

Multiple Agency Fiscal Note Summary

Bill Number: 6052 S 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
Consolidated Technology Services	0	0	2,765,752	0	0	2,337,085	0	0	2,054,150
Total \$	0	0	2,765,752	0	0	2,337,085	0	0	2,054,150

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	Fiscal note not available					
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	Fiscal note not available											
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of State Auditor	1.2	510,289	510,289	510,289	2.0	5,100,160	5,100,160	5,100,160	2.0	5,100,160	5,100,160	5,100,160
Office of Attorney General	Fiscal note not available											
Department of Commerce	4.1	2,947,926	2,947,926	2,947,926	8.2	3,485,652	3,485,652	3,485,652	8.2	3,481,264	3,481,264	3,481,264
Consolidated Technology Services	3.0	0	0	2,765,752	4.2	0	0	2,337,085	4.0	0	0	2,054,150
Utilities and Transportation Commission	Fiscal note not available											
Department of Ecology	Fiscal note not available											
Total \$	8.3	3,458,215	3,458,215	6,223,967	14.4	8,585,812	8,585,812	10,922,897	14.2	8,581,424	8,581,424	10,635,574

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	Fiscal note not available								
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	Fiscal note not available								
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Office of State Auditor	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	Fiscal note not available								
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Consolidated Technology Services	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	Fiscal note not available								
Department of Ecology	Fiscal note not available								
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	Fiscal note not available								
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: Preliminary 2/ 2/2024
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Individual State Agency Fiscal Note

Bill Number: 6052 S 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: 01/31/2024
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 02/01/2024
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 02/01/2024
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.

Changes made in substitute SB 6052 did not impact sections pertaining to the Office of the Governor and therefore does not change the Office's previous fiscal note assumptions.

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 S SB	Title: Petroleum product supply	Agency: 095-Office of State Auditor
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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	2.4	1.2	2.0	2.0
Account					
General Fund-State 001-1	0	510,289	510,289	5,100,160	5,100,160
Total \$	0	510,289	510,289	5,100,160	5,100,160

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: 01/31/2024
Agency Preparation: Charleen Patten	Phone: 564-999-0941	Date: 02/02/2024
Agency Approval: Janel Roper	Phone: 564-999-0820	Date: 02/02/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	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.

Section 17 (2) (a) requires the commission to contract with an independent consultant to provide recommendations based on federally consistent standards for each of the authorized state agencies to adopt to secure the critical energy infrastructure information in this chapter.

Section 17(3) outlines requirements and assigns responsibilities to agencies who have access to data collected as part of this legislation. Those responsibilities outlined include specific activities around data governance, information protection, system management and other necessary requirements, as well as annual audits.

Section 17(4)(a-c) requires that the Auditor and the Office of Cybersecurity develop a risk-based compliance oversight evaluation for state agencies in coordination with the Department of Commerce. The independent consultant must provide guidance based on existing federal infrastructure protection audit processes and established cybersecurity requirements. The audit requirements must be established by September 1, 2025, and reviewed annually to and include updates from additional standards.

Section 17(5)(a-b) requires the State Auditor to hire a contractor experienced in maintaining information technology architecture and programs to protect critical energy infrastructure information to conduct the annual audit and provide a report based on the evaluation. The annual audit findings must be provided to the agencies and to the State Auditor within 60 days of the completion of the audit. The recipient agency has 60 days to respond to the State Auditor, providing evidence that deficiencies have been addressed and/or how they will be addressed in the future.

Section 17(6) outlines that if an Agency is found to have a high-risk deficiency that is not corrected within 60 days, the Agency will lose access to the infrastructure information until a review is completed that finds the deficiency was addressed.

Section 24 authorizes the use of data-sharing agreements as necessary.

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.

As this legislation is silent on the funding related to this work, the SAO is assuming this work will be funded through the general fund - therefore no cash receipts are estimated.

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.

