs available to low-income households. All other utilities must provide one or more energy assistance programs for low-income households. Utilities may prioritize programs that assist a subset of low-income households with a higher energy burden. This assistance can be in the form of:

- direct bill assistance,
- support for energy efficiency and space conditioning measures,
- support for on-site generation or energy storage systems, or both,
- implementation of other mechanisms that reduce the amount low-income households expend on energy services.

Electric utilities must also include the amount households who are not low-income would need to pay monthly in order to provide energy assistance to meet 60 and 90 percent of current need in the biennial reports submitted to the department of Commerce.

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

B. SUMMARY OF EXPENDITURE IMPACTS

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

This bill would have an indeterminate impact on local government expenditures.

Data provided by the Department of Commerce indicates that local government electric utilities serving more than 25,000 customers currently provide at least two low-income energy assistance programs and the majority of the other local government electric utilities provide at least one. The bill would allow utilities to prioritize assistance to low-income households to serve a subset of low-income households with a higher energy burden. Costs to local government utilities may increase depending on the number of households served. Those electric utilities that do not currently provide a low-income energy assistance program will incur costs to develop and implement a new program. These costs would vary by jurisdiction and are indeterminate.

The changes made to reporting requirements in subsection (4)(a)(iii) would require local governments to modify their biennial reports to include an assessment of the amount households that are not low-income would need to pay on a monthly basis to meet the target need levels listed in the subsection. These reporting costs are considered to be de minimus.

C. SUMMARY OF REVENUE IMPACTS

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

This bill would not impact local government revenues.

SOURCES

Association of Washington Cities (AWC)

CETA Energy Assistance Program Section 120 Master Workbook data, March 5, 2023

Low-Income Energy Assistance 2023 Legislative Report

Washington Public Utility District Association (WPUDA)