

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
Office of Attorney General	0	0	1,055,000	0	0	441,000	0	0	58,000
Consolidated Technology Services	0	0	2,765,752	0	0	2,337,085	0	0	2,054,150
Total \$	0	0	3,820,752	0	0	2,778,085	0	0	2,112,150

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	4.2	236,000	236,000	1,291,000	2.3	236,000	236,000	677,000	.3	0	0	58,000
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	17.6	7,194,864	7,194,864	7,194,864	19.3	7,608,187	7,608,187	7,608,187	17.0	6,326,322	6,326,322	6,326,322
Department of Ecology	3.5	1,204,564	1,204,564	1,204,564	4.7	1,768,127	1,768,127	1,768,127	.1	20,746	20,746	20,746
Department of Ecology	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Total \$	33.6	12,093,643	12,093,643	15,914,395	40.7	18,198,126	18,198,126	20,976,211	31.6	14,928,492	14,928,492	17,040,642

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	.0	0	0	.0	0	0	.0	0	0
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	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	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/ 6/2024
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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: 100-Office of Attorney General
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

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

Estimated Operating Expenditures from:

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

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/31/2024
Agency Preparation: Cassandra Jones	Phone: 360-709-6028	Date: 02/02/2024
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 02/02/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/03/2024

Part II: Narrative Explanation

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

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

Section 1 - New section. Legislative findings.

Section 2 - New section. Definitions.

Section 3 - New section. Establishes the Division of Petroleum Market Oversight (PMO) within the Utilities and Transportation Commission (UTC). Establishes powers and duties of the PMO, including referring violations of law to the Attorney General's Office (AGO).

Section 4 - New section. Requires refineries, oil terminal operators, and major marketers submit specified information monthly to the PMO, beginning January 1, 2026.

Section 5 - New section. Requires refineries, oil terminal operators, and major marketers, and others to retain for PMO review, for at least three years, specified information, beginning January 1, 2026.

Section 6 - New section. Requires refineries, oil terminal operators, and major marketers, and others that trade in transportation fuels that complete spot market transactions to submit specified information to the PMO monthly related to these transactions, beginning January 1, 2026.

Section 7 - New section. Requires a refinery to submit quarterly reports regarding containing specified information relating to planned maintenance, unplanned maintenance, or turnaround during the previous quarter, beginning January 1, 2026. Allows the PMO to request additional information. Provides an exemption from public disclosure.

Section 8 - New section. Provides for submission of alterative reports.

Section 9 - New section. Requires the PMO, utilizing its own staff, to gather, analyze, and interpret the information submitted to pursuant to the chapter and other information relating to the supply and price of fuel, including specified topic areas. Requires the PMO to make quarterly reports available to the public based on the data collected. Data must be aggregated to protect confidentiality. Requires the UTC to post information to its website within 30 days of the end of each quarter. Includes definitions.

Section 10 - New section. Requires the PMO to consult with the Department of Ecology (Ecology) to adopt a methodology for refiners to use to provide separate quantification of the volume-weighted fees or estimated valuations of costs embedded in all wholesale transportation fuels sales associated with the Washington State clean fuels program created pursuant to chapter 70A.535 RCW and the Washington State cap and invest program created pursuant to chapter 70A.65 RCW, for each volume-weighted average price for certain sales. Requires the PMO to provide the opportunity for public input regarding the development of the methodology.

Section 11 - New section. Requires the PMO to publish and submit to the Governor and the Legislature a summary, analysis, and interpretation of the information submitted to it under the chapter beginning January 1, 2027, and quarterly thereafter. Requires the PMO to prepare a biennial assessment.

Section 12 - New section. Requires the UTC to post on its website certain information about transportation fuels by August 1, 2024.

Section 13 - New section. Establishes a civil penalty for persons who fail to timely provide information to the PMO as required by this act or who provide false statements. Provides that civil penalties are subject to the Administrative

Procedures Act (APA). Allows UTC to petition a court for an order compelling information.

Section 14 - New section. Requires the PMO, in collaboration with the Energy Resilience and Emergency Management Office (EREMO) of the Department of Commerce (Commerce), on or before July 1, 2026, to submit an assessment to the Governor and the Legislature related to transportation fuels. Requires the assessment to be developed in a public process. Allows PMO to enter into contracts to perform the assessment.

Section 15 - New section. Requires PMO and Ecology, on or before January 1, 2027, to prepare a transportation fuels transition plan. The UTC and the Ecology must determine the contents of the plan but minimum requirements are included. Requires PMO and Ecology to convene a multi-stakeholder, multiagency work group to consult with regarding the plan.

Section 16 - New section. Lists powers of the PMO related to investigations and actions under this act, including inspecting books, hearing complaints, issuing subpoenas, among others. Sets forth rules for civil penalties. Requires UTC to conduct an annual public meeting regarding transportation fuel prices.

Section 17 - New section. Provides that all state agencies with access to information collected under the chapter are responsible for implementing 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 (IC), in coordination with the Office of Cybersecurity (OCS) within the Consolidated Technology Services agency (CTS), and EREMO to provide recommendations on standards for each of the authorized state agencies to adopt to secure the critical energy infrastructure information in the chapter. Requires each of the authorized state agencies to establish the cybersecurity standards necessary to protect the critical energy infrastructure information in the chapter. Requires the State Auditor's Office (SAO), by September 1, 2025, in coordination with the OCS and EREMO, to establish the audit requirements necessary to protect the critical energy infrastructure information in this chapter.

Section 18 - New section. Addresses confidentiality of data received by the PMO. Provides for monetary fines or imprisonment for any person who knowingly discloses, misuses, or abuses, information determined by the UTC to be confidential.

Section 19 - New section. Allows UTC to issue a civil penalty to any person on whom an administrative civil penalty may be imposed under the chapter. Establishes civil penalty procedures.

