

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 1908 HB	<b>Title:</b> Utility project assistance	<b>Agency:</b> 103-Department of Commerce
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## Part I: Estimates

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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	4.4	2.2	0.0	0.0
<b>Account</b>					
General Fund-State 001-1	0	918,388	918,388	0	0
<b>Total \$</b>	0	918,388	918,388	0	0

### Estimated Capital Budget Impact:

	2023-25		2025-27		2027-29	
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Predesign/Design	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Grants/Loans	0	0	0	0	0	0
Staff	0	0	903,388	511,105	511,105	518,305
Other	0	0	0	0	0	0
<b>Total \$</b>	0	0	903,388	511,105	511,105	518,305

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

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:

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If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

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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).

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Capital budget impact, complete Part IV.

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Requires new rule making, complete Part V.

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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 establish a grant program at Department of Commerce (department) to support generation from a renewable resource or non-emitting electric generation or a grid-scale storage project using new or emerging technologies applications are still largely unrealized at a commercial scale.

Section 2 of the bill requires the department to create a grant program.

Eligible projects must be generated from a renewable resource or non-emitting (such as nuclear) electric generation, as those terms are defined in RCW 19.405.020, or a grid-scale storage project using new or emerging technologies whose practical applications are still largely unrealized at commercial scale and consistent with Washington’s 100% clean electricity law (19.405 RCW) and greenhouse gas requirements (70A.65).

Funds may be used for the pre-development, design, engineering, permitting, environmental reviews, site preparation, or construction of projects that provide a public benefit through research, development, demonstration, or deployment of stable, dispatchable, utility-scale clean energy technologies that reduce harmful air emissions or increase energy independence of the state.

In selecting grant recipients that meet the minimum criteria in subsection (2) of this section, the department must prioritize project applications that would, in the judgment of the department, increase the likelihood of the project proponent catalyzing federal or private sources of funds in support of the completion of the project.

By June 1, 2025, the department must develop and make available on its website guidelines for grant applications and the process by which the department will award funds. The bill instructs the department to assume future legislative appropriations of at least \$100,000,000 by the start of the 2027-2029 fiscal biennium.

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.

Section 2 – Establishment of Decarbonization Grant Program

Operating Start-up Cost Assumptions:

The bill requires the department, subject to availability of funds appropriated, to create and administer the grid reliability innovation for decarbonization program within the department. The program will support generation from a renewable resource or non-emitting electric generation or a grid-scale storage project using new or emerging technologies applications that are still largely unrealized at a commercial scale. This will require additional staff time to develop guidelines, launch a program, and engage in ongoing contract oversight.

The bill also requires the department by June 1, 2025, to develop and make available on its website guidelines for grant

applications and the process by which the department will award funds. The bill states the Legislature's intent is to provide \$100,000,000 in grant funds. The department assumes this occurs in the 2025-2027 fiscal biennium.

The bill also instructs the department to assume future legislative appropriations of at least \$100,000,000 by the start of the 2027-2029 fiscal biennium. The department assumes this is not in addition to the amount provided for grants in the bill. The department assumes the performance periods for awards will run for approximately 10 years. During the performance periods significant ongoing monitoring and oversight will occur due to the program design and inherent risks involving new and emerging technologies that have not yet realized commercial scale.

The department estimates cost based on approximately five grant applications being made under this program. Costs may vary if the number of contracted grants is higher. Additional staff time will be required to develop guidelines and launch the program.

To complete the work the department estimates (FY25):

#### Meetings

The department assumes meetings for environmental justice assessments to develop the grant program and for each grant award due to the anticipated size of grants triggering HEAL compliance. The department assumes there will be three two-hour workshops starting in FY25 and ongoing meetings to support engagement with grantees and stakeholders. The department assumes all meetings will be virtual.

#### STAFFING COSTS

0.20 FTE EMS2 Senior Energy Policy Specialist (416 hours) in FY25 to provide subject matter expertise and expert policy advice or consultation in coordinating development of the program, and provide expert policy advice.

Energy Programs in Communities (EPIC) program staff:

0.10 FTE WMS3 Managing Director (208 hours) in FY25 for policy and program alignment strategy, implementation planning, leadership, oversight, supervision, and decision making over all elements of the program.