During the first fiscal year, SAO estimates it will take approximately 1500 hours of SAO staff time in addition to the expense of hiring an independent consultant to provide guidance regarding the existing federal infrastructure protection audit processes and established cybersecurity requirements. In subsequent years the SAO estimates approximately 300 staff hours per agency/per audit along with procuring a contractor at an estimated cost of \$440,000 per agency/per audit. The SAO assumes five agencies will be audited annually.

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	510,289	510,289	5,100,160	5,100,160
Total \$			0	510,289	510,289	5,100,160	5,100,160

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		2.4	1.2	2.0	2.0
A-Salaries and Wages		278,904	278,904	495,278	495,278
B-Employee Benefits		81,385	81,385	144,882	144,882
C-Professional Service Contracts		115,000	115,000	4,400,000	4,400,000
E-Goods and Other Services		35,000	35,000	60,000	60,000
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 \$	0	510,289	510,289	5,100,160	5,100,160

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/Overhead	101,985		0.3	0.1	0.3	0.3
Cybersecurity Assistant Audit Manager	128,186		0.8	0.4	1.7	1.7
Cybersecurity Specialist	124,068		1.3	0.7		
Total FTEs			2.4	1.2	2.0	2.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 6052 S SB	Title: Petroleum product supply	Agency: 103-Department of Commerce
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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	8.2	4.1	8.2	8.2
Account					
General Fund-State 001-1	0	2,947,926	2,947,926	3,485,652	3,481,264
Total \$	0	2,947,926	2,947,926	3,485,652	3,481,264

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:

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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).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/31/2024
Agency Preparation: Joseph Piper	Phone: 360-725-3042	Date: 02/02/2024
Agency Approval: Joseph Piper	Phone: 360-725-3042	Date: 02/02/2024
OFM Review: Val Terre	Phone: (360) 280-3973	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.

The bill promotes the integration of fusion technology within state clean energy policies.

New Section 1 during the clean energy transition the state needs a complete understanding of the states petroleum transportation fuels supply chain and fuels market in order to plan for any supply shortages and protect consumers.

New Section 2 provides a list of definitions used in this bill.

New Section 3 creates the division of petroleum market oversight at the UTC and reports its findings of price and supply at least annually to the legislature, the governor, the commission, the attorney general, and Department of Commerce (department) Energy Resilience and Emergency Management Office.

New Section 4 requires refineries, oil terminals, and major marketers, to start reporting on January 1, 2026 on the following: crude, transportation fuels, additives, exports of finished transportation fuels, acquisitions of transportation fuels by volume and price to include all surcharges and taxes.

New Section 5 requires refineries, oil terminals, and major marketers starting January 1, 2026 to retain the following information for at least three years for the division review: contracts or agreements for trades in transportation fuels, records of transactions made under contracts or agreements, monthly transportation fuels inventory volume records by type for each position holder, contracts or agreements entered into with any refinery, oil terminal operator, major marketer, or other entity that trades in transportation fuels.

New Section 6 requires refineries, oil terminals, major marketers, or other entity that trades in transportation fuel on the spot market starting January 1, 2026 submit the purchase and selling of transportation fuels data to the division monthly.

New Section 7 requires refineries starting January 1, 2026 to submit information to the division regarding planned, unplanned, and turnaround information.

New Section 8 provides a provision if refineries, oil terminals, major marketers already provide some or all of the information to a different state agency may use the same report if it includes all the required information from the above sections.

New Section 9 the division in consultation with department of commerce energy resilience and emergency management office must analyze the information submitted relating to the supply and price of transportation fuels. The division must annually make available to the public a summary report based on the data collected and aggregate data follow the public disclosure sections 18 and 22.

New Section 10 the division and department of ecology must adopt methodology for embedded costs for wholesale of transportations fuels associated with the Washington clean fuels program.

New Section 11 starting January 1, 2027 and quarterly thereafter must publish a report that is submitted to the governor and the legislature, that is consistent with the confidentiality requirements of sections 18 and 22 of this act and the cybersecurity requirements in section 17.

New Section 12 by August 1, 2024 the commission must post on its website information about transportation fuels in Washington State including comparisons of retail price of gasoline and diesel, description of the fuel supplychain, and other publicly available data on price and the supplychain.

