

Multiple Agency Fiscal Note Summary

Bill Number: 6052 SB	Title: Petroleum product supply
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Attorney General	0	0	1,055,000	0	0	441,000	0	0	58,000
Total \$	0	0	1,055,000	0	0	441,000	0	0	58,000

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	No fiscal impact					
Loc School dist-SPI						
Local Gov. Other						
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
Administrative Office of the Courts	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	4.2	236,000	236,000	1,291,000	2.3	236,000	236,000	677,000	.3	0	0	58,000
Utilities and Transportation Commission	22.4	6,844,673	6,844,673	6,844,673	16.3	4,780,464	4,780,464	4,780,464	10.9	2,936,604	2,936,604	2,936,604
Department of Ecology	3.2	1,069,687	1,069,687	1,069,687	2.3	669,942	669,942	669,942	.3	117,431	117,431	117,431
Total \$	29.8	8,150,360	8,150,360	9,205,360	20.9	5,686,406	5,686,406	6,127,406	11.5	3,054,035	3,054,035	3,112,035

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

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.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	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Tiffany West, OFM	Phone: (360) 890-2653	Date Published: Final 1/18/2024
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Judicial Impact Fiscal Note

Bill Number: 6052 SB	Title: Petroleum product supply	Agency: 055-Administrative Office of the Courts
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

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 for 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.

Legislative Contact: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/09/2024
Agency Preparation: Angie Wirkkala	Phone: 360-704-5528	Date: 01/17/2024
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 01/17/2024
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 01/17/2024

190,308.00

Request # 063-1

Part II: Narrative Explanation

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

The bill would enact the "Oil Industry Accountability Act" as new chapter in Title 19 RCW establishing a petroleum market oversight division within the Utilities and Transportation Commission (UTC) to aid in collecting pricing and operational information from certain oil industry participants.

II. B - Cash Receipts Impact

None

II. C - Expenditures

This judicial impact note assumes no impact to the Administrative Office of the Courts and only minimal impacts to the courts. Provisions of Sections 10, 19, and 20 could cause a slight increase in court filings.

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

NONE

III. B - Expenditure By Object or Purpose (County)

NONE

III. C - Expenditure By Object or Purpose (City)

NONE

III. D - FTE Detail

NONE

III. E - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B1 - Expenditures by Object Or Purpose (State)

NONE

IV. B2 - Expenditures by Object Or Purpose (County)

NONE

IV. B3 - Expenditures by Object Or Purpose (City)

NONE

IV. C - Capital Budget Breakout

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

NONE

None

190,308.00

Form FN (Rev 1/00)

Individual State Agency Fiscal Note

Bill Number: 6052 SB	Title: Petroleum product supply	Agency: 075-Office of the Governor
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/09/2024
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 01/11/2024
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 01/11/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/11/2024

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 4 of Senate Bill 6052 creates the Division of Petroleum Market Oversight within the Utilities and Transportation Commission. The division must be led by a director, who is appointed by the Governor.

Section 2 of the bill adds an emergency clause to take effect immediately after enactment.

The Governor's Office believes appointing the director will have a minimal, if any, 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: 6052 SB	Title: Petroleum product supply	Agency: 100-Office of Attorney General
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Legal Services Revolving Account-State 405-1		1,055,000	1,055,000	441,000	58,000
Total \$		1,055,000	1,055,000	441,000	58,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	8.3	4.2	2.3	0.3
Account					
General Fund-State 001-1	0	236,000	236,000	236,000	0
Legal Services Revolving Account-State 405-1	0	1,055,000	1,055,000	441,000	58,000
Total \$	0	1,291,000	1,291,000	677,000	58,000

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/09/2024
Agency Preparation: Cassandra Jones	Phone: 360-709-6028	Date: 01/12/2024
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 01/12/2024
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.

Section 1 - New section. Legislative findings.

Section 2 - New section. Definitions.

Section 3 - New section. Requires the Utilities and Transportation Commission (UTC) to implement Sections 6 through 19 of this Act and establishes a new organizational unit to gather certain information. Requires the UTC to provide administrative support to the Division of Petroleum Market Oversight (Division).

Section 4 - New section. Establishes the Division within UTC.

Section 5 - New section. Establishes powers and duties of the Division, including referring violations of law to the Attorney General's Office (AGO).

Section 6 - New section. Requires refiners and major marketers to submit certain information to UTC. Prescribes requirements for what information must be submitted and when the information will be submitted. Requires UTC to prepare and make available to the public a summary report. Requires specified groups to submit monthly reports to UTC beginning August 1, 2024 and specifies the contents of the monthly reports. Requires refiners to provide quarterly reports to UTC regarding planned and unplanned maintenance, turnaround activities, and allows UTC to adopt regulations or guidance to implement this requirement.

Section 7 - New section. Requires refinery operators that produce transportation fuel to submit a report to UTC each month beginning August 1, 2024 containing specified information. Requires UTC to post specified information on its website. Requires UTC to consult with the Department of Ecology (Ecology) to adopt a methodology for refiners to use to provide separate quantification of the volume-weighted fees or estimated valuations of costs embedded in all wholesale transportation fuels sales associated with the Washington State clean fuels program created pursuant to chapter 70A.535 RCW and the Washington State cap and invest program created pursuant to chapter 70A.65 RCW, for each volume-weighted average price for certain sales. Requires UTC to provide the opportunity for public input regarding the development of the methodology.

Section 8 - New section. Requires UTC to gather, analyze, and interpret the information submitted in the reports and other information relating to the supply and price of petroleum products. Requires UTC to analyze the impacts of state and federal policies, and regulations upon the supply and pricing of transportation fuels.

Section 9 - New section. Requires UTC to submit a summary report to the Governor and Legislature. Requires UTC to prepare a biennial assessment.

