

Multiple Agency Fiscal Note Summary

Bill Number: 1589 P HB 1589-S.E AM ENET S4307.2	Title: Clean energy
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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	149,000	0	0	237,000	0	0	222,000
Utilities and Transportation Commission	0	0	2,595,245	0	0	5,190,490	0	0	5,190,490
Total \$	0	0	2,744,245	0	0	5,427,490	0	0	5,412,490

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
Office of Attorney General	1.5	0	0	429,000	2.2	0	0	669,000	1.3	0	0	377,000
Utilities and Transportation Commission	4.1	0	0	1,666,017	2.8	0	0	1,026,324	1.7	0	0	697,978
Total \$	5.6	0	0	2,095,017	5.0	0	0	1,695,324	3.0	0	0	1,074,978

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
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
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

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Phone:
(360) 890-2653

Date Published:
Final 2/ 2/2024

Individual State Agency Fiscal Note

Bill Number: 1589 P HB 1589-S.E AMS ENET S4307.2	Title: Clean energy	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		149,000	149,000	237,000	222,000
Total \$		149,000	149,000	237,000	222,000

Estimated Operating Expenditures from:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	2.0	1.5	2.2	1.3
Public Service Revolving Account-State 111-1	139,000	141,000	280,000	432,000	155,000
Legal Services Revolving Account-State 405-1	0	149,000	149,000	237,000	222,000
Total \$	139,000	290,000	429,000	669,000	377,000

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: Kim Cushing	Phone: (360) 786-7421	Date: 01/26/2024
Agency Preparation: Chad Standifer	Phone: 3605863650	Date: 01/31/2024
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 01/31/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/01/2024

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 and intent.

Section 2: New Section. Definitions, including of “Large combination utility”.

Section 3: New Section. Requiring the Utilities and Transportation Commission (UTC) to complete rule-making to implement consolidated planning requirements for gas and electric services for large combination utilities by July 1, 2025; authorizing UTC to extend the filing and reporting requirements of a large combination utility under RCW 19.405 and RCW 19.280; requiring large combination utilities to file an integrated system plan by January 1, 2027, and specifying the requirements of such plans; requiring plans developed under this section to be updated on intervals approved by the UTC; requiring UTC to establish by rule a costs test for emissions reduction measures achieved by large combination utilities to comply with state clean energy and climate policies; requiring UTC to approve, reject or approve with conditions integrated systems plans, and specifying the criteria for approval.

Section 4: New Section. Requiring large combination utilities to work in good faith with others in the region to develop market structures and mechanisms that require the sale of wholesale electricity from generating resources in a manner allowing the greenhouse gas attributes of those resources to be accounted for when sold.

Section 5: New Section. Specifying what large combination utilities may propose concurrent with applications for integrated system plan pursuant to Section 3 of the act; large combination utilities may request a certificate of necessity from UTC as to certain aspects of it plan; allowing UTC to approve, reject, or approve with conditions an application under this section if in the public interest; allowing UTC to modify or cancel certificates of necessity; allowing suppliers of electric generation capacity seeking to provide capacity to a large combination utility to submit a proposal directly to the UTC.

Section 6: New Section. Requirements as to what large combination utilities must include in calculating the emissions baseline and projected cumulative emissions.

Section 7: New Section. Requirements as to what large combination utilities must include in a multiyear rate plan filed pursuant to RCW 80.28.425 and this chapter, and what UTC must consider in reviewing such plans.

Section 8: New Section. Prohibiting rebates to purchase natural gas appliances and requirements as specified.

Section 9: Amending RCW 19.280.030. Authorizing UTC to approve, reject, or approve with conditions, any plans submitted by a large combination utility.

Section 10: Amending RCW 80.28.110. Providing a large combination utility may provide service to customers with nonemitting energy through an integrated system plan approved by the UTC.

Section 11: New Section. Specifying collaboration between large combination utilities and consumer-owned utilities.

Section 12: New Section. Requirements for prevailing wage and other specific employment conditions and benefits for integrated system plans of large combination utility.

Section 13: New Section. Authorizes the UTC to adopt rules to ensure the proper implementation and enforcement of this Act.

Section 14: Amends RCW 80.24.010. Set fees applicable to large combination utilities.