Section 20 - New section. Makes it unlawful to make deceptive environmental claims. Provides that a violation of the chapter is an unfair or deceptive act in trade or commerce, and an unfair method of competition for purposes of applying the Consumer Protection Act (CPA), chapter 19.86 RCW.

Section 21 - Amends RCW 19.86.140. Establishes enhanced penalties for unlawful acts or practices related to the sale of transportation fuels.

Section 22 - Amends RCW 42.56.330. Exempts from public disclosure records filed with UTC or AGO under the chapter.

Section 23 - New section. Requires the UTC to adopt rules to implement the chapter and provide administrative support for the PMO.

Section 24 - New Section. Authorizes data sharing agreements among the PMO, Ecology, Commerce, Department of Licensing (DOL), CTS, and the SAO.

Section 25 - Codification instruction.

Section 26 - Severability clause.

Section 27 - Null and void clause.

Section 28 - Emergency clause.

Section 29 - Short title known as oil industry accountability act (OIAA).

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

II. B - Cash receipts Impact

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

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

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

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

AGO Consumer Protection Division (CPR) activities are funded with General Fund-State (GF-S) dollars. No cash receipt impact. There is no client agency to bill for legal services.

AGO AGENCY ASSUMPTIONS:

UTC will be billed for non-King County rates:

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

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

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

II. C - Expenditures

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

Attorney General's Office (AGO) Agency Assumptions:

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 Utilities and Transportation Commission (AGO-UTC) Legal Services for the Utilities and

Transportation Commission (UTC):

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

FY 2025: AGO-UTC will provide client advice related to creation of the Division of Petroleum Market Oversight (PMO) within the UTC. Client advice relating to PMOs duty to collect, analyze, and report on pricing, markets, and operations of transportation fuels sold in Washington State, including the impacts of state and federal policies upon the supply and prices of transportation fuels, and advice related to the preparation of annual reports to the Governor and Legislature, quarterly public summary reports containing the monthly data submitted to it by refiners, and others, and biennial assessment. Client advice relating to confidentiality requirements in the bill will be provided. Litigation related to the PMO's authority to subpoena witnesses, compel their attendance and testimony, administer oaths and affirmations, take evidence and require by subpoena the production of any books, papers, records, or other items material to the performance of the PMOs duties or exercise of the PMOs powers will also be provided by AGO-UTC.

AGO-UTC will provide client advice related to the PMOs duty to submit a transportation fuels assessment to the Governor and Legislature on or before July 1, 2026, and every three years after. Advice related to analysis and interpretation of data and creation of methodology for refiners to include in monthly reporting.

FY 2026: AGO-UTC will provide client advice relating to PMOs duty to collect, analyze, and report on pricing, markets, and operations of transportation fuels sold in Washington State, including the impacts of state and federal policies upon the supply and prices of transportation fuels, and advice related to the preparation of annual reports to the Governor and Legislature, quarterly public summary reports containing the monthly data submitted to it by refiners, and others, and biennial assessment. Client advice relating to confidentiality requirements in the bill will be provided. Litigation related to the PMO's authority to subpoena witnesses, compel their attendance and testimony, administer oaths and affirmations, take evidence and require by subpoena the production of any books, papers, records, or other items material to the performance of the PMOs duties or exercise of the PMOs powers will also be provided by AGO-UTC.

Client advice related to the PMO duty to submit a transportation fuels assessment to the Governor and Legislature on or before July 1, 2026, and every three years after.

FY 2027 through FY 2029: Ongoing client advice and litigation concerning enforcement of UTCs authority to collect information under the act, client advice related to PMOs duty to review and analyze information, prepare reports, and analyze state and federal policies, and confidentiality issues.

2. Assumptions for the AGO Consumer Protection Division's (CPR) Legal Services

AGO CPR activities are funded with General Fund-State (GF-S) dollars. There is no appropriate client agency to bill for legal services.

Industry will come into full compliance after two years.

FY 2025 and FY 2026: AAG will investigate potential violations, draw conclusions from investigations, draft Civil Investigative Demands (CID) and discovery requests, litigate cases and negotiate settlements. Paralegal 2 (PL2) will manage documents, draft CID and discovery requests and manage responses. Senior Investigator (INV) will interview witnesses and review investigative records.

FY 2025 and FY 2026 Direct Litigation Costs: \$9,000 for depositions to aid in enforcement (\$3,000 each, est. 2 depositions = \$6,000), travel expenses for depositions, witness interviews, other (\$1,000), e-document management costs (\$2,000).

CPR: Total King County workload impact:

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

\$9,000

CPR enforces the Consumer Protection Act with respect to conduct that is made unlawful under RCW 19.86.020, which broadly prohibits unfair or deceptive acts or practices in trade or commerce. CPR focus is on representations and failures to disclose terms and conditions.

Total King County and non-King County workload:

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

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

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

3. The AGO Ecology Division (ECY) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing the Department of Ecology (Ecology). Ecology’s role is limited to acting as a consulting agency with UTC on methodologies for quantification of cost components for fuel from environmental programs (Section 10), playing a role with confidentiality of information (Section 11), and convening a multiagency work group to prepare a “transportation fuels transition plan” to plan for reliable, safe, equitable, and affordable transition from fossil fuel and evaluate the electrical grid (Section 18), and entering into interagency data sharing agreements to support implementation of the bill (Section 24). New legal services are nominal and costs are not included in this request.

4. The AGO Transportation and Public Construction Division (TPC) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing Washington State Technology Solutions (WaTech). Under Section 24, WaTech is charged with working on data sharing agreements. New legal services are nominal and costs are not included in this request.

