

Multiple Agency Fiscal Note Summary

Bill Number: 1673 HB	Title: Electric transmission system
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Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	No fiscal impact					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	5.1	3,573,190	3,573,190	3,573,190	.0	1,382,444	1,382,444	1,382,444	.0	2,066,444	2,066,444	2,066,444
Utilities and Transportation Commission	.5	0	0	212,577	.1	0	0	48,184	.2	0	0	71,368
Department of Archaeology and Historic Preservation	1.0	268,045	268,045	268,045	1.0	262,488	262,488	262,488	1.0	262,488	262,488	262,488
Department of Ecology	.1	39,906	39,906	39,906	.0	0	0	0	.0	0	0	0
Total \$	6.7	3,881,141	3,881,141	4,093,718	1.1	1,644,932	1,644,932	1,693,116	1.2	2,328,932	2,328,932	2,400,300

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Department of Archaeology and Historic Preservation	.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	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Gwen Stamey, OFM	Phone: (360) 790-1166	Date Published: Final 2/ 3/2025
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Individual State Agency Fiscal Note

Bill Number: 1673 HB	Title: Electric transmission system	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: Megan McPhaden	Phone: 360-786-7114	Date: 01/28/2025
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 01/29/2025
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 01/29/2025
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/31/2025

Part II: Narrative Explanation

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

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

Section 4 establishes the Electric Transmission Advisory Board to advise the Department of Commerce on the Transmission Needs Assessment and Transmission System Enhancement Roadmap, as well as other policies that are consistent with electric transmission.

- The Governor will appoint the following advisory board members:
- One member with special knowledge of the public utility industry, as evidenced by a college degree or by experience, at least five years of which must be with the electric utility industry
 - One member with knowledge of land use planning and law
 - One member with expertise in clean energy development
 - One member with expertise in ratepayer protection
 - One member representing utility workers with expertise in building electrical transmission
 - One member with experience financing large infrastructure projects

These appointments serve four-year staggered terms.

The Governor’s Office believes appointing these positions will have a de minimis 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: 1673 HB	Title: Electric transmission system	Agency: 090-Office of State Treasurer
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

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: Megan McPhaden	Phone: 360-786-7114	Date: 01/28/2025
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 01/28/2025
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 01/28/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 01/29/2025

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.

- HB 1673 creates
- 1. the electric transmission operating account, coupled with the general fund as the recipient of the earnings from investments under RCW 43.84.092(4).
 - 2. the electric transmission capital account and allows the account to retain its earnings from investments.

There will be some de-minimis work for OST which can be completed within current practices and resources.

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.

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

There may be an impact on the debt service limitation calculation. Changes to the earnings credited to the general fund impacts, by an equal amount, general state revenues.

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: 1673 HB	Title: Electric transmission system	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 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	5.9	4.3	5.1	0.0	0.0
Account					
General Fund-State 001-1	1,937,468	1,635,722	3,573,190	1,382,444	2,066,444
Total \$	1,937,468	1,635,722	3,573,190	1,382,444	2,066,444

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: Megan McPhaden	Phone: 360-786-7114	Date: 01/28/2025
Agency Preparation: Joseph Piper	Phone: 360-725-3042	Date: 01/31/2025
Agency Approval: Joseph Piper	Phone: 360-725-3042	Date: 01/31/2025
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/03/2025

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.

HB 1673 creates a Washington Electric Transmission Office (Office) within the Department of Commerce (Department) to facilitate electric transmission development in the state. The Office is run by a director with a seven-member advisory board. The board will meet four times per year. The Department will provide staff support to the board. The Department will reimburse travel costs for those advisory board members eligible for reimbursement. The Office will perform transmission planning and work with stakeholders, utilities, and transmission developers to build new transmission lines and upgrade existing transmission lines. It has the authority to develop, own, and operate transmission lines as a developer of last resort.

Sections 1 and 2 establish legislative intent to create a Transmission Office described in the bill and include relevant definitions for terms used in the bill.

Section 3 requires the Department Director to appoint a Director for the Office, who may employ staff as necessary to carry out the Office's duties listed in the section.

Section 4 creates a seven-member electric transmission advisory board to advise the Office on the transmission needs assessment and transmission system enhancement roadmap required under Section 5 of this act and other policies that are consistent with the purposes of this chapter. The staff identified in Section 3 will support the advisory board.