Section 10 - New section. Establishes a civil penalty for persons who fail to timely provide information to UTC as required by the Act or who provide false statements. Provides that civil penalties are subject to the Administrative Procedures Act (APA). Allows UTC to petition a court for an order compelling information.

Section 11 - New section. Exempts information provided pursuant to the Act from public disclosure. Specifies how information can be shared and to whom it can be given.

Section 12 - New section. Authorizes UTC to adopt rules under the APA to implement the Act. Allows UTC to enter into contracts.

Section 13 - New section. Requires UTC, on or before July 1, 2026, to submit an assessment to the Legislature and Governor related to transportation fuels. Requires the assessment to be developed in a public process.

Section 14 - New section. Lists powers of UTC related to investigations and actions under the Act, including inspecting books, hearing complaints, issuing subpoenas, among others. Sets forth rules for civil penalties. Requires UTC to conduct an annual public meeting regarding transportation fuel prices.

Section 15 - New section. Requires aggregation of data to ensure confidentiality.

Section 16 - New section. Requires UTC and Ecology to prepare a transportation fuels transition plan by December 31, 2025. Requires the plan be prepared in consultation with a multi-stakeholder and multiagency work group.

Section 17 - New section. Addresses confidentiality of data received by the Division.

Section 18 - New section. Allows UTC to issue a civil penalty to any person on whom an administrative civil penalty may be imposed under the chapter. Establishes civil penalty procedures.

Section 19 - New section. Makes it unlawful to make deceptive environmental claims. Provides that a violation of the chapter is an unfair or deceptive act in trade or commerce, and an unfair method of competition for purposes of applying the Consumer Protection Act (CPA), chapter 19.86 RCW.

Section 20 - Amends RCW 19.86.140 to establish enhanced penalties for unlawful acts or practices related to the sale of transportation fuels.

Section 21 - Amends RCW 42.56.330 to exempt from public disclosure records filed with UTC or AGO under the chapter.

Section 22 - New section. Codification direction.

Section 23 - New section. Severability clause.

Section 24 - New section. Emergency clause. Legislation takes effect immediately.

Section 25 - New section. Short title.

II. B - Cash receipts Impact

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

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

The client agency is the Utilities and Transportation Commission (UTC). The Attorney General's Office (AGO) will bill all clients for legal services rendered.

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

AGO AGENCY ASSUMPTIONS:

UTC will be billed for non-King County rates:

FY 2025: \$1,055,000 for 3.6 Assistant Attorney General FTE (AAG) and 1.8 Paralegal 1 FTE (PL1)

FY 2026: \$412,000 for 1.4 AAG and 0.7 PL1

FY 2027 and each FY thereafter: \$29,000 for 0.1 AAG and 0.1 PL1

II. C - Expenditures

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

Attorney General's Office (AGO) Agency Assumptions:

Legal services associated with the enactment of this bill will begin on January 1, 2025 (FY 2025).

Location of staffing is assumed to be in a King County or non-King County office building.

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

Agency administration support FTE are included in the tables. The Management Analyst 5 FTE (MA), is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 Paralegal 1 FTE (PL1) and 0.4 MA.

1. Assumptions for the AGO Consumer Protection Division (CPR).

FY 2025 and FY 2026:

AAG duties will include investigating potential violations, drawing conclusions from investigations, drafting Civil Investigative Demands (CID), and discovery requests. PL1 and Paralegal 2 (PL2) duties will include managing documents, drafting CID, discovery requests, and managing responses. Senior Investigator (INV) duties will include interviewing witnesses, reviewing investigative records, and attending to other investigative tasks as assigned. Monitoring and enforcement to ensure compliance will be a priority for the AGO during the first two years after the bill goes into effect. The industry will come into full compliance after two years. The bill will remain as drafted, with a private right of action. AGO CPR activities are funded with General Fund-State dollars. CPR enforces the Consumer Protection Act (CPA) with respect to conduct that is made unlawful under RCW 19.86.020, which broadly prohibits unfair or deceptive acts or practices in trade or commerce. CPR focus is on representations and failures to disclose terms and conditions.

CPR: Total King County workload impact:

FY 2025 and FY 2026: \$236,000 for 0.5 AAG, 0.3 INV, 0.3 PL2 and 0.3 PL1, which includes direct litigation costs of \$9,000.

2. Assumptions for the AGO Utilities and Transportation Division (AGO-UTC).

FY 2025:

AGO-UTC will provide 2.1 AAG for client advice relating its duty to establish a new organizational unit to collect, analyze, and report on pricing, markets, and operations of transportation fuels sold in Washington State (implementation of Sections 6 through 19 of the Act). Additional client advice and representation will be provided. 1.0 AAG is related to the creation of the Division of Petroleum Market Oversight and the Division's authority to subpoena witnesses, compel their attendance and testimony, administer oaths and affirmations, take evidence and require by subpoena the production of any books, papers, records, or other items material to the performance of the division's duties or exercise of its powers. 0.2 AAG is associated with the client's authority to require submission of information as needed to perform its duties under the act. 0.1 AAG is related for the duty to submit a transportation fuels assessment to the Governor and Legislature on or before July 1, 2026, and every three years after. 0.1 AAG is for analysis and interpretation of data and creation of methodology for refiners to include in monthly reporting. Another 0.1 AAG is for client advice and litigation related to the client's new duty to review and analyze information and data provided as required by Section 6 and interpret its impact, as well as state and federal policies and regulations on the state of Washington.

FY 2026:

Client advice and representation will be provided. 1.0 AAG is regarding its duty to establish a new organizational unit to collect, analyze, and report on pricing, markets and operations of transportation fuels sold in Washington (implementation of Sections 6 through 19 of the Act). 0.2 AAG is associated with UTC's authority to require submission of information as needed to perform its duties under the act. 0.1 AAG is related to its duty to submit a transportation fuels assessment to the Governor and Legislature on or before July 1, 2026, and every three years after. 0.1 AAG is for additional client advice and litigation related to UTC's new duty to review and analyze information and data provided as required by Section 6 and interpret its impact, as well as state and federal policies and regulations on the State of Washington.