0.20 FTE WMS2 Section Supervisor (416 hours) in FY25 for staffing, implementation planning, leadership, oversight, supervision, and decision making over all elements of the program.

1.0 FTE Commerce Specialist 5 (2088 hours) in FY25 to work with the section supervisor to develop a portion of the implementation plan for programs.

0.70 FTE Management Analyst 4 (1461 hours) in FY25 to lead and monitor the environmental justice assessments, tribal consultation and community engagement process required under the HEAL Act (RCW 70A.02).

1.0 FTE Commerce Specialist 3 (2088 hours) in FY25 to develop, solicit, originate, manage and monitor the procurement and grant making process and contracts, and provide evaluation and subject matter expertise on grant program, monitor budget and expenditures, conduct detailed analysis, and provide consultative planning for program established in this bill.

1.0 FTE Commerce Specialist 2 (2088 hours) in FY25 to provide coordination support, contract management, contract monitoring, invoicing, and data entry.

0.10 FTE Administration Assistant 3 (208 hours) in FY25 for support of grant program and provide administrative support.

0.10 Budget Analyst 4 (208 hours) in FY25 to provide or develop the capacity to eventually monitor budget and expenditures, conduct detailed analysis, and provide consultative planning for the grant program established in this bill.

Salaries and Benefits

FY25: \$535,097

Professional Services

Professional Service Contracts for consultant to provide expert analysis and technical evaluation for new and emerging technologies. The department anticipates utilizing consulting services during grant program design, project technical reviews and project monitoring - costs \$150,000 in FY25.

Goods and Services and travel

FY25 \$42,244

Equipment

The department assumes the purchase of three standard workstations for the new staff in FY25.

FY25: \$15,000

Intra-agency Reimbursement:

FY25: \$176,047

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

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Total Costs:

FY25: \$918,388

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	918,388	918,388	0	0
Total \$			0	918,388	918,388	0	0

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		4.4	2.2		
A-Salaries and Wages		397,029	397,029		
B-Employee Benefits		138,068	138,068		
C-Professional Service Contracts		150,000	150,000		
E-Goods and Other Services		42,244	42,244		
G-Travel					
J-Capital Outlays		15,000	15,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		176,047	176,047		
9-					
<b>Total \$</b>	0	918,388	918,388	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 Assistant 3	52,616		0.1	0.1		
Budget Analyst 4	88,421		0.1	0.1		
Commerce Specialist 2	70,799		1.0	0.5		
Commerce Specialist 3	82,056		1.0	0.5		
Commerce Specialist 5	95,185		1.0	0.5		
EMS2	122,841		0.2	0.1		
Management Analyst 4	86,212		0.7	0.4		
WMS2	122,841		0.2	0.1		
WMS3	138,366		0.1	0.1		
<b>Total FTEs</b>			4.4	2.2		0.0

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact****IV. A - Capital Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
057-1	State Building Construction Account	State	0	0	0	1,414,493	1,029,410
<b>Total \$</b>			0	0	0	1,414,493	1,029,410

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

#### IV. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years				3.8	3.2
A-Salaries and Wages				662,415	530,772
B-Employee Benefits				234,188	192,240
C-Professional Service Contracts				150,000	
E-Goods and Other Services				72,908	61,328
G-Travel					
J-Capital Outlays					7,200
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements				294,982	237,870
9-					
<b>Total \$</b>	0	0	0	1,414,493	1,029,410

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

#### IV. C - Capital Budget Breakout

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

Construction Estimate	FY 2024	FY 2025	2023-25	2025-27	2027-29
Predesign/Design					
Construction					
Grants/Loans					
Staff				1,414,493	1,029,410
Other					
<b>Total \$</b>				1,414,493	1,029,410

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

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Assistant 3	52,616				0.1	0.1
Budget Analyst 4	88,421				0.1	0.1
Commerce Specialist 2	70,799				1.0	1.0
Commerce Specialist 3	82,056				1.0	1.0
Commerce Specialist 5	95,185				0.8	0.5
EMS2	122,841				0.1	
Management Analyst 4	86,212				0.6	0.5
WMS2	122,841				0.1	
WMS3	138,366				0.1	
<b>Total FTEs</b>					3.8	3.2

#### Section 2 – Establishment of Decarbonization Grant Program

##### Capital Assumptions:

The bill requires the department, subject to availability of funds appropriated, to create and administer the grid reliability innovation for decarbonization program within the department. The program will support generation from a renewable resource or non-emitting electric generation or a grid-scale storage project using new or emerging technologies applications that are still largely unrealized at a commercial scale. This will require additional staff time to develop guidelines, launch a

program, and engage in ongoing contract oversight.