Section 5 directs the Office to develop a 20-year transmission needs assessment that must: (i) determine high-priority corridors; (ii) identify grid enhancing technologies and advanced reconductoring; (iii) identify and evaluate non-wire solutions such as demand response, energy storage, and energy efficiency; (iv) the Office must complete the first needs assessment by October 1, 2026, that would be \$700,000.

It also requires the Office to provide assistance to local government and tribal governments that are permitting the construction and operation of transmission projects. Finally, it calls for the Office to consult with bond counsel to identify appropriate state bonding authorities needed to improve transmission capacity and prepare a request for legislation to establish bonding authority by October 1, 2026. The Office would need to contract with bond/public finance counsel in FY26 to develop a legislative proposal and establish a bonding framework for the Office. The estimated cost to contract with bond counsel would be \$250,000. The Office would need continued outside counsel and consultants to arrange complex financing/bond agreements with utilities and developers in FY27 that would be \$500,000.

Section 6 requires the Office to adopt rules to implement the bill, enter into contracts and agreements, lease, purchase, accept donations of, or otherwise own, hold, improve, or use any property, and to own transmission equipment and systems

Section 7 creates the new electric transmission operating account in the state treasury.

Section 8 creates the new electric transmission capital account in the state treasury.

Section 9 requires all nonfederal transmission providers in Washington state to provide the Office with as much information as the Office deems necessary to conduct the transmission needs assessment and transmission system enhancement roadmap outlined in Section 5 of this act.

Section 10 establishes compliance exemptions.

Sections 11 – 13 establish how actors may participate with the Office.

Sections 14 – 18 clarify definitions in existing statute and establish the name of the 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.

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.

To meet the requirements of HB 1673 the Department estimates the following:

Section 3 establishes the Office with a Director who may employ staff as necessary.

1.00 FTE WMS1 Director (2088 hours) to employ staff for the Office and oversee as the primary director.

1.00 FTE Administrative Assistant 4 (2088 hours) to assist with the bookkeeping and administrative tasks associated with the Office.

1.00 FTE Commerce Specialist 4 (2088 hours) to manage contracts and service agreements for the Office.

1.00 FTE Management Analyst 4 (2088 hours) primarily tasked with outreach and engagement for utilities and others looking to utilize the Office.

0.30 FTE Commerce Specialist 4 (626 hours) to perform local government and tribal outreach, utilizing the Department's existing expertise.

Section 4 establishes an advisory board of government, industry, and advocacy representatives. The advisory board staff are included in the staff required by Section 3. The Department will reimburse travel costs for those advisory board members eligible for reimbursement and assumes this will cost no more than \$5,000 for the biennium.

Section 5 requires the Office conduct a 20-year transmission plan, assist local and tribal governments, and draft a legislative proposal for bonding, among other activities such as:

(1) 20-year transmission needs assessment by October 1, 2026: \$700,000 (every five years thereafter). This figure is an estimate based on current market trends. The assessment will be completed by an external consultant contracted through the Department.

(3) Provide assistance to local government and tribal governments (Commerce Specialist 4 identified for Section 3 above) and manage and lead outreach and engagement for the Office (Management Analyst 4 identified in Section 3 above). All meetings will be virtual and will not require travel reimbursement.

(4) Consult with bond counsel to develop a legislative proposal on bonding authority. The estimated cost to contract with bond counsel would be \$250,000 in FY26.

(5) Ongoing outside counsel to arrange complex financing/bond agreements with utilities and developers for projects the Office enters into in FY27 that would be \$600,000.

Section 6 requires the Office to adopt rules to implement the bill, enter into contracts and agreements, lease, purchase, accept donations of, or otherwise own, hold, improve, or use any property, and to own transmission equipment and systems. This will require two rulemakings which will be completely separated but will rely on the same staff outlined below.

(1) Outside counsel and consultants in FY27 to develop rules and procedures for contractual arrangements and agreements for projects, leases, purchases, and competitive bidding would be \$350,000.