New Section 13 this section includes provisions for the commission to notify persons who have failed to timely provide the information to the division under this chapter and includes a financial penalty for not submitting information within five business days after being notified of failure to provide the specific information.

New Section 14 on or before July 1, 2026 and every three years thereafter the division in collaboration with the department of energy resilience and emergency management office must submit an assessment to the legislature and to the governor that does the following: identifies methods to ensure a reliable supply and affordable transportation fuels in Washington, evaluates the price of transportation fuels with lower carbon impact; includes an analysis of the impact of production and price of refinery planned and unplanned maintenance and turnarounds. The department of commerce energy resilience and emergency management office must transmit to the legislature any proposals it deems appropriate for mandatory reserve levels and the terms of a program to implement reserve levels.

New Section 15 on or before January 1, 2027 the division and the department of ecology, must prepare a transportation fuels transition plan. The plan must be prepared in consultation with a multi-stakeholder, multi-agency workgroup convened by the division and the department of ecology to identify mechanisms to plan for and monitor progress toward the state's reliable, safe, equitable, and affordable transition away from petroleum fuels in line with the declining instate petroleum demand.

New Section 16 this section outlines the elements of the division investigation authorization for this chapter.

New Section 17 this section outlines the requirements that the authorized state agencies will need to incorporate in order to first be able to receive and access critical energy infrastructure information (CEII) and the activities that will be on going work to maintain secure data handling of the (CEII). By September 1, 2025 each of the authorized state agencies must have established the cybersecurity standards necessary to protect the CEII in this chapter. Also by September 1, 2025 the audit process will be finalized. It also includes provisions that the state auditor will contract out to conduct an annual audit for each authorized state agency and if any one of them does not meet the requirements to continue to access the CEII.

New Section 18 information provided, disclosed, or presented to the division, commission, or any other state agency under this act is considered confidential and exempt from public disclosure due to the risk and nature of the data being collected. This information must be held in confidence or aggregated to the extent necessary to ensure confidentiality. The division may disclose information to authorized state agencies if the receiving entity is in compliance with the cybersecurity requirements. Also identifies who the authorized state agencies are who can receive the data: UTC, Commerce, Ecology, attorney general, and department of licensing. Also includes a provisions for any person knowingly disclosing or misusing the data are subject to penalties.

New Section 19 states that the commission may issue a civil penalty to any person or entity on whom an administrative civil penalty may be imposed under this chapter.

New Section 20 states it is unlawful for a person to make deceptive environmental marketing claims, whether explicit or implied, regarding transportation fuels.

New Section 21 amends RCW 19.86.140 and 2021 c 288 s 2 – unlawful acts or practices relating to the sale of transportation fuels, an enhanced penalty of up to three times the profit gained or loss avoided as a result of such unlawful acts or practices shall apply.

New Section 22 amends RCW 42.56.330 and 2017 c 33 s 6 – adds in section 25 of this act.

New Section 23 the commission must adopt rules to implement this chapter.

New Section 24 authorizes identified state agencies to enter into a data sharing agreements as necessary to implement this

chapter.

New Section 25 sections 1 – 20, 23, 24, and 29 of this act constitute a new chapter in Title 19

New Section 26 if any provisions of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

New Section 27 null in void clause if there is not appropriate funding to implement this act.

New Section 28 emergency clause of this act to be taken effect immediately.

New Section 29 act may be known as the 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.

General Assumptions:

New Section 1 – Transportation Fuel Supply Disruption

Assumption: The bill requires a high level of coordination around supply and price of transportation fuels and specifically calls out the ability to respond to possible shortages, oversupplies, or other disruptions. The department of commerce energy resilience and emergency management office per RCW 43.21F is the state lead for all energy supply disruptions including transportation fuels and will require a significant amount of coordination and additional staff time in the sections below and for ongoing work throughout the transition away from fossil fuels.

New Section 3 – Annual Report

Assumption: The created division in this section is required to submit an annual report to the department of commerce energy resilience and emergency office and will require additional staff time to review and be incorporated into ongoing work from this bill.