The bill states the Legislature's intent is to provide \$100,000,000 in grant funds.

The department assumes Capital funding beginning in 2026-2029 fiscal years. The bill also instructs the department to assume future legislative appropriations of at least \$100,000,000 by the start of the 2027-2029 fiscal biennium. The department assumes this is not in addition to the amount provided for grants stated in the bill. The department assumes the performance periods for awards will run for approximately 10 years. During the performance periods significant ongoing monitoring and oversight will occur due to the program design and inherent risks involving new and emerging technologies that have not yet realized commercial scale.

The department estimates cost based on approximately five grant applications being made under this program. Costs may vary if the number of contracted grants is higher.

To complete the work the department estimates (FY26-FY29):

Meetings:

The department assumes there will be three two-hour workshop meetings for environmental justice assessments for support in FY26 and ongoing to support engagement with grantees and stakeholders due to the anticipated size of the grants triggering HEAL compliance. The department assumes all meetings will be virtual.

#### STAFFING COSTS

0.20 FTE EMS2 Senior Energy Policy Specialist (416 hours) in FY26 to provide subject matter expertise and expert policy advice or consultation in coordinating development of the program, and provide expert policy advice.

Energy Programs in Communities (EPIC) program staff:

0.10 FTE WMS3 Managing Director (208 hours) in FY26 for policy and program alignment strategy, implementation planning, leadership, oversight, supervision, and decision making over all elements of the program.

0.20 FTE WMS2 Section Supervisor (416 hours) in FY25-FY26 for staffing, implementation planning, leadership, oversight, supervision, and decision making over all elements of the program.

1.0 FTE Commerce Specialist 5 (2088 hours) in FY26 to work with the section supervisor to develop a portion of the implementation plan for programs. The department estimates upon execution of the implementation plan, 0.50 FTE Com5 (1044 hours) in FY27-FY29 will transition to provide ongoing program oversight, coordination, supervision of the contracts and staffing and to administer overall fund management.

0.70 FTE Management Analyst 4 (1461 hours) in FY26 to lead and monitor the environmental justice assessments, tribal consultation and community engagement process required under the HEAL Act (RCW 70A.02). The department estimates 0.50 FTE MA4 (1044 hours) in FY27-FY29 will transition to provide ongoing support for the program and compliance with HEAL.

1.0 FTE Commerce Specialist 3 (2088 hours) in FY26-FY29 to develop, solicit, originate, manage and monitor the procurement and grant making process and contracts, and provide evaluation and subject matter expertise on grant program, monitor budget and expenditures, conduct detailed analysis, and provide consultative planning for program established in this bill.

1.0 FTE Commerce Specialist 2 (2088 hours) in FY26-FY29 to provide coordination support, contract management, contract monitoring, invoicing, and data entry.

0.10 FTE Administration Assistant 3 (208 hours) in FY26-FY29 for support of grant program and provide ongoing administrative support.

0.10 Budget Analyst 4 (208 hours) in FY26-FY29 to provide or develop the capacity to eventually monitor budget and expenditures, conduct detailed analysis, and provide consultative planning for the grant program established in this bill.

Salaries and Benefits  
FY26: \$535,097  
FY27-FY29: \$361,506 per fiscal year

Professional Services  
Professional Service Contracts for consultant to provide expert analysis and technical evaluation for new and emerging technologies. The department anticipates utilizing consulting services during grant program design, project technical reviews and project monitoring - costs \$150,000 in FY26.

Goods and Services and travel  
FY26: \$42,244  
FY27-FY29: \$30,664 per fiscal year

Equipment  
The department assumes laptop replacement for three staff in FY29.

FY29: \$7,200

Grants are indeterminate; the grant level cannot be determined yet.

Intra-agency Reimbursement:  
FY26: \$176,047  
FY27-FY29: \$118,935 per fiscal year

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

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Total Costs:  
FY26: \$903,388  
FY27-FY28: \$511,105 per fiscal year  
FY29: \$518,305

**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.