0.60 FTE EMS2 (1,253 hours) in FY26 to supervise rulemaking and make final decisions.

0.20 FTE Administrative Assistant 3 (418 hours) in FY26 to support the statewide meetings and coordination.

0.80 FTE Management Analyst 4 (1,670 hours) in FY26 to lead engagement and be responsible for outreach to stakeholders.

Salaries and Benefits

FY26: \$708,178

FY27-FY31: \$500,092

Professional Services - Including a 20-year needs assessment study and consultation with bond council

FY26: \$950,000

FY27: \$950,000

FY31: \$700,000

Goods and Services

FY26: \$21,900

FY27-FY31: \$14,300

Travel

FY26: \$8,400

FY27: \$6,800

FY28-FY31: \$4,300

Capital Outlays

FY26: \$16,000

FY29: \$16,000

Intra-Agency Reimbursements

FY26: \$232,990

FY27-FY31: \$164,530

Note: Standard goods and services include supplies and materials, employee development and training, Attorney General costs, central services charges and agency administration.

Total Costs

FY26: \$1,937,468

FY27: \$1,635,722

FY28: \$683,222

FY29: \$699,222

FY30: \$683,222

FY31: \$1,383,222

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	1,937,468	1,635,722	3,573,190	1,382,444	2,066,444
Total \$			1,937,468	1,635,722	3,573,190	1,382,444	2,066,444

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	5.9	4.3	5.1		
A-Salaries and Wages	531,450	373,657	905,107	747,314	747,314
B-Employee Benefits	176,728	126,435	303,163	252,870	252,870
C-Professional Service Contracts	950,000	950,000	1,900,000		700,000
E-Goods and Other Services	21,900	14,300	36,200	28,600	28,600
G-Travel	8,400	6,800	15,200	8,600	8,600
J-Capital Outlays	16,000		16,000	16,000	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	232,990	164,530	397,520	329,060	329,060
9-					
Total \$	1,937,468	1,635,722	3,573,190	1,382,444	2,066,444

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 2026	FY 2027	2025-27	2027-29	2029-31
Administrative Assistant 3	54,199	0.2		0.1		
Administrative Assistant 4	62,888	1.0	1.0	1.0		
Commerce Specialist 4	88,794	1.3	1.3	1.3		
EMS Band 2	126,529	0.6		0.3		
Management Analyst 4	88,794	1.8	1.0	1.4		
WMS Band 1	106,543	1.0	1.0	1.0		
Total FTEs		5.9	4.3	5.1		0.0

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Energy Division (500)	1,937,468	1,635,722	3,573,190	1,382,444	2,066,444
Total \$	1,937,468	1,635,722	3,573,190	1,382,444	2,066,444

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: 1673 HB	Title: Electric transmission system	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 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.2	0.8	0.5	0.1	0.2
Account					
Public Service Revolving Account-State 111-1	48,184	164,393	212,577	48,184	71,368
Total \$	48,184	164,393	212,577	48,184	71,368

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: Megan McPhaden	Phone: 360-786-7114	Date: 01/28/2025
Agency Preparation: Kim Anderson	Phone: 360-664-1153	Date: 01/31/2025
Agency Approval: Kim Anderson	Phone: 360-664-1153	Date: 01/31/2025
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 01/31/2025

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 12(1-4) allows the commission to allow investor-owned utilities an incentive rate of return on grid-enhancing technologies and reconductoring as well as implement other policies to encourage increased deployment of transmission infrastructure which would require complex policy analysis, stakeholder outreach, hosting of workshops, and drafting of policy statements. The Commission may allow an incentive rate of return on investment through Dec. 31, 2024, for capital spent on grid-enhancing technologies and reconductoring with advanced conductors.

Section 12(5) requires the commission to provide a report by 12/31/27 to legislature with policy recommendations & performance metrics to encourage deployment of transmission infrastructure improvements. This would require policy analysis, stakeholder outreach, hosting of workshops, and drafting of the report.

Section 12(6) requires the commission to report by 12/31/29 to legislature on the impact of incentives and recommendations. This will require data analysis, policy analysis, stakeholder outreach, and drafting of the report.

Section 13 grants authority to the Commission to allow commission-regulated electrical companies a rate of return on investments made to upgrade transmission lines owned and operated by Bonneville Power Administration where the company has exclusive use to the transmission service provided on those lines.

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.

UTC assumes no cash receipts will go to UTC because of this legislation.

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.