FY 2027 through FY 2029:

0.1 AAG is for client advice and litigation related to UTC's new duty to review and analyze information and data provided as required by Section 6 and interpret its impact, as well as state and federal policies and regulations on the State of Washington.

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

AGO-UTC: Total non-King County workload impact:

FY 2025: \$1,055,000 for 3.6 AAG and 1.8 PL1

FY 2026: \$412,000 for 1.4 AAG and 0.7 PL1

FY 2027 through FY 2029: \$29,000 for 0.1 AAG and 0.1 PL1

Total workload impact:

FY 2025: \$1,291,000 for 4.1 AAG, 0.3 INV, 0.3 PL2 and 2.1 PL1, which includes \$9,000 of direct litigation costs

FY 2026: \$648,000 for 1.9 AAG, 0.3 INV, 0.3 PL2 and 1.0 PL1, which includes \$9,000 of direct litigation costs

FY 2027 through FY 2029: \$29,000 for 0.1 AAG and 0.1 PL1

3. The AGO Licensing & Administrative Law Division (LAL) has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing the Department of Licensing (DOL). DOL will have limited reporting responsibilities and no enforcement responsibility. Some legal support in preparing and reviewing the annual report, and with respect to the Public Records Act (PRA) and confidentiality issues. New legal services are nominal and costs are not included in this request.

4. The AGO Labor and Industries Division (LNI) has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing the Department of Labor and Industries (L&I). This bill does not create any new programmatic legal duties for L&I. It requires L&I to consult with and disclose information to other state regulators as needed. New legal services are nominal and costs are not included in this request.

5. The AGO Antitrust Division (ANT) has reviewed this bill and determined it will not increase or decrease the division's workload. This bill enhances the maximum civil penalties that ANT can seek in actions to enforce the antitrust provisions of the CPA. It does not create any new prohibitions on conduct that ANT investigates, or gives the AGO new legal authority. It only affects the remedy ANT seeks when ANT files a lawsuit. Therefore, no costs are included in this request.

6. The AGO Ecology Division (ECY) has reviewed this bill and determined it will not increase or decrease the division's workload representing the Department of Ecology (Ecology). Therefore, no costs are included in this request.

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	0	236,000	236,000	236,000	0
405-1	Legal Services Revolving Account	State	0	1,055,000	1,055,000	441,000	58,000
Total \$			0	1,291,000	1,291,000	677,000	58,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		8.3	4.2	2.3	0.3
A-Salaries and Wages		873,000	873,000	455,000	40,000
B-Employee Benefits		265,000	265,000	138,000	12,000
E-Goods and Other Services		144,000	144,000	79,000	6,000
G-Travel		9,000	9,000	5,000	
Total \$	0	1,291,000	1,291,000	677,000	58,000

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Assistant Attorney General	129,100		3.6	1.8	0.8	0.1
Assistant Attorney General-Seattle	135,555		0.5	0.3	0.3	
Management Analyst 5	95,184		1.5	0.8	0.4	0.1
Paralegal 1	69,072		1.8	0.9	0.4	0.1
Paralegal 1-Seattle	72,528		0.3	0.2	0.2	
Paralegal 2-Seattle	79,992		0.3	0.2	0.2	
Senior Investigator-Seattle	105,012		0.3	0.2	0.2	
Total FTEs			8.3	4.2	2.3	0.3

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Consumer Protection Division (CPR)		236,000	236,000	236,000	
AGO Utilities & Transportation Division (UTC)		1,055,000	1,055,000	441,000	58,000
Total \$		1,291,000	1,291,000	677,000	58,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 6052 SB	Title: Petroleum product supply	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	44.6	22.4	16.3	10.9
Account					
General Fund-State 001-1	17,998	6,826,675	6,844,673	4,780,464	2,936,604
Total \$	17,998	6,826,675	6,844,673	4,780,464	2,936,604

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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/09/2024
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: 01/16/2024

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.

Sec. 1 describes Washington state's current energy transition away from reliance on fossil fuels and the requirement for a complete and thorough understanding of the operation of petroleum markets, response to possible shortages, pricing, oversupplies, disruptions, and access to reporting, assessments, and data collection. This section describes the importance of having access to sufficient pricing and operational information to better understand the cost basis for prices, market behaviors, identifying improper pricing or supply control behaviors and protecting Washington state consumers, governments, and businesses. This section also describes the need for a petroleum market that is free of anticompetitive and predatory conduct and the need for legal consequences should petroleum pricing or practices do harm to consumers. This is an introductory section and implies there will be fiscal impact later, but not specifically in this section.

Sec. 2 defines various terms, including "Commission" as the Utilities and Transportation Commission. This definition section by nature does not have additional fiscal impact.

Sec. 3 requires the Commission to implement sections 6 through 19, to establish and administratively support a new organizational unit to collect, analyze, and report on operational, pricing, and cost information from fuel suppliers, refineries and other entities in the supply chain for fuels sold in Washington. This engagement is expected to have significant fiscal impact with additional Staff time.

Sec. 4 establishes the division of petroleum market oversight at the Commission. This division will be independent of the Commission's authority and led by a director who is appointed by the Governor. The Director of this new division will employ and prescribe the duties of other staff members as necessary. Staff must try to include economists, experts in transportation fuel markets and investigative staff with legal training. This engagement is expected to have significant fiscal impact with additional Staff time.

Sec. 5 establishes the divisions power and duties, including subpoena power and referral of potential violations of law confidentially to the Attorney General's Office. This engagement is expected to have fiscal impact with additional Staff time.

Sec. 6 (1) establishes guidance for each refiner and major marketer to submit monthly information to the Commission for review.

Sec. 6 (2) establishes guidance and requirements for each refiner, major marketer, major transporter, major storer, pipeline operator, or port where fuel is imported or exported to submit annually information to the Commission.