Section 15: Amends RCW 80.28.410. Defining the costs of capital incurred by an electrical company to include the company's return on a power purchase agreement as authorized by Section 16.

Section 16: New Section. Providing that UTC shall authorize electric companies to earn a return on power purchase or storage services agreements in an amount calculated pursuant to the statutory ratio.

Section 17: New Section. Entitling this chapter the Washington Decarbonization Act for Large Combination Utilities.

Section 18: New Section. Making Sections 2 through 8, 11 through 14, and 17 a new chapter in RCW 80.

Section 19: New Section. Severability clause.

Section 20: New Section. 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.

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 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 agencies' fiscal note. Appropriation authority is necessary in the AGO budget.

AGO AGENCY ASSUMPTIONS:

UTC will be billed for non-King County:

FY 2025: \$149,000 for 0.5 Assistant Attorney General FTE (AAG) and 0.3 Paralegal 1 FTE (PL1)

FY 2026: \$88,000 for 0.3 AAG and 0.2 PL1

FY 2027: \$149,000 for 0.5 AAG and 0.2 PL1

FY 2028: \$149,000 for 0.5 AAG and 0.3 PL1

FY 2029: \$73,000 for 0.3 AAG and 0.2 PL1

AGO Public Counsel Unit Division (PCU) activities are funded with PSRA dollars. No cash receipt impact. There is no client agency to bill for PCU legal services.

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:

This bill has an emergency clause and is assumed to be effective immediately.

Location of staffing is assumed to be in a King County and 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 Public Counsel Unit Division (PCU) for Legal Services for the Utilities and Transportation Commission (UTC):

During FY 2024, the bill requires UTC to initiate a rulemaking by January 1, 2024, and complete it by July 1, 2025. PCU will be an active participant in the rulemaking. Expert consultation will assist with UTC rulemaking(s) regarding expertise in electrification and decarbonization requirements. PCU assumes \$36,000 contract, spread evenly over two years (\$18,000 in FY 2024 and \$18,000 in FY 2025). During FY 2025, UTC rulemaking(s) will take place, and PCU will be an active participant. During FY 2026 and FY 2027, PCU will review and respond to filed decarbonization and electrification plans. PCU assumes this process will be similar to the process used to review utility Clean Energy Implementation Plans, involving initial review and comments on the plan, stakeholder work, and potential adjudication. This work will continue into FY 2027. Expert consultation to assist with plan review and litigation is assumed for \$50,000 contract, spread evenly over two years (\$25,000 in FY 2026 and \$25,000 in FY 2027). During FY 2029, PCU assumes a second round of decarbonization and electrification plans. PCU will prepare for a 2030 filing, with stakeholder work and review of draft plans, or potentially review of a formal filing. Expert consultation to assist with plan review and litigation. The assumption is for a \$50,000 contract, spread evenly over two years (\$25,000 each in FY 2029 and FY 2030). During FY 2030, PCU will review and respond to the second round of decarbonization and electrification plans.

PCU: Total King County workload impact:

FY 2024: \$139,000 for 0.3 AAG, 0.1 Paralegal 2 FTE (PL2), 0.2 PL1, and 0.3 Regulatory Analyst 2 FTE (RA), which includes direct litigation costs of \$18,000

FY 2025: \$141,000 for 0.3 AAG, 0.1 PL2, 0.2 PL1, and 0.3 RA, which includes direct litigation costs of \$18,000

FY 2026 and FY 2027: \$216,000 for 0.3 AAG, 0.3 PL2, 0.2 PL1, and 0.5 RA, which includes direct litigation costs of \$25,000

FY 2029: \$155,000 for 0.3 AAG, 0.1 PL2, 0.2 PL1, and 0.3 RA, which includes direct litigation costs of \$18,000

2. Assumptions for the AGO-UTC Division for Legal Services for UTC:

During FY 2025, advice to support extensive rulemakings related to consolidating utility planning requirements and determining the cost test for emissions reduction measures. During FY 2026, advice to support extensive rulemakings related to consolidating utility planning requirements and determining the cost test for emissions reduction measures. Client advice related to development of policy statement. During FY 2027, advice will be provided, and representation related to review of integrated system plan. During FY 2028, advice and representation related to review of integrated system plan. Also, advice and representation related to the first general rate case to be filed after filing of the integrated system plan. During FY 2029 and FY 2030, there will be ongoing advice and representation related to the requirements of the bill.