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	236,000	236,000	236,000	0
405-1	Legal Services Revolving Account	State	0	1,055,000	1,055,000	441,000	58,000
Total \$			0	1,291,000	1,291,000	677,000	58,000

III. B - Expenditures by Object Or Purpose

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

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

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

III. D - Expenditures By Program (optional)

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

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 6052 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:

- 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: 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.

Individual State Agency Fiscal Note

Bill Number: 6052 S SB	Title: Petroleum product supply	Agency: 215-Utilities and Transportation Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.6	33.6	17.6	19.3	17.0
Account					
General Fund-State 001-1	428,927	6,765,937	7,194,864	7,608,187	6,326,322
Total \$	428,927	6,765,937	7,194,864	7,608,187	6,326,322

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: Kim Anderson	Phone: 360-664-1153	Date: 02/03/2024
Agency Approval: Kim Anderson	Phone: 360-664-1153	Date: 02/03/2024
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 02/03/2024

Part II: Narrative Explanation

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

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

Sec. 1 – minor plain talk changes or clarification language. Still an introductory section and implies there will be fiscal impact later, but not specifically in this section.

Sec. 2 - removes and modifies various definitions. “Commission” is still defined as the Utilities and Transportation Commission. This definition section by nature does not have additional fiscal impact.

Sec. 3 – The previous Sec. 3 from original SB 6052 has been removed and replaced with Sec. 4 and Sec. 5 from SB 6052.

The new Sec. 3 establishes the division of petroleum market oversight (division) within the Commission. This division will be independent of the Commission’s authority and led by a director who is appointed by the Governor. The Director of this new division will employ and prescribe the duties of other staff members as necessary. Staff must include economists, experts in transportation fuel markets and investigative staff with legal training. It also establishes the divisions power and duties, including subpoena power and referral of potential violations of law confidentially to the Attorney General’s Office. This engagement is expected to have significant fiscal impact with additional Staff time.

The previous Sec. 6 from SB 6052 was split into the following sections. Changes within each section include clarifying language, identified beginning dates and changes to reports to be submitted to the division of petroleum market oversight, not the Commission.

Sec. 4 - (1) establishes guidance for each refinery to submit monthly information to the division for review, beginning Jan. 1, 2026.

Sec. 4 (2) establishes guidance and requirements for each oil terminal operator to submit monthly information to the division for review, beginning Jan. 1, 2026.

Sec. 4 (3) establishes guidance and requirements for each major marketer to submit monthly information to the division for review, beginning Jan. 1, 2026

Sec. 4 (4) establishes the requirement for a refiner, oil terminal operator, or major marketer to include full names of all persons or entities that directly or indirectly own 10% or more of the refiner, oil terminal operator, or major marketer submitting the information. This engagement is expected to have fiscal impact with additional Staff time.

Sec. 5 – establishes a three-year retention period for refineries, major marketers, or oil terminal operators for all contracts and agreements entered into, amendments to contracts or agreements, transactions made under the contract or agreement and any prices charged for those transactions. It also establishes a three-year retention requirement for other entities, including proprietary storage companies that commercially trade in transportation fuels all contracts and agreements entered into. The retention requirement applies regardless of whether the entity takes possession of the transportation fuels, as designated by Commission rule. This retention period section by nature does not have additional fiscal impact.

Sec. 6 – establishes guidance for a refinery, oil terminal operator, major marketer, or other entity that trades in transportation fuels, completing a spot market transaction for transportation fuels to submit monthly transaction reports to the division, beginning Jan. 1, 2026. This engagement is expected to have fiscal impact with additional Staff time.

Sec. 7 - establishes guidance for refiners to submit to the Commission quarterly reports of planned and unplanned maintenance and turnaround activities that occur at each facility during the reporting period, beginning Jan. 1, 2026. It adds confidentiality protections to the report established in (7) and must comply with the cybersecurity requirements in Sec. 17. This engagement is expected to have fiscal impact with additional Staff time.

Sec. 8 – allows a refinery, oil terminal operator, or major marketer to submit information under the chapter by using other

reports made to any other governmental agency if it contains all the information or data required and if the reporting entity clearly identifies the specific provision to which the alternate report is responsive. This reporting section by nature does not have additional fiscal impact.

Sec. 9 - requires the division, in consultation with the energy resilience and emergency management office of the Dept. of Commerce, to gather, analyze and interpret the information submitted in the Chapter and any other information related to the supply and price of transportation fuels. The division must prepare and make publicly available quarterly reports based off the data collected in the chapter. Within 30 days of the end of the quarter, the Commission must post certain information obtained from the division on its website. This section provides the definitions of “Net transportation fuels refining margin” and “Operational costs” This engagement is expected to have fiscal impact with additional Staff time.

Sec. 10 – requires the division, in consultation with the Dept. of Ecology, to adopt methodology for refiners to use to provide quantification of volume-weighted fees or estimated valuations of costs embedded inn all wholesale transportation fuels sales associated with Washington clean fuels program (RCW 70A.535) and Washington cap and invest program (RCW 70A.65).

Sec. 11 – establishes guidance for the division to publish and submit the Governor and Legislature a summary, analysis and interpretation of the information submitted in this chapter, beginning Jan. 1, 2027, and quarterly thereafter. The division shall also provide a biennial assessment of the information provided in this bill. If the division cannot provide any report under this section, then within five days of the specified time, it must provide all members of the Legislature a detailed explanation of the delay. This engagement is expected to have fiscal impact with additional Staff time.

Sec. 12 – requires the Commission to post on its website specified information about transportation fuels, by Aug. 1, 2024. This engagement is expected to have fiscal impact with additional Staff time.

Sec. 13 – establishes guidance on if a person fails to timely provide the information required by the Commission under this chapter, including civil penalties. This engagement could have fiscal impact with additional Staff time.