Sec. 6 (3) grants the Commission authority, by order or regulation, to modify the reporting period to any individual item of information.

Sec. 6 (4) establishes quarterly reporting requirements for the Commission to provide publicly the information that was collected, and the Commission can request additional information to perform its duties.

Sec. 6 (5) establishes reporting guidance to any person required to submit information or data under this chapter, if such report or information is made to any other governmental agency.

Sec. 6 (6) requires each refiner to submit monthly reports related to Washington weighted average prices and sales volumes sold through retail, wholesale, and other end users.

Sec. 6 (7) establishes reporting guidance, beginning Aug. 1, 2024, that oil refiner, petroleum product transporter, petroleum product marketer, petroleum product pipeline operator and terminal operator shall submit monthly reports to the Commission.

Sec. 6 (8) establishes a retention period of three years for all contracts and agreements entered into, amendments to contracts or agreements, transactions made under the contract or agreement and any prices charged for those transactions.

Sec. 6 (9) establishes a reporting requirement and guidance for all importers of transportation fuels via marine vessel to report to the Commission at least 96 hours before the arrival of a marine vessel delivery to Washington.

Sec. 6 (10) establishes a retention period of three years for nonrefiners to have copies of monthly transportation fuels inventory volume records available should the Commission request.

Sec. 6 (11) establishes guidance for refiners and nonrefiners to submit monthly transaction reports to the Commission.

Sec. 6 (12) establishes guidance for refiners to submit to the Commission quarterly reports of planned and unplanned maintenance and turnaround activities that occur at each facility during the reporting period.

Sec. 6 (13) adds confidentiality protections to the report established in (12) and grants Director of Commission authority to adopt regulations or guidance or both when implementing (12).

This engagement is expected to have fiscal impact with additional Staff time.

Sec. 7 establishes guidance for operators of each refinery operating in Washington that produces transportation fuel to submit monthly reports to the Commission beginning Aug. 1, 2024. The Commission, within 45 days of the end of each calendar month, shall post specific data outlined in (2). It also requires the Commission, in consultation with the Dept. of Ecology, to adopt methodology for refiners to use to provide quantification of volume-weighted fees or estimated valuations of costs embedded in all wholesale transportation fuels sales associated with Washington clean fuels program (RCW 70A.535) and Washington cap and invest program (RCW 70A.65).

This engagement is expected to have fiscal impact with additional Staff time.

Sec. 8 requires the Commission to analyze and interpret the information submitted in (6) and any other information related to the supply and price of petroleum products, with an emphasis on motor vehicle fuels. The Commission will also analyze the impacts of state and federal policies and regulations upon the supply and pricing of transportation fuels.

This engagement is expected to have fiscal impact with additional Staff time.

Sec. 9 establishes guidance for the Commission to publish and provide the Governor and Legislature a summary, analysis and interpretation of the information submitted pursuant to (6) within 70 days after the end of each preceding quarter of each calendar year. The Commission shall also provide a biennial assessment of the information provided in this bill. If the Commission cannot provide any report from Sec. 9, then within five days of the specified time, it must provide all members of the Legislature a detailed explanation of the delay.

This engagement is expected to have fiscal impact with additional Staff time.

Sec. 10 establishes guidance on if a person fails to timely provide the information required by the Commission under this chapter, including civil penalties.

This engagement could have fiscal impact with additional Staff time.

Sec. 11 establishes confidentiality protections for data or information that could result in unfair competitive disadvantage. This engagement does not have fiscal impact.

Sec. 12 authorizes the Commission to undertake a rulemaking to implement this chapter and authorizes the Commission to enter into contracts to do this, should it choose.

The fiscal impact here is accounted for in the sections above.

Sec. 13 (1) requires the Commission to submit on or before July 1, 2026, and every three years thereafter, a comprehensive assessment to the legislature and governor and describes the required components of the assessment.

Sec. 13 (2) requires the assessment be developed in a public process and approved by a vote of the commission at its business meeting.

Sec. 13 (3) allows commission to enter into contracts to perform the assessment.

Sec. 13 (4) requires the division to provide input to and support the commission in preparation of the assessment.

This engagement is expected to have significant fiscal impact with additional Staff time.

Sec. 14 (1) outlines activities the Commission may engage in to complete any investigation or action authorized under this act.

Sec. 14 (2) clarifies that the Commission shall use reasonable means necessary and available to seek and obtain any facts, figures, and other information from any source for the purpose of preparing the assessment under section 13 of this act

Sec. 14 (3) establishes that commission may impose a civil penalty whenever a person fails to timely provide information requested by the commission under the procedures set forth in section 10(1) of this act.

Sec. 14 (4) establishes that section 10(1) through 10(3) of this act apply to a person who willfully submits or makes any false statement to the commission.

Sec. 14 (5) requires the commission to conduct a public meeting in December of each year to provide an opportunity for the public to provide input on transportation fuel prices.

Investigative work and discovery utilize significant Staff time. Hosting a public meeting during the already busy month of December will require additional staff time too.

Sec. 15 requires the Commission to aggregate information used in the assessment prepared under section 13 of this act to the extent necessary to ensure confidentiality.

Sec. 16 requires that on or before December 31, 2025, the commission and Dept. of Ecology, taking into account findings of the assessment conducted under section 13 of this act, shall prepare a transportation fuels transition plan. Requires plan to be prepared in consultation with a multistakeholder, multiagency work group and include mechanisms to plan for and monitor progress toward the state's reliable, safe, equitable, and affordable transition away from petroleum fuels.

This engagement is expected to have significant fiscal impact with additional Staff time.

Sec. 17 (1) establishes that information provided to the division is confidential and not subject to public disclosure. Establishes that the division may not divulge information if it will result in unfair competitive disadvantage or adversely affect market competition.