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

FY 2025: \$149,000 for 0.5 AAG and 0.3 PL1

FY 2026: \$88,000 for 0.3 AAG and 0.2 PL1

FY 2027: \$149,000 for 0.5 AAG and 0.3 PL1

FY 2028: \$149,000 for 0.5 AAG and 0.3 PL1

FY 2029: \$73,000 for 0.3 AAG and 0.2 PL1

Total workload impact:

FY 2024: \$139,000 for 0.3 AAG, 0.1 PL2, 0.2 PL1, and 0.3 RA, which includes direct litigation costs of \$18,000

FY 2025: \$290,000 for 0.8 AAG, 0.1 PL2, 0.5 PL1, and 0.3 RA, which includes direct litigation costs of \$18,000

FY 2026: \$304,000 for 0.6 AAG, 0.3 PL2, 0.4 PL1, and 0.5 RA, which includes direct litigation costs of \$25,000
 FY 2027: \$365,000 for 0.8 AAG, 0.3 PL2, 0.5 PL1, and 0.5 RA, which includes direct litigation costs of \$25,000
 FY 2028: \$149,000 for 0.5 AAG and 0.3 PL1
 FY 2029: \$228,000 for 0.6 AAG, 0.1 PL2, 0.4 PL1, and 0.3 RA, which includes direct litigation costs of \$18,000

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
111-1	Public Service Revolving Account	State	139,000	141,000	280,000	432,000	155,000
405-1	Legal Services Revolving Account	State	0	149,000	149,000	237,000	222,000
Total \$			139,000	290,000	429,000	669,000	377,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	2.0	1.5	2.2	1.3
A-Salaries and Wages	82,000	184,000	266,000	419,000	239,000
B-Employee Benefits	25,000	57,000	82,000	129,000	73,000
C-Professional Service Contracts	18,000	18,000	36,000	50,000	25,000
E-Goods and Other Services	13,000	29,000	42,000	67,000	38,000
G-Travel	1,000	2,000	3,000	4,000	2,000
J-Capital Outlays					
Total \$	139,000	290,000	429,000	669,000	377,000

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		0.5	0.3	0.4	0.4
Assistant Attorney General-Seattle	135,555	0.3	0.3	0.3	0.3	0.2
Management Analyst 5	95,184	0.1	0.3	0.2	0.3	0.2
Paralegal 1	69,072		0.3	0.2	0.3	0.3
Paralegal 1-Seattle	72,528	0.2	0.2	0.2	0.2	0.1
Paralegal 2-Seattle	79,992	0.1	0.1	0.1	0.3	0.1
Regulatory Analyst 2	90,518	0.3	0.3	0.3	0.5	0.2
Total FTEs		1.0	2.0	1.5	2.2	1.3

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Public Counsel Unit (PCU)	139,000	141,000	280,000	432,000	155,000
Utilities & Transportation Division (UTC)		149,000	149,000	237,000	222,000
Total \$	139,000	290,000	429,000	669,000	377,000

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: 1589 P HB 1589-S.E AMS ENET S4307.2	Title: Clean energy	Agency: 215-Utilities and Transportation Commission
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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
Public Service Revolving Account-State 111-1		2,595,245	2,595,245	5,190,490	5,190,490
Total \$		2,595,245	2,595,245	5,190,490	5,190,490

Estimated Operating Expenditures from:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.8	5.4	4.1	2.8	1.7
Public Service Revolving Account-State 111-1	556,774	1,109,243	1,666,017	1,026,324	697,978
Total \$	556,774	1,109,243	1,666,017	1,026,324	697,978

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: Kim Cushing	Phone: (360) 786-7421	Date: 01/26/2024
Agency Preparation: Kim Anderson	Phone: 360-664-1153	Date: 02/02/2024
Agency Approval: Kim Anderson	Phone: 360-664-1153	Date: 02/02/2024
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 02/02/2024

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.

New Sec. 1 – outlines legislative findings related to clean energy transformation. The UTC assumes no fiscal impact.