Sec. 14 – requires the division, in consultation with the energy resilience and emergency management office of the Dept. of Commerce, to submit on or before July 1, 2026, and every three years thereafter, a comprehensive assessment to the legislature and governor and describes the required components of the assessment. It requires the assessment be developed in a public process and approved by a vote of the commission at its business meeting and allows commission to enter into contracts to perform the assessment.

Sec. 14 (4) requires the division to provide input to and support the commission in preparation of the assessment. This engagement is expected to have significant fiscal impact with additional Staff time.

Sec. 15 – requires that on or before Jan. 1, 2027, the division and Dept. of Ecology, taking into account findings of the assessment conducted under section 14 of this act, shall prepare a transportation fuels transition plan. The Commission and Dept. of Ecology must determine the contents of the plan. Requires plan to be prepared in consultation with a multistakeholder, multiagency work group and include mechanisms to plan for and monitor progress toward the state’s reliable, safe, equitable, and affordable transition away from petroleum fuels. This engagement is expected to have significant fiscal impact with additional Staff time.

Sec. 16 – (1) outlines activities the division may engage in to complete any investigation or action authorized under this act
Sec. 16 (2) clarifies that the division shall use reasonable means necessary and available to seek and obtain any facts, figures, and other information from any source for the purpose of preparing the assessment under section 13 of this act

Sec. 16 (3) establishes that the Commission may impose a civil penalty whenever a person fails to timely provide information requested by the commission under the procedures set forth in section 10(1) of this act.

Sec. 16 (4) establishes that section 13(1) through 13(3) of this act apply to a person who willfully submits or makes any false statement to the commission.

Sec. 16 (5) requires the commission to conduct a public meeting in December of each year to provide an opportunity for the

public to provide input on transportation fuel prices.

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

Sec. 17 - (1) establishes requirements for agencies with access to the data being collected to implement infrastructure and procedures to protect the critical energy infrastructure information.

Sec. 17 – (2a) requires the commission to contract with an independent consultant, in coordination with WaTech and the department of commerce provide recommendations on standards, consistent with federal standards for energy sector data security, that each authorized agency must adopt to secure the critical energy infrastructure information collected.

Sec. 17 – (2b) the consultant must seek input from the transportation fuels industry in developing these standards.

Sec. 17 – (2c) by September 1, 2025, each authorized agency must adopt the standards and review and update them annually to address new cybersecurity risks.

Sec. 17 – (3) each authorized agency must implement program activities to secure critical energy infrastructure information and undergo an annual audit.

Sec. 17 – (4a) the auditor must coordinate with the WaTech Office of Cybersecurity and the department of commerce to develop a risk-based compliance for oversight evaluation for state agencies.

Sec. 17 – (4b) in developing the risk-based compliance for oversight evaluation, the consultant must use existing federal infrastructure protection audit processes and requirements for protecting critical energy infrastructure information.

Sec. 17 – (4c) by September 1, 2025 the auditor, in coordination with the WaTech Office of Cybersecurity and the department of commerce, must establish the necessary audit requirements. The requirements must be reviewed annually and include updates identified in subsection (2).

Sec. 17 – (5a) the auditor must contract with an independent consultant with experience protecting critical energy infrastructure information to conduct annual audits of each authorized agency’s cybersecurity programs and report findings.

Sec 17 – (5b) the annual audit findings must be provided to the authorized agency and the auditor within 60 days of completion, and recipient agencies have 60 days to respond to the audit and provide evidence that deficiencies have and will be addressed.

Sec 17 – (6) authorized agencies that cannot correct high-risk deficiencies within 60 days must forfeit access to the critical energy infrastructure information until the independent consultant returns to verify that the deficiency has been addressed.

Sec 17 – (7) contains the definitions used within this section .

Sec. 18 – (1) establishes that information provided to the division is confidential and not subject to public disclosure. Establishes that the division may not divulge information if it will result in unfair competitive disadvantage or adversely affect market competition.

Sec. 18 (2) establishes that confidential information may be shared with members of the commission, other divisions of the commission, the attorney general, or the department of licensing if the receiving entity agrees to keep the information confidential except that the attorney general may present information to a court or administrative tribunal but shall submit confidential information under seal where permissible.

Sec. 18 (3) establishes that for purposes of the division’s annual report under section 5 of this act that the data shall be aggregated, anonymized, and generalized as needed to mitigate the risk that public disclosure would result in unfair competitive disadvantage or adversely affect market competition.

Se. 18(4) requires any person with knowledge of the information collected in this chapter must report any mishandling, loss, or compromise to the person’s supervisor or security office immediately. Failure to report may result in a negative action.

Sec. 18(5) requires ATG staff and UTC staff to draft, sign, and execute confidentiality agreements, requires staff to redact confidential information, and requires multiple versions of documents to be maintained (redacted and confidential).

Sec. 19 – (1) establishes that the Commission may issue a civil penalty to any person or entity on whom an administrative civil penalty may be imposed and required language for the notice of appeal.

Sec. 19 (2) establishes notice requirements, that hearing will be conducted within 60 days and appellant right to waive a hearing.

Sec. 19 (3) establishes that after a hearing the commission may adopt, with or without revision, the proposed decision and order.

Sec. 19 (4) establishes that orders setting an administrative civil penalty are effective and final upon issuance and that payment must be made within 30 days and establishes how orders must be served.

Sec. 19 (5) establishes that the commission in determining the amount of the administrative penalty shall consider a number of details, variables, context, and history and other matters as justice may require.

Sec. 20 – (1)(a) establishes that it is unlawful for a person to make deceptive environmental marketing claims regarding transportation fuels.

Sec. 20 (1)(b) clarifies that environmental marketing claims that conform to the standards or are consistent with examples contained in the guides for the use of environmental marketing claims published by the federal trade commission provide a defense to any suit or complaint brought under this section.

Sec. 20 (2) establishes that the practices covered by this chapter affect the public interest and the consumer protection act, chapter 19.86 RCW, applies and violation of this chapter is an unfair or deceptive act in trade or commerce and an unfair method of competition for purposes of applying the consumer protection act.