Implementation of incentive rate of return and policies to encourage transmission infrastructure investment. Section 12 states that the commission may allow incentive rate of return on grid-enhancing technologies and reconductoring as well as implement other policies to encourage increased deployment of transmission infrastructure which would require complex policy analysis, stakeholder outreach, hosting of workshops, & drafting of policy statements. Staff assume analysis in three (3) electric investor-owned utility General Rate Cases (GRCs) and associated analysis in FY 2027.

FY2027-\$68,025 total cost
(Director | Policy, 0.02 FTE; Commissioner, 0.01 FTE; Director | Regulatory Services, 0.02 FTE; Deputy Director | Energy Rates & Services, 0.04 FTE; Section Manager | Energy Rates & Services, 0.10 FTE; Regulatory Analyst 3, 0.14 FTE; Policy Advisor, 0.05 FTE; Attorney General, 0.02 FTE)

Report to the Legislature outlining policy recommendations and performance metrics by 12/31/27. Section 12 requires the commission to provide a report to the Legislature by Dec. 31, 2027, with policy recommendations & performance metrics to encourage deployment of transmission infrastructure improvements. This would require policy analysis, stakeholder outreach, hosting of workshops, and drafting of the report. While the report is due at the end of 2027, there will need to be efforts during 2026. We believe that a contract will be required to assist with regional and/or national research regarding successful transmission upgrades, regional transmission studies, and develop recommendations for best practices

FY2026-\$48,184

(Director | Policy, 0.02 FTE; Commissioner, 0.01 FTE; Section Manager | Energy Rates & Services, 0.01 FTE; Deputy Director | Energy Rates & Services, 0.01 FTE; Policy Advisor, 0.13 FTE; Regulatory Analyst 3, 0.01 FTE; Attorney General, 0.01 FTE; Director | Regulatory Services, 0.01 FTE)

FY2027 -\$96,368

(Director | Policy, 0.04 FTE; Commissioner, 0.02 FTE; Section Manager | Energy Rates & Services, 0.02 FTE; Deputy Director | Energy Rates & Services, 0.02 FTE; Policy Advisor, 0.25 FTE; Regulatory Analyst 3, 0.02 FTE; Attorney General, 0.02 FTE; Director | Regulatory Services, 0.02 FTE)

FY2028-\$48,184

(Director | Policy, 0.02 FTE; Commissioner, 0.01 FTE; Section Manager | Energy Rates & Services, 0.01 FTE; Deputy Director | Energy Rates & Services, 0.01 FTE; Policy Advisor, 0.12 FTE; Regulatory Analyst 3, 0.01 FTE; Attorney General, 0.01 FTE; Director | Regulatory Services, 0.01 FTE)

Report to the Legislature outlining impact of incentives alongside recommendations by 12/31/29.

Section 12(6) requires the commission to report to the Legislature by Dec. 31, 2029, the impact of incentives and recommendations. This will require data analysis, policy analysis, stakeholder outreach, hosting workshops, and drafting of the report.

FY2030 -\$71,368

(Director | Policy, 0.04 FTE; Commissioner, 0.02 FTE; Section Manager | Energy Rates & Services, 0.02 FTE; Deputy Director | Energy Rates & Services, 0.02 FTE; Policy Advisor, 0.25 FTE; Regulatory Analyst 3, 0.02 FTE; Attorney General, 0.02 FTE; Director | Regulatory Services, 0.02 FTE)

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
111-1	Public Service Revolving Account	State	48,184	164,393	212,577	48,184	71,368
Total \$			48,184	164,393	212,577	48,184	71,368

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.2	0.8	0.5	0.1	0.2
A-Salaries and Wages	24,275	94,824	119,099	24,275	48,549
B-Employee Benefits	8,497	33,190	41,687	8,497	16,993
C-Professional Service Contracts	12,500	25,000	37,500	12,500	
E-Goods and Other Services	2,912	11,379	14,291	2,912	5,826
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 \$	48,184	164,393	212,577	48,184	71,368