New Sec. 2 and Sec. 3 – adds definitions and requires the UTC to complete a rulemaking proceeding by July 1, 2025, to consolidate planning requirements for gas and electric services for a large combination utility under specified statutes. Sec. 3(3) allows the UTC by order to extend the filing and reporting requirements that are part of the clean energy transition, if the utility has made public a work plan that demonstrates reasonable progress toward meeting clean energy standards. In evaluation of lowest reasonable cost of decarbonization measures in an integrated system plan, Sec. 3(5) includes an analysis requirement and application of a risk reduction premium, which must account for the applicable allowance ceiling price approved by the Department of Ecology. Sec. 3(10) requires the UTC to initiate a rulemaking to establish a cost test for emissions reduction measures achieved by large combination utilities to comply with state clean energy and climate policies and assumes fiscal impact related to this rulemaking in FY 2025 and FY 2026. The UTC will initiate a rulemaking for gas and electric large combination utilities to consolidate planning requirements beginning in Q2-2024. By July 1, 2025, the UTC assumes it will complete the rulemaking proceedings and issue an order adopting rules or a policy statement, including a compliance checklist. By January 1, 2027, the UTC further assumes additional work associated with the integrated system plan, including technical assistance, review, and the decision to approve, reject, or approve with conditions, the first integrated system plan within 12 months of the filing.

New Sec. 4 – applies to large combination utilities working in good faith with other utilities, power producers, and other interested parties, to develop market structures and mechanisms that allow greenhouse gas attributes to be accounted for when sold into markets. The UTC assumes no fiscal impact.

New Sec. 5 – allows the UTC to approve, reject, or approve with conditions, an application for a certificate of necessity for construction, investment, or purchase costs of \$100M or more, from a large combination utility, based on certain conditions and if it is in the public interest. Part of the application to the commission seeking a certificate of public necessity may also include requests related to proposed construction, power agreements, financing, siting, deferral related to construction work in progress, and other cost or need-related provisions. A large combination utility may apply outside of the integrated system plan process. As such, the UTC assumes fiscal impact in the development of technical expertise beginning in 2025, assuming a time-sensitive project in 2026, with additional review continuing through 2028.

New Sec. 6 – outlines specific calculation criteria for a combination utility requirement for emissions baseline, projected cumulative emissions, and emissions reduction target. The UTC assumes no fiscal impact as all calculations must be consistent with chapter 173-441.

New Sec. 7 – sets forth requirements where the UTC may, as part of any multiyear rate plan filed by a combination utility, adopt specified depreciation schedules for any gas plant in service, which may include an extended suspension date for good cause shown. The company may propose a merger of gas and electric operations into a single rate base and the commission may extend the deadline up to 60 days beyond provisions outlined in RCW 80.04.130. The UTC assumes fiscal impact beginning in FY 2026 and annually through FY 2029 associated with MYRP review, merger into a single rate base, and commission decision.

New Sec. 8 – beginning January 1, 2025, eliminates large combination utility offerings for residential gas customer rebates or incentives to purchase appliance or equipment; this section also outlines education and outreach to its ratepayers about benefits of electrification. The UTC assumes rebate and incentive tariff updates as part of normal course of business and no material fiscal impact.

Sec. 9 – amends RCW 19.280.030 to add requirements for a large combination utility regarding social cost of greenhouse

gas emissions, clarifying approval, rejection, and approval as defined in Sec. 2 of this act, and adding legal action provisions related to plans submitted pursuant to Sec. 3. The UTC assumes no fiscal impact.

Sec. 10 – amends RCW 80.28.110 and a large combination utility’s obligation to serve provisions to align with the integrated system plan. The UTC assumes no fiscal impact.

New Sec. 11 – sets forth outreach requirements for large combination utility to consumer-owned utilities, including gas delivery data prior to plan cycle, and encourages consumer-owned utilities to coordinate. The UTC assumes no fiscal impact.

New Sect. 12 – sets forth certification requirements to the UTC for a large combination utility that has projects with costs of more than \$10M, including contractor and workforce and labor agreements criteria. The UTC assumes no material fiscal impact related to the certification.

New Sec. 13 – allows the UTC to adopt rules to ensure proper implementation and enforcement of this act. The UTC assumes no incremental fiscal impact beyond the rulemakings outlined in Sections 3 and 14.

Sec. 14 – amends RCW 80.24.010 and authorizes the UTC to assess a fee on a large combination utility as defined in section 2 of this act shall pay a fee equal to 0.001 percent of the first \$50,000 of gross operating revenue, plus 0.005 percent of any gross operating revenue more than \$50,000. In FY 2024, the UTC assumes fiscal impact through a simple rulemaking and Open Meeting to set fees.