New Section 9 – Transportation Fuels Supply and Price Data Evaluation

Assumption: The bill states the division in consultation with department of commerce energy resilience and emergency management office must analyze the information submitted relating to the supply and price of transportation fuels. This will require additional staff time to work with the division and analyze and interpret the data related to the supply of transportation fuels.

New Section 14 – Legislative Reporting

Assumption: The bill states on or before July 1, 2026 and every three years thereafter the division in collaboration with the department of energy resilience and emergency management office must submit an assessment to the legislature and to the governor that does the following: identifies methods to ensure a reliable supply and affordable transportation fuels in Washington, evaluates the price of transportation fuels with lower carbon impact; includes an analysis of the impact of

production and price of refinery planned and unplanned maintenance and turnarounds. The department of commerce energy resilience and emergency management office must transmit to the legislature any proposals it deems appropriate for mandatory reserve levels and the terms of a program to implement reserve levels. This will require additional staff time to meet the ongoing work required in this section and to provide a report to the legislature any proposals to meet the transportation fuel demand in Washington State.

New Section 15 – Collaborative Process

Assumption: The bill states on or before January 1, 2027 the division and the department of ecology, must prepare a transportation fuels transition plan. The plan must be prepared in consultation with a multi-stakeholder, multi-agency workgroup convened by the division and the department of ecology to identify mechanisms to plan for and monitor progress toward the state’s reliable, safe, equitable, and affordable transition away from petroleum fuels in line with the declining in-state petroleum demand. The department of commerce energy resilience and emergency management office will be a partner in the workgroup and will provide subject matter expertise on the state’s fuel supply chain and volume changes based on the anticipated decline for in-state petroleum demand. This will require additional staff time to meet the ongoing work required in this section and support the development of the transition plan.

New Section 17 – Critical Energy Infrastructure Data Cybersecurity

Assumption: The bill states By September 1, 2025 each of the authorized state agencies must have established the cybersecurity standards necessary to protect the CEII in this chapter. Commerce will need to adopt these standards and then implement an information technology architecture with additional staff support and equipment to meet those newly adopted standards that go above and beyond those already required by WaTech. Also by September 1, 2025 the audit process will be finalized. Commerce will need to have additional staff to support this process to ensure compliance. This bill requires the department of commerce energy resilience and emergency management office to coordinate with the UTC, WaTech office of cybersecurity, and the auditor’s office to first develop the additional standards state agencies would need to adopt in order to be authorized to access critical energy infrastructure (CEII) data and to develop the annual review processes that each authorized state agency would need to undergo on an annual basis to continue to receive access to CEII. This work will require additional staff that have the knowledge of energy cybersecurity requirements in order provide the level of subject matter experience needed to ensure the state is meeting the all necessary protections of very sensitive data that could impact markets and national security.

To complete this work the department estimates (FY25-FY29), work is assumed to be ongoing:

Staffing Costs

Energy Resilience & Emergency Management Office staff:

0.10 FTE WMS3 Managing Director (208 hours) in FY25-FY29 for policy and program alignment strategy, implementation planning, leadership, oversight, supervision, and decision making over all elements of the program.

1.0 FTE EMS2 Senior Energy Petroleum Policy and Planning Specialist (2088 hours) in FY25-FY26 to provide subject matter expertise and expert policy advice or consultation in coordinating the data interpretation of fuel supply, development of legislative reports, and provide expert emergency fuel planning advice.

1.0 FTE Emergency Management Program Specialist 3 (2088 hours) in FY25-FY29, to be the support data analysis and energy emergency planner, review study findings, provide input into the legislative report, attend meetings and other events

1.0 FTE Emergency Management Program Specialist 4 (2088 hours) in FY25-FY29, to be the lead point of contact for the energy cybersecurity coordination, provide subject matter expertise in existing energy cybersecurity requirements and provide policy and programmatic recommendations to improve the state’s energy cybersecurity posture. Review recommendations from contractors, provide input into reports, and attend meetings and other events.