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 2026	FY 2027	2025-27	2027-29	2029-31
Attorney General	237,600	0.0	0.0	0.0	0.0	0.0
Commissioner	149,532	0.0	0.0	0.0	0.0	0.0
Deputy Director, Energy Rates and Services	117,912	0.0	0.1	0.0	0.0	0.0
Director, Policy	133,008	0.0	0.1	0.0	0.0	0.0
Director, Regulatory Services	144,108	0.0	0.0	0.0	0.0	0.0
Policy Advisor, Energy	104,568	0.1	0.3	0.2	0.1	0.1
Regulatory Analyst 3	100,524	0.0	0.2	0.1	0.0	0.0
Section Manager, Energy Rates and Services Unit A	104,688	0.0	0.1	0.1	0.0	0.0
Total FTEs		0.2	0.8	0.5	0.1	0.2

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

Part V: New Rule Making Required

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

UTC assumes it will not be required to conduct a rulemaking because of this legislation.

Individual State Agency Fiscal Note

Bill Number: 1673 HB	Title: Electric transmission system	Agency: 355-Department of Archaeology and Historic Preservation
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
Account					
General Fund-State 001-1	136,801	131,244	268,045	262,488	262,488
Total \$	136,801	131,244	268,045	262,488	262,488

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: Megan McPhaden	Phone: 360-786-7114	Date: 01/28/2025
Agency Preparation: Diann Lewallen	Phone: 360-407-8121	Date: 01/28/2025
Agency Approval: Diann Lewallen	Phone: 360-407-8121	Date: 01/28/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 01/29/2025

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 11 requires that, for projects exempt under section 10 of this act, utilities will notify the department of archaeology and historic preservation (DAHP) and federally recognized tribes in the area where the right-of-way exists prior to commencing the project. The department of archaeology and historic preservation must ensure that consultation with tribes occurs, and must determine if archaeological, cultural, or tribal resources are identified in an existing right-of-way. If such resources are identified, the DAHP must ensure that the utility accounts for and protects the resources under chapter 27.53 RCW.

The DAHP anticipates and increase in the number of reviews that would fall under executive order 21-02 and increased notifications from utilities required in section 11 of the bill. DAHP estimates .2 FTE of an environmental planner 5, .6 FTE of an environmental planner 4, and .2 FTE of a cartographer to manage the increased workload.

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 DAHP will need approximately .2 FTE environmental planner 5, .6 FTE environmental planner 4, and .2 FTE cartographer 1 to process an anticipated increase in the number of reviews falling under executive order 21-02 and increased notifications from the utility companies.

On-going costs:

In FY26 an Environmental Planner 5 at range 67 step L is expected to make \$105,612 per year, plus related benefits estimated at \$32,382 per year, at current benefits rates. The agency needs .2 of an FTE so salary costs are estimated at \$21,122, plus benefits of \$6,476.

In FY26 an Environmental Planner 4 at range 63 step L is expected to make \$95,652 per year, plus related benefits estimated at \$30,692 per year, at current benefits rates. The agency needs .6 of an FTE so salary costs are estimated at \$57,391, plus benefits of \$18,415.

In FY26 a Cartographer 1 at range 42 step L is expected to make \$56,880 per year, plus related benefits estimated at \$24,113 per year, at current benefits rates. The agency needs .2 of an FTE so salary costs are estimated at \$11,376, plus benefits of \$4,823.

Goods and services for 1 FTE are estimated at \$6,201 per fiscal year for communications, payroll processing, training, supplies and other staff costs. Travel costs are estimated at \$5,440 per year.

One-time Costs:

Purchase of furniture and equipment for the new FTE is estimated at \$5,557 in FY26.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	136,801	131,244	268,045	262,488	262,488
Total \$			136,801	131,244	268,045	262,488	262,488

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	89,889	89,889	179,778	179,778	179,778
B-Employee Benefits	29,714	29,714	59,428	59,428	59,428
C-Professional Service Contracts					
E-Goods and Other Services	6,201	6,201	12,402	12,402	12,402
G-Travel	5,440	5,440	10,880	10,880	10,880
J-Capital Outlays	5,557		5,557		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	136,801	131,244	268,045	262,488	262,488

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 2026	FY 2027	2025-27	2027-29	2029-31
Cartographer 1	56,880	0.2	0.2	0.2	0.2	0.2
Environmental Planner 4	95,652	0.6	0.6	0.6	0.6	0.6
Environmental Planner 5	105,612	0.2	0.2	0.2	0.2	0.2
Total FTEs		1.0	1.0	1.0	1.0	1.0