Sec. 15 – amends RCW 80.28.410 setting the electrical company’s return on power purchase agreement, as authorized pursuant to section 16 of this act. The UTC assumes no fiscal impact.

New Sec. 16 – amends RCW 80.28 and sets forth power purchase or storage services agreement and company return on provisions for an electrical company. The UTC assumes no material fiscal impact.

Sections 17 through 20 are administrative, and the UTC assumes no associated fiscal impacts.

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.

An estimated revenue increase of \$2,595,245 annually from the only large combination utility impacted by the legislation. Fee increase is assumed to be in effect in FY2025 and due to the flat growth in the utility sector, there is no assumed increase in fees in preceding years based on growth in the industry.

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.

Sec. 5: Review and approval of certificate of necessity; development of technical expertise. A large combination utility may apply outside of the integrated system plan (ISP) process. As such, the UTC assumes fiscal impact in the development of technical expertise beginning in 2025, including a time-sensitive large combination utility application and project as part of the ISP, and additional review continuing through 2028.

FY 2025: \$49,746

FY 2026: \$49,746

FY 2027: \$99,492

FY 2028: \$49,746

(Administrative Law Judge, 0.12 FTE; Director | Regulatory Services, 0.04 FTE; Deputy Director | Regulatory Services, 0.04 FTE; Policy Advisor, 0.08 FTE; Deputy Asst. Director | Regulatory Services, 0.05 FTE; Regulatory Analyst 2, 0.09 FTE; Regulatory Analyst 3, 0.13 FTE; Asst. Director, Policy, 0.04 FTE; Commissioner, 0.02 FTE)

Sec. 2, 3 & 13 - Extensive rulemaking to consolidate utility planning requirements.

The UTC assumes rulemaking beginning Q2-2024, including contractor costs, and completion of rules or a policy statement by July 1, 2025, to consolidate both gas and electric operations planning requirements under multiple statutes, including but not limited to: (i) Chapter 19.280 RCW; (ii) chapter 19.285 RCW; (iii) chapter 19.405 RCW; (iv) chapter 70A.65 RCW; (v) RCW 80.28.380; (vi) RCW 80.28.365; (vii) RCW 80.28.425; (viii) existing pipeline safety and replacement plans; and (ix) planning requirements ordered by the commission, such as electrification and decarbonization plans. As part of this extensive rulemaking, the UTC may consider exemptions, as necessary.

FY 2024: \$523,718

FY 2025: \$698,291

(Administrative Law Judge, 0.17 FTE; Commissioner, 0.05 FTE; Cons Prog Spec 3, 0.31 FTE; Deputy Director | Regulatory Services, 0.05 FTE; Director, Regulatory Services 0.05 FTE; Paralegal 3 0.07 FTE; Policy Advisor 0.98 FTE; Regulatory Analyst 2, 0.05 FTE; Regulatory Analyst 3, 0.98 FTE; Management Analyst 3 0.49 FTE; Director, Pipeline Safety 0.05 FTE; Operations Manager 0.05 FTE; Asst. Director, Policy, 0.10 FTE)

Sec. 3(10): Extensive rulemaking to determine cost test for emissions reduction measures. The bill requires the UTC to initiate an extensive rulemaking to establish a cost test for emissions reduction measures achieved by large combination utilities to comply with state clean energy and climate policies. The cost test will be used to determine the lowest reasonable cost of decarbonization and electrification measures in an ISP. The UTC assumes fiscal impact related to this rulemaking in FY 2025 and FY 2026.

FY 2025: \$361,206

FY 2026: \$313,686

(Administrative Law Judge, 0.08 FTE; Commissioner, 0.04 FTE; Deputy Director | Regulatory Services, 0.08 FTE; Deputy Director, Regulatory Services 0.08 FTE; Director, Administrative Law & Policy 0.01 FTE; Paralegal 3 0.04 FTE; Policy Advisor 0.42 FTE; Deputy Asst. Director, Regulatory Services, 0.47 FTE; Regulatory Analyst 2, 0.30 FTE; Regulatory Analyst 3, 0.13 FTE; Asst. Director, Policy, 0.10 FTE; Attorney General FY2025, 0.50 and FY2026, 0.30 FTE as shown in Object E)

Sec. 3 - Technical assistance, review, approval of integrated system plan.