Sec. 20(3) defines terms in the section.

Sec. 21 modifies RCW 19.86.140 and 2021 c 228 s 2 related to injunctions and civil penalties for unlawful acts to establish an enhanced penalty of up to three times the profit gained or loss avoided for unlawful acts related to sale of transportation fuels. It also modifies an existing due date for the office of the attorney general to evaluate the efficacy of the maximum civil penalty amounts to take place by December 1, 2026, and every five years afterward.

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

Sec. 22 expands existing exemptions to public disclosure outlined in RCW 42.56.330 and 2017 c 333 s 6 to include information and records filed with the Commission to comply with the new chapters created in this act. This requires ATG staff and UTC staff to draft, sign, and execute confidentiality agreements, requires staff to redact confidential information, and requires multiple versions of documents to be maintained (redacted and confidential)

Sec. 23 - authorizes the Commission to undertake a rulemaking to implement this chapter and authorizes the Commission to enter into contracts to do this, should it choose.

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

Sec. 24 – allows the division, commission, department of ecology, department of commerce, department of licensing, the consolidated technology services agency, and the office of the state auditor are authorized to enter into data-sharing agreements as necessary to implement this chapter.

Sec. 25 clarifies sections 1 through 20, 23, 24, and 29 constitute new chapters in Title 19 RCW

Sec. 26 – allows the remainder of the act of application of the provision to other persons or circumstances to not be affected if any provision of the act of its application to any person or circumstance is held invalid.

Sec. 27 severability clause.

Sec. 28 establishes the need for the act and takes effect immediately.

Sec. 29 establishes act may be known as oil industry accountability act.

II. B - Cash receipts Impact

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

None.

II. C - Expenditures

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

Creation of new Division of Petroleum Market Oversight

Section 3 establishes the Division of Petroleum Market Oversight in the Commission and its structure. Section 4 and 5 establishes the division's powers and duties. The UTC assumes workload to begin July 2024, for organizational development, collaboration with interested parties, and development of division duties and responsibilities.

FY2025 - \$1,915,345

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

Simple Rulemaking to establish new section under WAC 480

Section 23 establishes authority for the Commission to implement new rules. UTC assumes workload beginning July 2024.

FY2025 - \$39,699 total cost

(Administrative Law Judge, 0.06 FTE; Deputy Director | Regulatory Services, 0.02 FTE; Director | Regulatory Services, 0.02 FTE; Policy Advisor, 0.02 FTE; Deputy Asst. Director | Regulatory Services, 0.02 FTE; Regulatory Analyst 2, 0.03 FTE; Regulatory Analyst 3, 0.04 FTE; Asst. Director Policy, 0.02 FTE)

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

Section 4, 5, and 6 authorizes the Commission to request additional information as necessary to be completed. UTC assumes workload would begin July 2024, as the first reporting requirement is due within 45 days of the end of each calendar month.

FY2025 – \$256,823

FY2026 – \$256,823

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

Transportation Fuels Assessment

Sec. 14 establishes a transportation fuels assessment be submitted to the Governor and Legislature on or before July 1, 2026, and every three years after. UTC assumes the work will begin July 1, 2024, to hire a consultant and/or additional staff to review, assess and interpret technical data for the report.

FY2025 - \$360,093

FY2026 - \$180,046

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

Transportation Fuels Transition Plan

Sec. 15 – UTC and Dept. of Ecology equally assume work related to completion of transition plan on or before Jan. 1, 2027. The plan must be prepared in consultation with a multistakeholder, multiagency work group. UTC assumes the work will begin July 1, 2025.

FY2026 - \$222,151

FY2027 - \$111,076

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

Quarterly Summary Report – Public

Sec. 11 – UTC assumes the work beginning July 1, 2026, to analyze and interpret technical data to report to the Governor and Legislature quarterly.

FY2026 - \$87,232

FY2027 – FY2030 - \$43,616

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

Review and report of price of gasoline in Washington

Sec. 9 – UTC assumes the work, in consultation with Dept. of Ecology, to begin July 1, 2024, to analyze and interpret data provide under sec. 7 and create methodology for refiners to include in monthly reporting.

FY2025 - \$138,125 total cost

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

Gather, Analyze, and interpret information and reports.

Sec. 7 – UTC assumes work to begin July 1, 2024, to review and analyze information and data provided as required by Sections 4, 5 and 6 and interpret its impact, as well as state and federal policies and regulations on the state of Washington.

FY2025-FY2029 - \$1,403,837 per annual cost

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

Ongoing administrative services support.

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

FY2024 - \$8,999

FY2025-FY2029 - \$35,995 per annual cost

(Administrative Assistant 4, 0.10 FTE; Regulatory Analyst 2, 0.10 FTE; Regulatory Analyst 3, 0.10 FTE)

Implement IT Architecture (with contractor)

Sec. 17 – (2a) requires the commission to contract with an independent consultant, in coordination with WaTech and the department of commerce provide recommendations on standards, consistent with federal standards for energy sector data security, that each authorized agency must adopt to secure the critical energy infrastructure information collected.

Sec. 17 – (2b) the consultant must seek input from the transportation fuels industry in developing these standards.

FY2025 - \$936,307

FY2026 - \$468,154

Contract with consultant (one time, FY2024- FY 2025, 6 months at \$350/hr. = \$350,000)

License 5 virtual servers, FY 2024-FY 2029, \$405,080

(IS Project Manager, 0.5 FTE; IT Security Analyst, 1.0 FTE; IT Security/Compliance Manager, 1.0 FTE)

Implement and support program, including acquiring/configuring COTS/Cloud application and equipment to support program. Sec. 17 – (2c) by September 1, 2025, each authorized agency must adopt the standards and review and update them annually to address new cybersecurity risks.