1.0 FTE Emergency Management Program Specialist 3 (2088 hours) in FY25-FY29, to be the support for the lead energy cybersecurity subject matter expert, provide support incorporating new standards in energy cybersecurity preparedness and mitigation plans, provide support for reports and other documentation, attend meetings and other events.

0.10 FTE Administration Assistant 3 (208 hours) in FY25-FY29 for support of energy cybersecurity program and transportation fuel supplychain coordination and provide ongoing administrative support.

Commerce Information Services staff:

1.0 FTE IT Business Analyst Journey (ITBA-2) (2,088 hours) in each FY25-FY29, for significant system maintenance and upgrades to the data systems, data and program tracking system, including major data system upgrades for the new program and ongoing maintenance and periodic upgrades thereafter. Coordinate and collaborate with UTC and other entities and agencies to ensure data access protocols, federal data storage and use requirements are met. Work with data management staff to manage data sharing agreements.

1.0 FTE IT Security – Journey (ITS-2) (2,088 hours) in each FY25-FY29 for ongoing system/server configuration and management. Data and network security management.

1.0 FTE IT Systems Admin – Journey (ITSA-2) (2,088 hours) in each FY25 - FY29 for security, user management, data backups, and software updates.

1.0 FTE IT Data management – Journey (ITDM-2) - (2,088 hours) in each FY25 – FY29 for overall system and data coordination and management. Oversee and establish data security and access protocols and work closely with BA and App Development staff for system design efforts.

Salaries and Benefits

FY25: \$904,262

FY26-FY29: \$904,262 per fiscal year

Goods and Services, Equipment, and Travel

FY25: \$1,166,939

FY26: \$110,139

FY27: \$87,539

FY28: \$96,539

FY29: \$96,751

Professional Services

Professional Service Contracts for Data Security Consultant to work with the information services team for system configuration, etc., to meet the newly adopted cybersecurity standards. The department anticipates utilizing contract services for the first year for implementation and ongoing each year for maintenance support and meeting any required updates to the system – estimated costs \$200K FY25 and \$50K per year going forward FY26-FY 29

Equipment

The department assumes the purchase of secure network storage; of seven standard workstations for the new staff in FY25 and laptop replacements for staff in FY29.

Intra-Agency Reimbursements

FY25: \$394,599

FY26-FY29: \$394,599 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. Intra-agency agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

Total Costs
 FY25: \$ 2,947,926
 FY26: \$ 1,754,126
 FY27: \$ 1,731,526
 FY28: \$ 1,740,526
 FY29: \$ 1,740,738

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	2,947,926	2,947,926	3,485,652	3,481,264
Total \$			0	2,947,926	2,947,926	3,485,652	3,481,264

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		8.2	4.1	8.2	8.2
A-Salaries and Wages		904,262	904,262	1,808,524	1,808,524
B-Employee Benefits		295,126	295,126	590,252	590,252
C-Professional Service Contracts		200,000	200,000	100,000	100,000
E-Goods and Other Services		116,939	116,939	197,678	175,078
G-Travel		9,000	9,000		9,000
J-Capital Outlays		1,028,000	1,028,000		9,212
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		394,599	394,599	789,198	789,198
9-					
Total \$	0	2,947,926	2,947,926	3,485,652	3,481,264

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	56,909		0.1	0.1	0.1	0.1
Emergency Management Program Specialist 3	93,234		2.0	1.0	2.0	2.0
Emergency Management Program Specialist 4	102,942		1.0	0.5	1.0	1.0
EMS Band 2	132,855		1.0	0.5	1.0	1.0
IT Business Analyst - Journey	112,506		1.0	0.5	1.0	1.0
IT Data Management - Journey	118,165		1.0	0.5	1.0	1.0
IT Security - Journey	112,506		1.0	0.5	1.0	1.0
IT System Admin Journey	118,165		1.0	0.5	1.0	1.0
WMS Band 3	149,637		0.1	0.1	0.1	0.1
Total FTEs			8.2	4.1	8.2	8.2

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

None.