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: 1673 HB	Title: Electric transmission system	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 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3	0.0	0.2	0.0	0.0
Account					
General Fund-State 001-1	39,906	0	39,906	0	0
Total \$	39,906	0	39,906	0	0

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: Megan McPhaden	Phone: 360-786-7114	Date: 01/28/2025
Agency Preparation: Sam Weinstein	Phone: (564) 250-2427	Date: 01/30/2025
Agency Approval: Garret Ward	Phone: 360-789-7938	Date: 01/30/2025
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/01/2025

Part II: Narrative Explanation

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

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

This bill would create a new Washington Electric Transmission Office in the Department of Commerce to conduct long-term planning and to coordinate and develop transmission projects. It would also create an Electric Transmission Advisory Board to advise on transmission needs and other policies. The bill would establish mechanisms for funding and authorities for the Office's activities. The bill would also create a State Environmental Policy Act (SEPA) categorical exemption for improving existing transmission lines within existing rights-of-way.

Section 10 would add a new section to chapter 43.21C RCW, SEPA, creating SEPA categorical exemptions for existing transmission lines in existing rights-of-way. The exemptions would cover upgrading or rebuilding an existing transmission line by reconductoring the line with advanced conductors and upgrading using grid-enhancing technologies. Ecology assumes rulemaking would be necessary to create new categorical exemptions under chapter 43.21C RCW.

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 less than \$50,000 in Fiscal Year (FY) 2026 to implement the rulemaking requirements of section 10.

Section 10 would require a level 1 (simple) rulemaking to create the new categorial exemptions under chapter 43.21C RCW, State Environmental Policy Act (SEPA), for existing transmission lines in existing rights-of-way. Ecology assumes rulemaking would commence upon the effective date of the bill. Ecology estimates that rulemaking would be minimally complex. The rulemaking would require six months, from July 2025 to January 2026.

Rulemaking Lead: Ecology estimates 0.25 Environmental Planner 3 would be required to coordinate the rulemaking effort (0.5 FTE for 6 months = 0.25 FTE). Ecology would hold one public hearing, with a webinar. Ecology estimates no costs for facility rental costs since hearing(s) would be held on-site.

SUMMARY: The estimated expenditure impact to Ecology under this bill would be \$39,906 and 0.29 FTEs in FY 2026.

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 33.7% of salaries.

Goods and Services are the agency average of \$5,552 per direct program FTE.

Travel is the agency average of \$2,398 per direct program FTE.

Equipment is the agency average of \$1,074 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.9% 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 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	39,906	0	39,906	0	0
Total \$			39,906	0	39,906	0	0

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3		0.2		
A-Salaries and Wages	21,678		21,678		
B-Employee Benefits	7,305		7,305		
C-Professional Service Contracts					
E-Goods and Other Services	1,388		1,388		
G-Travel	600		600		
J-Capital Outlays	269		269		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Administrative Overhead	8,666		8,666		
Total \$	39,906	0	39,906	0	0

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

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
ENVIRONMENTAL PLANNER 3	86,712	0.3		0.1		
FISCAL ANALYST 2		0.0		0.0		
IT APP DEVELOPMENT-JOURNE		0.0		0.0		
Total FTEs		0.3		0.2		0.0

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.

Section 10 would require rulemaking to create new categorial exemptions under chapter 43.21C RCW, the Washington State Environmental Policy Act (SEPA).

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1673 HB	Title: Electric transmission system
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☐ Cities:
- ☐ Counties:
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☒ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☐ Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Kristine Williams	Phone: (564) 669-3002	Date: 01/29/2025
Leg. Committee Contact: Megan McPhaden	Phone: 360-786-7114	Date: 01/28/2025
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/29/2025
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/31/2025

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This legislation creates the Washington Electric Transmission Office in the Department of Commerce to improve the reliability and capacity of the electric transmission system in Washington state. The office shall engage in long-term planning and other related activities in consultation with local and federal jurisdictions, utilities, transmission developers, and affected communities. The office shall provide assistance to local governments in the form of accessible information on advanced technologies in the state of Washington.

This legislation would take effect 90 days after adjournment of the session in which the bill is passed.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This bill would not impact local government expenditures.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This bill would not impact local government revenues.