Sec. 17 – (3) each authorized agency must implement program activities to secure critical energy infrastructure information and undergo an annual audit.

Sec. 17 – (4a) the auditor must coordinate with the WaTech Office of Cybersecurity and the department of commerce to develop a risk-based compliance for oversight evaluation for state agencies.

Sec. 17 – (4b) in developing the risk-based compliance for oversight evaluation, the consultant must use existing federal infrastructure protection audit processes and requirements for protecting critical energy infrastructure information.

Sec. 17 – (4c) by September 1, 2025 the auditor, in coordination with the WaTech Office of Cybersecurity and the department of commerce, must establish the necessary audit requirements. The requirements must be reviewed annually and include updates identified in subsection (2).

Sec. 17 – (5a) the auditor must contract with an independent consultant with experience protecting critical energy infrastructure information to conduct annual audits of each authorized agency’s cybersecurity programs and report findings.

Sec 17 – (5b) the annual audit findings must be provided to the authorized agency and the auditor within 60 days of completion, and recipient agencies have 60 days to respond to the audit and provide evidence that deficiencies have and will be addressed.

Sec 17 – (6) authorized agencies that cannot correct high-risk deficiencies within 60 days must forfeit access to the critical energy infrastructure information until the independent consultant returns to verify that the deficiency has been addressed.

FY2024 - \$419,928

FY2025-FY2029 - \$1,679,712

Contract with consultant to implement COTS/Cloud application, one time, FY2024-FY 2025, \$550,000

Acquire 25 laptops, monitors, and docking stations, plus one printer/scanner and 15 mobile phones. Replace after 4 years. FY 2024 and FY 2028, \$50,176 total.

License software for 25 users, FY 2024-FY 2029, \$204,800

Program support (all 50% FY 2024, then 100% FY 2025-FY 2029):

(IS Project Manager, 1.0 FTE; IT System Administrator, Journey, 1.0 FTE; IT System Administrator, Senior, 1.0 FTE; IT Security Analyst, 1.0 FTE; IT Security/Compliance Manager, 1.0 FTE; IT Customer Support, Entry, 1.0 FTE)

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	428,927	6,765,937	7,194,864	7,608,187	6,326,322
Total \$			428,927	6,765,937	7,194,864	7,608,187	6,326,322

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.6	33.6	17.6	19.3	17.0
A-Salaries and Wages	168,110	3,270,292	3,438,402	3,761,399	3,270,560
B-Employee Benefits	58,839	1,144,606	1,203,445	1,316,497	1,144,700
C-Professional Service Contracts	137,500	1,050,000	1,187,500	1,350,000	1,100,000
E-Goods and Other Services	51,934	1,250,863	1,302,797	1,079,939	710,710
G-Travel					
J-Capital Outlays	12,544	50,176	62,720	100,352	100,352
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	428,927	6,765,937	7,194,864	7,608,187	6,326,322

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Asst. 4	61,056	0.0	2.4	1.2	1.2	1.2
Administrative Law Judge	119,604		0.4	0.2	0.4	0.1
Asst. Director, Policy	119,808		0.0	0.0	0.1	
Commissioner	174,732		0.1	0.1	0.1	
Deputy Asst. Director Regulatory Services	115,440		0.0	0.0	0.1	
Deputy Director Regulatory Services	122,724		0.1	0.1	0.1	
Director, Regulatory Services	139,908		0.1	0.1	0.1	
Energy/Utilities Engineer 3	102,540		2.2	1.1	1.2	1.1
Executive Director	145,068		1.0	0.5		
Investigator 4	90,624		4.3	2.1	2.1	2.1
IS Project Manager	109,260	0.3	1.5	0.9	1.1	1.0
IT Customer Support - Entry	77,928	0.3	1.0	0.6	1.0	1.0
IT Security - Journey	104,028	0.3	1.5	0.9	1.1	1.0
IT Security - Manager	132,768	0.3	1.2	0.8	1.1	1.0
IT System Administrator - Journey	109,260	0.3	1.0	0.6	1.0	1.0
IT System Administrator - Senior	114,708	0.3	1.0	0.6	1.0	1.0
Paralegal 3	84,192				0.0	0.0
Policy Advisor	104,004		2.5	1.2	1.3	1.0
Regulatory Analyst 2	86,208	0.0	6.7	3.4	3.5	3.2
Regulatory Analyst 3	97,596	0.0	5.2	2.6	2.8	2.2
Section Manager Regulatory Services	102,996		1.3	0.7	0.2	0.1
Total FTEs		1.6	33.6	17.6	19.3	17.0

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.

Simple Rulemaking to establish new section under WAC 480.

Individual State Agency Fiscal Note

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

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	7.0	3.5	4.7	0.1
Account					
General Fund-State 001-1	0	1,204,564	1,204,564	1,768,127	20,746
Total \$	0	1,204,564	1,204,564	1,768,127	20,746

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

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: Cristina Steward	Phone: 564-669-1723	Date: 02/05/2024
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/05/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/06/2024

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.

Compared to SB 6052, SSB 6052 has the following substantive changes related to Ecology:

- Section 2 updates definitions.
- Section 3 creates a new independent division within the Utilities and Transportation Commission (UTC) to regulate the transportation of petroleum products.
- Section 15 expands the scope of work required for the Transportation Transition Fuels Transition Plan that would be developed by the division and Ecology, and extends the deadline from December 31, 2025, to January 1, 2027.
- Section 17 creates a new requirement for UTC to provide recommendations on standards for each of the authorized state agencies to adopt to secure the critical energy infrastructure information in this chapter, and by September 1, 2025, each of the authorized state agencies would need to establish the cybersecurity standards necessary to protect the critical energy infrastructure information in this chapter.
- Section 18 outlines the confidentiality and permissible uses of the reported data, and points to updated data regulations in section 17 that are to be defined. Ecology would be required to aggregate and anonymize data provided to the division, and ensure data storage meets the requirements that section 17 would create.