Sec. 17 (2) establishes that if the division determines that information may be disclosed that the division must provide 30 days for the party who submitted the information to review the determination and provide written explanation if they disagree with the division's determination.

Sec. 17 (3) establishes that confidential information may be shared with members of the commission, other divisions of the commission, the attorney general, or the department of licensing if the receiving entity agrees to keep the information confidential except that the attorney general may present information to a court or administrative tribunal but shall submit confidential information under seal where permissible.

Sec. 17 (4) establishes that for purposes of the division's annual report under section 5 of this act that the data shall be aggregated, anonymized, and generalized as needed to mitigate the risk that public disclosure would result in unfair competitive disadvantage or adversely affect market competition.

This requires ATG staff and UTC staff to draft, sign, and execute confidentiality agreements, requires staff to redact confidential information, and requires multiple versions of documents to be maintained (redacted and confidential)

Sec. 18 (1) establishes that the Commission may issue a civil penalty to any person or entity on whom an administrative civil penalty may be imposed and required language for the notice of appeal.

Sec. 18 (2) establishes notice requirements, that hearing will be conducted within 60 days and appellant right to waive a hearing.

Sec. 18 (3) establishes that after a hearing the commission may adopt, with or without revision, the proposed decision and order.

Sec. 18 (4) establishes that orders setting an administrative civil penalty are effective and final upon issuance and that payment must be made within 30 days and establishes how orders must be served.

Sec. 18 (5) establishes that the commission in determining the amount of the administrative penalty shall consider a number of details, variables, context, and history and other matters as justice may require.

Sec. 19 (1)(a) establishes that it is unlawful for a person to make deceptive environmental marketing claims regarding transportation fuels.

Sec. 19 (1)(b) clarifies that environmental marketing claims that conform to the standards or are consistent with examples contained in the guides for the use of environmental marketing claims published by the federal trade commission provide a

defense to any suit or complaint brought under this section.

Sec. 19 (2) establishes that the practices covered by this chapter affect the public interest and the consumer protection act, chapter 19.86 RCW, applies and violation of this chapter is an unfair or deceptive act in trade or commerce and an unfair method of competition for purposes of applying the consumer protection act.

Sec. 20 modifies RCW 19.86.140 and 2021 c 228 s 2 related to injunctions and civil penalties for unlawful acts to establish an enhanced penalty of up to three times the profit gained or loss avoided for unlawful acts related to sale of transportation fuels. It also modifies an existing due date for the office of the attorney general to evaluate the efficacy of the maximum civil penalty amounts to take place by December 1, 2026, and every five years afterward.

This may require significant ATG staff and UTC staff involvement to investigate, document, process, pursue and establish penalties. It will require ATG staff time to complete the efficacy evaluation every five years.

Sec. 21 expands existing exemptions to public disclosure outlined in RCW 42.56.330 and 2017 c 333 s 6 to include information and records filed with the Commission to comply with the new chapters created in this act. This requires ATG staff and UTC staff to draft, sign, and execute confidentiality agreements, requires staff to redact confidential information, and requires multiple versions of documents to be maintained (redacted and confidential)

Sec. 22 clarifies sections 1 through 19 constitute new chapters in Title 19 RCW

Sec. 23 severability clause.

Sec. 24 establishes the need for the act and takes effect immediately.

Sec. 25 establishes act may be known as oil industry accountability 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.

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.

Creation of new organizational unit to implement Sections 6 - 19

Section 3 establishes a new organizational unit within the Commission. The UTC assumes workload to begin July 1, 2024, for organizational development and to collect, analyze, and report on pricing, markets and operations of transportation fuels sold in Washington.

FY2025 - \$2,385,668

FY2026 – \$1,192,834

(Administrative Law Judge, 2.06 FTE; Attorney General, 2.06 FTE; Energy/Utilities Engineer, 1.08 FTE; Administrative Asst. 4, 1.08 FTE, Investigator 4, 2.06 FTE; Policy Advisor, 1.08 FTE; Section Manager | Regulatory Services, .48 FTE; Regulatory Analyst 2, 3.11 FTE; Regulatory Analyst 3, 2.06 FTE)

Creation of new Division of Petroleum Market Oversight

Section 4 establishes the Division of Petroleum Market Oversight in the Commission and its structure. Section 5 establishes the division’s powers and duties. The UTC assumes workload to begin July 2024, for organizational development, collaboration with interested parties, and development of division duties and responsibilities.

FY2025 - \$1,915,345

(Executive Director, 1.03 FTE; Policy Advisor, 1.03 FTE; Energy/Utilities Engineer, 1.03 FTE; Administrative Asst. 4, 1.03 FTE; Investigator 4, 2.06 FTE; Section Manager | Regulatory Services, 1.03 FTE; Regulatory Analyst 2, 3.11 FTE; Regulatory Analyst 3, 2.06 FTE; Attorney General, 0.96 FTE)

Simple Rulemaking to establish new section under WAC 480

Section 12 establishes authority for the Commissioner to implement new rules. UTC assumes workload beginning July 202.

FY2025 - \$39,699 total cost

(Administrative Law Judge, 0.06 FTE; Deputy Director | Regulatory Services, 0.02 FTE; 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)

Additional Information necessary to complete review, analyze and interpret technical petroleum data.

Section 6 authorizes the Commission to request additional information as necessary to be completed. UTC assumes workload would begin July 2024, as the first reporting requirement is due within 45 days of the end of each calendar month

FY2025 – \$246,833

FY2026 – \$246,833

(Administrative Law Judge, 0.17 FTE; Commissioner, 0.05; Attorney General, 0.19 FTE; Deputy Director | Regulatory Services, 0.05 FTE; Director | Regulatory Services, 0.04 FTE; Policy Advisor, 0.13 FTE; Section Manager | Regulatory Services, 0.07 FTE; Regulatory Analyst 2, 0.13 FTE; Regulatory Analyst 3, 0.62 FTE)

Transportation Fuels Assessment

Sec. 13 establishes a transportation fuels assessment be submitted to the Governor and Legislature on or before July 1, 2026, and every three years after. UTC assumes the work will begin July 1, 2024, to hire a consultant and/or additional staff to review, assess and interpret technical data for the report.