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 6052 S SB	Title: Petroleum product supply	Agency: 163-Consolidated Technology Services
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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
Consolidated Technology Services Revolving Account-State 458-1	230,051	1,295,006	1,525,057	1,161,527	998,592
Consolidated Technology Services Revolving Account-Non-Appropriated 458-6	202,916	1,037,779	1,240,695	1,175,558	1,055,558
Total \$	432,967	2,332,785	2,765,752	2,337,085	2,054,150

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.9	5.0	3.0	4.2	4.0
Account					
Consolidated Technology Services Revolving Account-State 458-1	230,051	1,295,006	1,525,057	1,161,527	998,592
Consolidated Technology Services Revolving Account-Non-Appropriated 458-6	202,916	1,037,779	1,240,695	1,175,558	1,055,558
Total \$	432,967	2,332,785	2,765,752	2,337,085	2,054,150

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: 01/31/2024
Agency Preparation: Nenita Ching	Phone: 360-407-8878	Date: 02/02/2024
Agency Approval: Christina Winans	Phone: 360-407-8908	Date: 02/02/2024
OFM Review: Val Terre	Phone: (360) 280-3973	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.

SSB 6052 - Beginning January 1, 2026, the bill requires a refinery, oil terminal operator, and major marketer to report or retain specified information regarding supply, pricing, transportation, maintenance, and transactions of transportation fuels, subject to confidentiality, cybersecurity, and other requirements.

Sec. 7. Requires a refinery, beginning January 1, 2026, to report quarterly specified information regarding planned maintenance, unplanned maintenance, or turnaround completed during the previous quarter. Specifies that provided information is confidential and subject to specified cybersecurity requirements.

Sec. 9. Requires the Division of Petroleum Market Oversight (division), which is established within the Utilities and Transportation Commission (UTC) pursuant to Sec. 3 of the act, to quarterly prepare and make available to the public a summary report based on the data collected. Requires the division to aggregate information used in the report to maintain confidentiality of all specific confidential information exempt from public disclosure and protected as confidential, including critical energy infrastructure information protected under specified cybersecurity requirements.

Sec. 11. Requires the division, by January 1, 2027, and quarterly thereafter, to publish and submit to the governor and the legislature a summary, an analysis, and an interpretation of the information submitted to it, consistent with specified confidentiality and cybersecurity requirements.

Sec. 17. Requires each agency to implement information technology infrastructure and procedures to protect critical energy infrastructure information that if compromised or released, could result in supply disruptions, negatively affect economic security, national security, or public health or safety, or result in other potentially negative consequences, or any combination of those matters. Requires the UTC to contract with an independent consultant with experience in developing information technology architecture to protect critical energy infrastructure information, in coordination with the office of cybersecurity (OCS) within the consolidated technology services agency (WaTech) and the Energy Resilience and Emergency Management Office (EREMO) of the Department of Commerce (Commerce), to provide recommendations on standards for each of the authorized state agencies to adopt to secure the critical energy infrastructure information. Requires the auditor to coordinate with the OCS to develop a risk-based compliance oversight evaluation for state agencies, in coordination with the EREMO of Commerce. Requires each agency with authorized access to the critical energy infrastructure information to implement program activities, including data governance, information protection, response, access control and monitoring, system management, and other necessary requirements, in addition to receive an annual audit. Requires the Office of the State Auditor (Auditor), by September 1, 2025, in coordination with the OCS and the EREMO of Commerce, to establish the audit requirements necessary to protect the critical energy infrastructure information; audit requirements must be reviewed annually and include any updates from additional standards. Specifies the audit requirements must be reviewed annually and include any updates from additional specified standards.

Sec. 18. Specifies that provided, disclosed, or presented information or data, except as specified, are confidential and exempt from public disclosure. Authorizes the division to disclose information deemed confidential to members of the UTC, other divisions of the UTC, the attorney general, Commerce, the department of ecology (Ecology), or the department of licensing (DOL) if the receiving entity is in compliance with the certain cybersecurity requirements and has a data sharing agreement in place.