The UTC assumes technical assistance beginning in 2026, with company filing on or before January 1, 2027. The UTC further assumes review and decision within 12 months of the filing and continuing technical assistance through FY 2029.

FY 2026: \$184,151

FY 2027: \$302,951

FY 2028: \$302,951

FY 2029: \$243,551

(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 2, 0.19 FTE; Regulatory Analyst 3, 0.25 FTE; Asst. Director, Policy, 0.08 FTE; Commissioner, 0.04 FTE; Attorney General FY2027, 0.50, FY2028, 0.50, and FY2029, 0.25 FTE as shown in Object E)

Sec. 7 - Multiyear rate plan depreciation schedules and evaluation of merger of rate bases. The UTC assumes incremental

work and fiscal impact beginning in FY 2026 and annually through FY 2029 associated with MYRP review, merger into a single rate base, and commission decision.

FY 2026: \$25,433
 FY 2027: \$50,865
 FY 2028: \$50,865
 FY 2029: \$50,865

(Deputy Asst. Director, Regulatory Services, 0.01 FTE; Regulatory Analyst 3, 0.13 FTE; Asst. Director, Policy, 0.01 FTE; Policy Advisor, 0.11 FTE; Regulatory Analyst 2, 0.08 FTE; Deputy Director, Regulatory Services, 0.01 FTE)

Sec. 14 - Simple rulemaking and open meeting to change max reg fees. In FY 2024, the UTC assumes fiscal impact through a simple rulemaking and Open Meeting to set fees.

FY 2024: \$33,055

(Administrative Law Judge, 0.06 FTE; Director, Operations 0.05 FTE; Deputy Asst. Director, Regulatory Services 0.02 FTE; Regulatory Analyst 3, 0.02 FTE; Regulatory Analyst 2, 0.05 FTE)

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
111-1	Public Service Revolving Account	State	556,774	1,109,243	1,666,017	1,026,324	697,978
Total \$			556,774	1,109,243	1,666,017	1,026,324	697,978

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.8	5.4	4.1	2.8	1.7
A-Salaries and Wages	271,536	545,468	817,004	605,804	375,863
B-Employee Benefits	95,039	190,914	285,953	212,029	131,550
C-Professional Service Contracts	187,500	250,000	437,500		
E-Goods and Other Services	2,699	122,861	125,560	208,491	190,565
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 \$	556,774	1,109,243	1,666,017	1,026,324	697,978

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Law Judge	119,604	0.2	0.3	0.3	0.4	0.3
Asst. Director, Policy	119,808	0.1	0.2	0.2	0.2	0.1
Commissioner	174,732	0.0	0.1	0.1	0.1	0.1
Cons Prog Spec 3	70,800	0.2	0.3	0.3		
Deputy Asst. Director Regulatory Services	115,440	0.0	0.5	0.3	0.4	0.1
Deputy Director Regulatory Services	122,724	0.0	0.2	0.1	0.2	0.1
Director, Administrative Law & Policy	134,772		0.0	0.0	0.0	
Director, Operations	134,772	0.1		0.0		
Director, Pipeline Safety	129,996	0.0	0.1	0.1		
Director, Regulatory Services	139,908	0.0	0.1	0.1	0.1	0.1
Management Analyst 3	74,376	0.4	0.5	0.4		
Operations Manager	104,436	0.0	0.1	0.1		
Paralegal 3	84,192	0.1	0.1	0.1	0.0	
Policy Advisor	104,004	0.7	1.4	1.1	0.5	0.3
Regulatory Analyst 2	86,208	0.1	0.4	0.3	0.5	0.3
Regulatory Analyst 3	97,596	0.8	1.2	1.0	0.5	0.4
Total FTEs		2.8	5.4	4.1	2.8	1.8

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Section 3 authorizes the UTC, through complex rulemakings, to consolidate utility planning requirements and establish by rule a cost-effectiveness test for emissions reduction measures to comply with state clean energy and climate policies. Section 14 requires a simple rulemaking to update the statutory maximum regulatory fees for electric and natural gas industries in WACs 480-100 and 480-90, respectively.