FY2025 - \$364,084

FY2026 - \$182,042

(Administrative Law Judge, 0.17 FTE; Attorney General, 0.14 FTE; Energy/Utilities Engineer, 0.15 FTE; Administrative Asst. 4, 0.12 FTE; Investigator 4, 0.10 FTE; Policy Advisor, 0.17 FTE; Section Manager | Regulatory Services, 0.07 FTE; Regulatory Analyst 2, 0.15 FTE; Regulatory Analyst 3, 0.23 FTE)

Transportation Fuels Transition Plan

Sec. 16 – UTC and Dept. of Ecology equally assume work related to completion of transition plan on or before Dec. 31, 2025. The plan must be prepared in consultation with a multistakeholder, multiagency work group. UTC assumes the work will begin July 1, 2024.

FY2025 and FY2026 - \$222,151 per fiscal year

(Commissioner, 0.04 FTE; Administrative Law Judge, 0.24 FTE; Director | Regulatory Services, 0.08 FTE; Deputy Director | Regulatory Services, 0.08 FTE; Policy Advisor, 0.16 FTE; Deputy Asst. Director | Regulatory Services, 0.11 FTE; Regulatory Analyst 3, 0.25 FTE; Regulatory Analyst 2, 0.19 FTE; Asst. Director Policy, 0.08 FTE)

Quarterly Summary Report – Public

Sec. 9 – UTC assumes the work beginning July 1, 2024, to analyze and interpret technical data to report to the Governor and Legislature quarterly.

FY2025 - \$87,232

FY2026 – FY2029 - \$43,616

(Administrative Law Judge, 0.10 FTE; Paralegal 3, 0.04; Energy/Utilities Engineer, 0.12 FTE; Administrative Asst. 4, 0.07 FTE; Section Manager | Regulatory Services, 0.05 FTE; Regulatory Analyst 2, 0.10 FTE; Regulatory Analyst 3, 0.14 FTE)

Review and report of price of gasoline in Washington

Sec. 7 – UTC assumes the work, in consultation with Dept. of Ecology, to begin July 1, 2024, to analyze and interpret data provide under sec. 7 and create methodology for refiners to include in monthly reporting.

FY2025 - \$140,976 total cost

(Commissioner, 0.05 FTE; Director | Regulatory Services, 0.05 FTE; Deputy Director | Regulatory Services, 0.05 FTE; Policy Advisor, 0.07 FTE; Section Manager | Regulatory Services, 0.10 FTE; Regulatory Analyst 3, 0.12 FTE; Regulatory Analyst 2, 0.12 FTE; Investigator 4, 0.05 FTE; Administrative Asst. 4, 0.10 FTE; Attorney General, 0.10 FTE)

Gather, Analyze, and interpret information and reports.

Sec. 8 – UTC assumes work to begin July 1, 2024, to review and analyze information and date provided as required by Sec. 6 and interpret its impact, as well as state and federal policies and regulations on the state of Washington.

FY2025-FY2029 - \$1,406,689 per annual cost

(Attorney General, 0.10 FTE; Energy/Utilities Engineer, 1.03 FTE; Administrative Asst. 4, 1.03 FTE; Investigator 4, 2.06 FTE; Policy Advisor, 1.03 FTE; Section Manager | Regulatory Services, 0.05 FTE; Regulatory Analyst 2, 3.07 FTE; Regulatory Analyst 3, 2.06 FTE)

Ongoing administrative services support.

Support of the new division within the UTC for administrative services.

FY2024-FY2029 - \$17,998 per annual cost

(Administrative Assistant 4, 0.10 FTE; Regulatory Analyst 2, 0.10 FTE; Regulatory Analyst 3, 0.10 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	17,998	6,826,675	6,844,673	4,780,464	2,936,604
Total \$			17,998	6,826,675	6,844,673	4,780,464	2,936,604

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	44.6	22.4	16.3	10.9
A-Salaries and Wages	12,244	4,755,753	4,767,997	3,250,371	1,997,688
B-Employee Benefits	4,285	1,664,516	1,668,801	1,137,634	699,194
C-Professional Service Contracts		150,000	150,000	75,000	
E-Goods and Other Services	1,469	256,406	257,875	317,459	239,722
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 \$	17,998	6,826,675	6,844,673	4,780,464	2,936,604

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 Asst. 4	61,056	0.1	3.5	1.8	1.4	1.1
Administrative Law Judge	119,604		2.8	1.4	0.8	0.1
Asst. Director, Policy	119,808		0.1	0.1	0.0	
Attorney General	237,600		3.6	1.8	0.8	0.1
Commissioner	174,732		0.1	0.1	0.1	
Deputy Asst. Director Regulatory Services	115,440		0.1	0.1	0.1	
Deputy Director Regulatory Services	122,724		0.2	0.1	0.1	
Director, Regulatory Services	139,908		0.2	0.1	0.1	
Energy/Utilities Engineer 3	102,540		3.4	1.7	1.4	1.1
Executive Director	145,068		1.0	0.5		
Investigator 4	90,624		6.3	3.2	2.6	2.1
Paralegal 3	84,192		0.0	0.0	0.0	0.0
Policy Advisor	104,004		3.7	1.9	1.5	1.0
Regulatory Analyst 2	86,208	0.1	10.1	5.1	4.2	3.2
Regulatory Analyst 3	97,596	0.1	7.6	3.8	3.2	2.2
Section Manager Regulatory Services	102,996		1.9	0.9	0.3	0.1
Total FTEs		0.2	44.6	22.4	16.4	10.9

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 12 requires the UTC to develop rules establishing the requirements and procedures to analyze and report all data and information associated with this chapter. The UTC assumes this will be a new section under 480.