Sec. 24. Authorizes the division, UTC, Ecology, Commerce, DOL, WaTech, and the Auditor are authorized to enter into data-sharing agreements as necessary.

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.

WaTech Strategy and Management Division (SMD) is funded from the Consolidated Technology Services Revolving Account (458-1). Revenues for SMD are collected from state agencies who receive allocations through the Strategy and Management allocation in the central services model. It is assumed that the allocations in the central services model will be adjusted by the Legislature to ensure WaTech revenues are sufficient to support the required expenditures.

WaTech State Network is funded from the Consolidated Technology Services Revolving Account (458-6). Revenues for the State Network are collected from state agencies who receive allocations through the State Network allocation in the central services model. It is assumed that the allocations in the central services model will be adjusted by the Legislature to ensure WaTech revenues are sufficient to support the required expenditures.

Office of Cybersecurity (OCS) is funded by an appropriation from the Consolidated Technology Services Revolving Account (458-1). Revenues for OCS are collected from state agencies who receive allocations through the central services model. It is assumed that the allocations in the central services model will be adjusted by the Legislature to ensure WaTech revenues are sufficient to support the required expenditures.

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.

Policy:

There are direct policy and enterprise impacts associated with this bill.

Beginning January 1, 2026, SSB 6052 requires a refinery, oil terminal operator, and major marketer to report or retain specified information regarding supply, pricing, transportation, maintenance, and transactions of transportation fuels, subject to confidentiality, cybersecurity, and other requirements.

Sec. 7. Requires a refinery to report quarterly specified information regarding planned maintenance, unplanned maintenance, or turnaround completed during the previous quarter. Specifies that provided information is confidential and subject to specified cybersecurity requirements.

Sec. 9. Requires the Division to quarterly prepare and make available to the public a summary report based on the data collected. Requires the division to aggregate information used in the report to maintain confidentiality of all specific confidential information exempt from public disclosure and protected as confidential, including critical energy infrastructure information protected under specified cybersecurity requirements.

Sec. 11. Requires UTC to publish and submit to the governor and the legislature a summary, an analysis, and an interpretation of the information submitted to it, consistent with specified confidentiality and cybersecurity requirements.

Sec. 17 requires the UTC to contract with an independent consultant with experience in developing information technology architecture to protect critical energy infrastructure information, in coordination with the office of cybersecurity (OCS) within the consolidated technology services agency (CTS) and EREMO.

The bill requires the Auditor in coordination with the OCS and EREMO of Commerce to establish the audit requirements necessary to protect the critical energy infrastructure information; audit requirements must be reviewed annually and include any updates from additional standards. Specifies the audit requirements must be reviewed annually and include any updates from additional specified standards.

It is assumed that the UTC will fund the repository for data. It is also assumed that the UTC, as an existing customer, will

utilize WaTech services, such as its Cloud Services, Enterprise Shared Tenant, Managed File Transfer, Network Services, etc.

This bill will require coordination between agencies, IT system requirements, data requirements, and security policies. One-time expenditures for WaTech are:

1. Contracted services will be required to assess the infrastructure underneath these services, identify system requirements, assist with configuration, and protect the data in alignment with the new requirements developed in section 17 of this bill. Expenses associated with 3,000 hours of external consultant services at a rate of \$250 per hour are \$750,000.
2. Quality Assurance will be required. This is an independent verification and validation of project requirements; conducted by an external consultant, and usually required of IT projects of this complexity. QA provides stakeholders independent insight into how well project activities are going and where corrections might be needed. Expenses for 960 hours of QA services are \$192,000.
3. Senior Project Manager is required to serve as the central coordinator and leader for the project. This position is responsible for ensuring the project's successful execution, on time and within budget, while meeting the needs and expectations of all interested parties. Total expenses for 1,440 hours of project management services (at \$200/hr) are \$288,000.
4. Senior Business Analyst is required to gather and analyze requirements from multiple stakeholders, ensuring a clear understanding of project goals. This position also translates these requirements into actionable plans for the implementation team, contributing to the project's alignment with business needs and successful execution. Total expenses for 1,440 hours of business analyst services (at \$200/hr) are \$288,000.
5. Senior IT Policy and Oversight Consultant (EMS3, 1.0 FTE). Responsible for assessing the project's ongoing health and compliance with legal and legislative objectives. Acts as a bridge between business objectives and technical solutions by ensuring documentation of critical process and system requirements. Expenses for 17 months of service are \$379,172 (salaries, benefits, training, and agency support).
6. Support and consultation for enterprise data architecture for the data repository. Depending on the information technology architecture recommended by the independent consultant, there may be potential operational impacts on the data program. It is assumed WaTech can absorb the initial workload associated with this bill. WaTech will reassess this need during and after the development of the information technology architecture by the independent consultant contracted by WaTech, and may submit a decision package to request additional resources if needed.