The changes to sections 15 and 18 result in a change to the fiscal impact for Ecology.

This bill would add a new chapter to Title 19 RCW, cited as the Oil Industry Accountability Act.

Section 7 would require each refiner to provide detailed information to the division of petroleum market oversight each month beginning January 1, 2026, concerning inputs and outputs, facilities, sales, etc. The division must report quarterly on the aggregated data received.

Section 10 would require the division, in consultation with Ecology, to develop a methodology for refiners to use to provide separate quantification of the volume-weighted fees or estimated valuations of costs embedded in all wholesale transportation fuels associated with the clean fuel standard and the cap and invest program.

Section 11 would require the division to report quarterly on the aggregated data received under this chapter beginning January 1, 2027.

Section 14 would require the division to perform an analysis of all elements concerning transportation fuels in Washington and submit an assessment to the Legislature and Governor by July 1, 2026, and every three years thereafter.

Section 15 would require Ecology to partner with the division to prepare a Transportation Fuels Transition Plan by January 1, 2027. The Transportation Fuels Transition Plan would include considerations from the findings of the assessment conducted under section 14, and mechanisms to plan for and monitor progress toward the state's reliable, safe, equitable, and affordable transition away from petroleum fuels and the requirements of RCW 70A.45.020 and chapter 70A.65 RCW. Ecology would provide subject matter expert support for the contents of the report and would work with the division to assemble a multistakeholder and multiagency workgroup.

Section 17 would require the UTC to provide recommendations on standards for each of the authorized state agencies to adopt to secure the critical energy infrastructure information in this chapter, and by September 1, 2025, each of the authorized state agencies would need to establish the cybersecurity standards necessary to protect the critical energy infrastructure information in this chapter.

Section 18 outlines the confidentiality and permissible uses of the reported data, and points to updated data regulations in section 17 that are to be defined. Ecology would be required to aggregate and anonymize data provided to the division, and ensure data storage meets the requirements that section 17 would create.

Section 23 would direct the UTC to create rules.

Section 24 would allow agencies to enter into data sharing agreements for this chapter.

Section 27 is a severability clause.

Section 28 is an emergency clause.

II. B - Cash receipts Impact

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

II. C - Expenditures

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

The expenditure impact to Ecology under this bill is estimated to be greater than \$50,000 in Fiscal Year (FY) 2025 and ongoing to implement the requirements of sections 10, 14, 15 and 18. Costs for section 18 are indeterminate.

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

Section 10 – Methodology

Section 10 would require the division to work with Ecology to develop a methodology to quantify transportation fuel sales from a refinery. The quantification methodology developed would be used by oil refineries operating in Washington state when submitting data to the UTC under new reporting requirements described in section 4.

Ecology estimates the cost to implement Section 10 would include:

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

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

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

In FY 2025 Ecology assumes we would contract with a petroleum-related engineering firm for technical consultation. The contractor would analyze individual processes of refineries in the state, develop a cost model that reflects process costs associated with fuel volumes, and provide a report summarizing the cost model and include recommendations for potential

issues that should be accounted for in the method reporting. Based on similar contracts, estimated costs for this contract would total \$100,000 for FY 2025.

Section 14 - Division Assessments

Section 14 would require the division to perform an analysis of all elements concerning transportation fuels in Washington, and submit an assessment to the Legislature and Governor by July 1, 2026, and every three years thereafter. Division's analysis would require data that many state agencies currently collect, including data collected by Ecology. The division and Ecology assume that Ecology staff would need to work with division staff to extract convert and provide data for use in the bill's required analysis. The bill would require this collaboration with the division every three years ongoing.

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

Environmental Planner 5 – 0.5 FTE in FY 2025 and 0.35 FTE in FY 2026 would provide information to support division's assessments to the Legislature. Information provided would be adjusted to be usable in division's analysis. Information would be provided on the volumes of fuels sold that are reported under the Clean Fuel Standard (CFS), volumes being imported to or exported from the state, and carbon intensity valuations for specific products. The position would also participate in the multiagency workgroup required under section 16 to explain CFS data and limitations of the data we can provide. Ecology assumes that all pricing valuations would be conducted by the Division. Ecology estimates this position would be needed in the assessments every three years thereafter at a reduced level (0.3 FTE in FY 2028, 0.2 FTE in FY 2029, and ongoing every three years).

Section 15 - Transportation Fuels Transition Plan

Section 15 would require Ecology to collaborate with the division in the creation of a Transportation Fuels Transition Plan by January 1, 2027, and the set up and management of a multistakeholder, multiagency workgroup. The Transportation Fuels Transition Plan would include, at minimum, an evaluation of the capacity of the electrical grid to meet the needs of an electrified transportation sector, how to ensure the supply of transportation fuels is affordable, reliable, equitable, and adequate to meet demand during the transition away from fossil fuels necessitated by RCW 70A.45.020 and chapter 70A.65 RCW. Ecology assumes an Environmental Justice Assessment would be required for the Transportation Fuels Transition Plan.

Ecology estimates the following staff would be required in FY 2025, FY 2026, and the first 9 months of FY 2027 to build and manage the workgroup, create a Transportation Transition Fuels Plan, provide environmental justice research and outreach, and coordinate, adjust, and answer external report questions.