Individual State Agency Fiscal Note

Bill Number: 6052 SB	Title: Petroleum product supply	Agency: 461-Department of Ecology
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	6.4	3.2	2.3	0.4
Account					
General Fund-State 001-1	0	1,069,687	1,069,687	669,942	117,431
Total \$	0	1,069,687	1,069,687	669,942	117,431

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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/09/2024
Agency Preparation: Cristina Steward	Phone: 564-669-1723	Date: 01/15/2024
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 01/15/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	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 would add a new chapter to Title 19 RCW, cited as the Oil Industry Accountability Act.

Section 7 would require each refiner to provide detailed information to the Utilities and Transportation Commission (UTC) each month concerning inputs and outputs, facilities, sales, etc. The UTC must report quarterly on the aggregated data received. The UTC, in consultation with Ecology, would need to develop a methodology for refiners to use to provide separate quantification of the volume-weighted fees or estimated valuations of costs embedded in all wholesale transportation fuels associated with the clean fuel standard and the cap and invest program.

Section 11 outlines the confidentiality and permissible uses of the reported data. Ecology would be required to aggregate and anonymize data provided to the UTC.

Section 13 would require the UTC to perform an analysis of all elements concerning transportation fuels in Washington, and submit an assessment to the Legislature and Governor by July 1, 2026, and every three years thereafter.

Section 16 would require Ecology to partner with the UTC to prepare a Transportation Fuels Transition Plan by December 31, 2025. The Transportation Fuels Transition Plan would include considerations from the findings of the assessment conducted under section 13, and mechanisms to plan for and monitor progress toward the state's reliable, safe, equitable, and affordable transition away from petroleum fuels and the requirements of RCW 70A.45.020 and chapter 70A.65 RCW. Ecology would provide subject matter expert support for the contents of the report and would work with the UTC to assemble a multistakeholder and multiagency workgroup.

Section 23 is a severability clause.

Section 24 is an emergency clause.

II. B - Cash receipts Impact

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

II. C - Expenditures

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

The expenditure impact to Ecology under this bill is estimated to be greater than \$50,000 in Fiscal Year (FY) 2025 and ongoing to implement the requirements of sections 7, 11, 13 and 16.

Note: The Governor's 2024 supplemental operating budget proposal includes funding for sections 13 and 16 of this proposed legislation (PL GTP - Oil Accountability Transparency).

Section 7 – Methodology

Section 7 (3) would require the UTC to work with Ecology to develop a methodology to quantify transportation fuel sales from a refinery. The quantification methodology developed would be used by oil refineries operating in Washington state when submitting data to the UTC under new reporting requirements described in section 3.

Ecology estimates the cost to implement Section 7 would include:

Environmental Engineer 5 - 0.5 FTE in FY 2025 and 0.25 FTE in FY 2026. This position would provide subject matter expert support to the UTC during the development of the methodology to quantify volume-weighted fees or estimated valuations of cost embedded in transportation fuel sales. Work would include application of knowledge concerning refinery processes in the development of cost accounting methodologies. Methods would be developed for rack sales, bulk sales, pipeline sales, and dealer tankwagon sales. This position would engage stakeholders and interested parties in the development of this methodology.

Environmental Specialist 5 - 0.25 FTE in FY 2025 and 0.12 FTE in FY 2026. This position would provide technical support to the UTC during development of the methodology to quantify volume-weighted fees or estimated valuations of cost embedded in transportation fuel sales. Work would include providing technical information on volumes reported under the Clean Fuel Standard for rack sales, bulk sales, and other sales information.

Environmental Planner 5 – 1.0 FTE in FY 2025 and 0.5 FTE in FY 2026. This position would provide policy support to the UTC during the development of the methodology to quantify volume-weighted fees or estimated valuations of cost embedded in transportation fuel sales. Additional work would include analyzing publicly available transportation cost data, participation in and oversight of stakeholder and multiagency coordination to gather information for method development.

In FY 2025 Ecology assumes we would contract with a petroleum-related engineering firm for technical consultation. The contractor would analyze individual processes of refineries in the state, develop a cost model that reflects process costs associated with fuel volumes, and provide a report summarizing the cost model and include recommendations for potential issues that should be accounted for in the method reporting. Based on similar contracts, estimated costs for this contract would total \$100,000 for FY 2025.

Section 11 - Data

Section 11 would require Ecology to aggregate and anonymize data shared with the UTC. Ecology's data cannot always be anonymized in an automated fashion, so reports to the UTC would need to be reviewed by staff before being released.

Ecology estimates the cost to implement section 11 would include:

Financial Examiner 4 – 0.05 FTE in FY 2025 and ongoing. This position would be responsible for reviewing auctions and market related data for sensitive and confidential information before sharing with the UTC.

Section 13 - UTC Assessments

Section 13 would require the UTC to perform an analysis of all elements concerning transportation fuels in Washington, and submit an assessment to the Legislature and Governor by July 1, 2026, and every three years thereafter. UTC's analysis would require data that many state agencies currently collect, including data collected by Ecology. UTC and Ecology assume that Ecology staff would need to work with UTC staff to normalize the data streams for use in the bill's required analysis. The bill would require this collaboration with the UTC every three years ongoing.

Ecology estimates that normalizing data streams, synchronizing and providing information, and supporting the multistakeholder, multiagency workgroup would require the following staff:

Environmental Planner 5 – 0.5 FTE in FY 2025 and 0.35 FTE in FY 2026 would provide information to support UTC's assessments to the Legislature. Information provided would be adjusted to be usable in UTC's analysis. Information would be provided on the volumes of fuels sold that are reported under the Clean Fuel Standard (CFS), volumes being imported to or exported from the state, and carbon intensity valuations for specific products. The position would also participate in the multiagency workgroup required under section 16 to explain CFS data and limitations of the data we can provide. Ecology

assumes that all pricing valuations would be conducted by UTC. Ecology estimates this position would be needed in the assessments every three years thereafter at a reduced level (0.3 FTE in FY 2028, 0.2 FTE in FY 2029, and ongoing every three years).