Ongoing requirement for monitoring, reporting and annual audits will require the two Senior IT Security Specialists (08IT, 2.0 FTE) for ongoing agency level policy development, facilitation, and monitoring for agencies. This staff would also ensure WaTech's implementation of technical controls related to the implementation of these datasets across agencies. Annual expenses for each FTE are \$249,648 (for salaries, benefits, training, and agency support). Expenses for 2.0 FTEs are \$499,296.

Operational Impacts to WaTech:

Sec. 17. Requires each agency to implement information technology infrastructure and procedures to protect critical energy infrastructure information that if compromised or released, could result in supply disruptions, negatively affect economic security, national security, or public health or safety, or result in other potentially negative consequences, or any combination of those matters.

Sec. 17(3) requires each agency with authorized access to the critical energy infrastructure information to implement program activities, including data governance, information protection, response, access control and monitoring, system

management, and other necessary requirements, in addition to receive an annual audit.

WaTech requires the following resources to meet these requirements:

1. Senior Specialist IT Security (08IT, 1.0 FTE) to conduct ongoing monitoring for compliance, facilitation, and audit support for the various WaTech technical services. Annual expenses for this position are \$249,645 (for salaries, benefits, training, and agency support).
2. IT Security Manager (EMS2, 1.0 FTE) to implement program activities including data governance, information protection, response, access control and monitoring, system management, annual audit, and other necessary requirements. Annual expenses for this position are \$248,894 (for salaries, benefits, training, and agency support).
3. Compliance training for the following for 3 FTEs (\$29,237 per year, ongoing expense):
 - a. The American Petroleum Institute (API) 1164 – standard for pipeline control systems cybersecurity,
 - b. The International Electrotechnical Commission (IEC) 62443 – standards that address cybersecurity for operational technology, and
 - c. The International Organization for Standardization (ISO) 27000 – standards and guidelines to manage security of assets such as data.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
458-1	Consolidated Technology Services Revolving Account	State	230,051	1,295,006	1,525,057	1,161,527	998,592
458-6	Consolidated Technology Services Revolving Account	Non-Appropriated	202,916	1,037,779	1,240,695	1,175,558	1,055,558
Total \$			432,967	2,332,785	2,765,752	2,337,085	2,054,150

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.9	5.0	3.0	4.2	4.0
A-Salaries and Wages	84,690	631,608	716,298	1,021,086	986,496
B-Employee Benefits	27,570	208,640	236,210	339,780	328,700
C-Professional Service Contracts	264,000	1,038,000	1,302,000	216,000	
E-Goods and Other Services	1,800	42,737	44,537	80,749	80,074
G-Travel	240	1,800	2,040	2,970	2,880
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	54,667	410,000	464,667	676,500	656,000
9-					
Total \$	432,967	2,332,785	2,765,752	2,337,085	2,054,150

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
IT Security Manager	122,844	0.2	1.0	0.6	1.0	1.0
Senior IT Policy & Oversight Consultant	138,360	0.2	1.0	0.6	0.2	
Senior Specialist IT Security	123,468	0.5	3.0	1.8	3.0	3.0
Total FTEs		0.9	5.0	3.0	4.2	4.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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