Community Outreach & Environmental Education Specialist 4 – 1.5 FTE in FY 2025 and 1.0 FTE in FY 2026 and FY 2027 would support the workgroup and development of the Transportation Transition Fuels Plan, including the compilation of information and drafting the plan. Workgroup support would include communication, outreach, coordination, and identification of the following stakeholders: environmental justice, labor, environmental protection, land use, public health, fuel producers/refiners, and local, regional, and state agencies. This position would assist in preparing materials and presentations for the workgroup, coordinating with the division, synthesizing information obtained from workgroup meetings, and would provide summaries on how to incorporate feedback into the Transportation Fuels Transition Plan. Additional work would include coordination with the environmental justice council, community groups, labor organizations, environmental groups, land use groups, public health advocates, fuel producers/refiners, and local, regional, and state agencies.

Environmental Planner 5 – 1.5 FTE in FY 2025 and 2026 and 1.0 FTE in FY 2027. This position would support the preparation of the Transportation Fuel Transition Plan. Support includes development of methodologies to address factors such as affordability, reliability, equity, and evaluating adequate fuel supply volume to meet demand, coordination with the

division, and engagement with multiple agencies and stakeholders, including environmental justice outreach. Additional work would include participation in and oversight of the stakeholder and multiagency workgroup in order to develop metrics for monitoring Washington's transition from petroleum fuels.

Administrative Assistant 3 – 0.7 FTE in FY 2025 and 0.5 FTE in FY 2026 and FY 2027. This position would provide administrative support during the development of the Transportation Fuels Transition Plan. Work would include environmental justice outreach support, distribution of materials for stakeholder engagement, logistical support for meetings, support with stakeholder outreach, compilation of information and administrative preparation of the Transportation Fuels Transition Plan.

Communications Consultant 4 – 0.3 FTE in FY 2025 and 0.12 FTE in FY 2026 and FY 2027. This position would provide support during Transportation Fuels Transition Plan development. Work would include preparation and design of materials for stakeholder engagement, development of talking points, and communication with media and stakeholders. Additional work would include assisting with compiling information to be included in Transportation Fuels Transition Plan.

The requirement for evaluation of the electrical grid in the Transition Fuels requires subject matter expertise and data modeling not currently available within Ecology, so Ecology would contract with a clean energy firm for technical consultation. The contractor would develop fuel demand forecasts as part of a modeling effort to analyze the implications for the transition to electrify the transportation sector as part of the electrical grid evaluation. The consultant would provide a report of the evaluation and offer technical responses to assist with stakeholder engagement. Based on similar contracts, estimated costs for this contract would be \$50,000 in FY 2025 and \$400,000 in FY 2026, total contract costs of \$450,000.

Section 18 - Data

Section 18 would require Ecology to aggregate and anonymize data shared with the division, and be in compliance with the cybersecurity requirements under Section 17(2)(a) which directs the UTC to provide the recommendations of standards for Ecology's IT data storage infrastructure. Because these standards have not yet been created or set, Ecology estimates the costs to implement the IT data storage system requirements under Section 18 to be indeterminate.

Ecology's data cannot always be anonymized in an automated fashion, so reports to the division would need to be reviewed by staff before being released.

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

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

Sections 10, 14 and 18 are estimated to require:

FY 2025: \$603,064 and 2.6 FTEs

FY 2026: \$679,181 and 1.6 FTEs

FY 2027: \$78,053 and 0.5 FTE

FY 2028: \$10,373 and 0.1 FTEs

FY 2029: \$10,373 and 0.1 FTEs

Section 15 is estimated to require:

FY 2025: \$601,500 and 4.4 FTEs

FY 2026: \$601,500 and 4.4 FTEs

FY 2027: \$409,393 and 3.0 FTEs

THE TOTAL EXPENDITURE IMPACT to Ecology under this bill is estimated to be:

FY 2025: \$1,204,564 and 7.0 FTEs

FY 2026: \$1,280,681 and 6.0 FTEs
 FY 2027: \$487,446 and 3.5 FTE
 FY 2028: \$10,373 and 0.1 FTEs, and every three years thereafter
 FY 2029: \$10,373 and 0.1 FTEs, and every three years thereafter

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.
 Benefits are the agency average of 34.1% of salaries.
 Contract costs of \$100,000 in FY 2025 are included for section 10.
 Contract costs of \$450,000 from 7/1/24 to 1/1/27 to address modeling and analysis required to forecast fuel demands and implications for the transition to electrify the transportation sector.
 Goods and Services are the agency average of \$6,048 per direct program FTE.
 Travel is the agency average of \$2,205 per direct program FTE.
 Equipment is the agency average of \$1,286 per direct program FTE.
 Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.8% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development - Journey.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	1,204,564	1,204,564	1,768,127	20,746
Total \$			0	1,204,564	1,204,564	1,768,127	20,746

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

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		7.0	3.5	4.7	0.1
A-Salaries and Wages		572,426	572,426	740,843	11,372
B-Employee Benefits		195,198	195,198	252,628	3,878
C-Professional Service Contracts		150,000	150,000	400,000	
E-Goods and Other Services		36,893	36,893	49,836	604
G-Travel		13,452	13,452	18,172	220
J-Capital Outlays		7,845	7,845	10,596	128
9-Agency Administrative Overhead		228,750	228,750	296,052	4,544
Total \$	0	1,204,564	1,204,564	1,768,127	20,746

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

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	54,194		0.6	0.3	0.6	
COM OUTRCH & ENV ED SP 4	78,476		1.5	0.8	1.3	
COMM CONSULTANT 4	80,469		0.2	0.1	0.2	
ENVIRONMENTAL ENGINEER 5	119,465		0.5	0.3	0.1	
ENVIRONMENTAL PLANNER 5	105,612		3.0	1.5	1.9	
ENVIRONMENTAL SPEC 5	95,387		0.3	0.1	0.1	
FINANCIAL EXAMINER 4	113,710		0.1	0.0	0.1	0.1
FISCAL ANALYST 2			0.6	0.3	0.4	0.0
IT APP DEV-JOURNEY			0.3	0.2	0.2	
Total FTEs			7.0	3.5	4.8	0.1

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.