Section 16 - Transportation Fuels Transition Plan

Section 16 would require Ecology to collaborate with the UTC in the creation of a Transportation Fuels Transition Plan by December 31, 2025, and the set up and management of a multistakeholder, multiagency workgroup. The Transportation Fuels Transition Plan would include, at minimum, how to ensure the supply of transportation fuels is affordable, reliable, equitable, and adequate to meet demand during the transition away from fossil fuels as necessitated by RCW 70A.45.020 and chapter 70A.65 RCW. Ecology assumes an Environmental Justice Assessment would be required for the Transportation Fuels Transition Plan.

Ecology estimates the following staff would be required in FY 2025, and the first 9 months of FY 2026 to build and manage the workgroup, create a Transportation Transition Fuels Plan, provide environmental justice research and outreach, and coordinate, adjust, and answer external report questions.

Community Outreach & Environmental Education Specialist 4 – 1.25 FTE in FY 2025 and 1.0 FTE in FY 2026 would support the workgroup and development of the Transportation Transition Fuels Plan, including the compilation of information and drafting the plan. Workgroup support would include communication, outreach, coordination, and identification of the following stakeholders: environmental justice, labor, environmental protection, land use, public health, fuel producers/refiners, and local, regional, and state agencies. This position would assist in preparing materials and presentations for the workgroup, coordinating with the UTC, synthesizing information obtained from workgroup meetings, and would provide summaries on how to incorporate feedback into the Transportation Fuels Transition Plan. Additional work would include coordination with the environmental justice council, community groups, labor organizations, environmental groups, land use groups, public health advocates, fuel producers/refiners, and local, regional, and state agencies.

Environmental Planner 5 – 1.25 FTE in FY 2025 and 1.0 FTE in FY 2026. This position would support the preparation of the Transportation Fuel Transition Plan. Support includes development of methodologies to address factors such as affordability, reliability, equity, and evaluating adequate fuel supply volume to meet demand, coordination with the UTC, and engagement with multiple agencies and stakeholders, including environmental justice outreach. Additional work would include participation in and oversight of the stakeholder and multiagency workgroup in order to develop metrics for monitoring Washington's transition from petroleum fuels.

Administrative Assistant 3 – 0.6 FTE in FY 2025 and 0.5 FTE in FY 2026. This position would provide administrative support during the development of the Transportation Fuels Transition Plan. Work would include environmental justice outreach support, distribution of materials for stakeholder engagement, logistical support for meetings, support with stakeholder outreach, compilation of information and administrative preparation of the Transportation Fuels Transition Plan

Communications Consultant 4 – 0.2 FTE in FY 2025 and 0.12 FTE in FY 2026. This position would provide support during Transportation Fuels Transition Plan development. Work would include preparation and design of materials for stakeholder engagement, development of talking points, and communication with media and stakeholders. Additional work would include assisting with compiling information to be included in Transportation Fuels Transition Plan.

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

Sections 7, 11 and 13 are estimated to require:

FY 2025: \$553,064 and 2.6 FTEs

FY 2026: \$250,176 and 1.5 FTEs

FY 2027: \$10,373 and 0.1 FTE

FY 2028: \$68,384 and 0.4 FTEs
 FY 2029: \$49,047 and 0.3 FTEs

Section 16 is estimated to require:
 FY 2025: \$516,623 and 3.8 FTEs
 FY 2026: \$409,393 and 3.0 FTEs

THE TOTAL EXPENDITURE IMPACT to Ecology under this bill is estimated to be:
 FY 2025: \$1,069,687 and 6.4 FTEs
 FY 2026: \$659,569 and 4.5 FTEs
 FY 2027: \$10,373 and 0.1 FTE
 FY 2028: \$68,384 and 0.4 FTEs, and every three years thereafter
 FY 2029: \$49,047 and 0.3 FTEs, and every three years thereafter

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.
 Benefits are the agency average of 34.1% of salaries.
 Contract costs of \$100,000 in FY 2025 are included for section 7.
 Goods and Services are the agency average of \$6,048 per direct program FTE.
 Travel is the agency average of \$2,205 per direct program FTE.
 Equipment is the agency average of \$1,286 per direct program FTE.
 Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.8% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development - Journey.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	1,069,687	1,069,687	669,942	117,431
Total \$			0	1,069,687	1,069,687	669,942	117,431

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		6.4	3.2	2.3	0.4
A-Salaries and Wages		526,404	526,404	363,295	64,178
B-Employee Benefits		179,504	179,504	123,884	21,885
C-Professional Service Contracts		100,000	100,000		
E-Goods and Other Services		33,869	33,869	23,829	3,628
G-Travel		12,348	12,348	8,689	1,323
J-Capital Outlays		7,203	7,203	5,066	771
9-Agency Administrative Overhead		210,359	210,359	145,179	25,646
Total \$	0	1,069,687	1,069,687	669,942	117,431

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
ADMIN ASSISTANT 3	54,194		0.6	0.3	0.3	
COM OUTRCH & ENV ED SP 4	78,476		1.3	0.6	0.5	
COMM CONSULTANT 4	80,469		0.2	0.1	0.1	
ENVIRONMENTAL ENGINEER 5	119,465		0.5	0.3	0.1	
ENVIRONMENTAL PLANNER 5	105,612		2.8	1.4	0.9	0.3
ENVIRONMENTAL SPEC 5	95,387		0.3	0.1	0.1	
FINANCIAL EXAMINER 4	113,710		0.1	0.0	0.1	0.1
FISCAL ANALYST 2			0.6	0.3	0.2	0.0
IT APP DEV-JOURNEY			0.3	0.1	0.1	0.0
Total FTEs			6.4	3.2	2.3	0.4

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.