Multiple Agency Fiscal Note Summary

Bill Number: 1819 HB	**Title:** Transmission capacity

Estimated Cash Receipts

NONE

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
Department of Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Utilities and Transportation Commission	.3	0	0	109,387	.1	0	0	36,454	.2	0	0	72,909
Department of Ecology	.1	39,906	39,906	39,906	.0	0	0	0	.0	0	0	0
Total $	**0.4**	**39,906**	**39,906**	**149,293**	**0.1**	**0**	**0**	**36,454**	**0.2**	**0**	**0**	**72,909**

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
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 Ecology	.0	0	0	.0	0	0	.0	0	0
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

FNPID 72642

FNS029 Multi Agency rollup

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

NONE

Prepared by: Kyle Siefering, OFM	**Phone:** (360) 995-3825	**Date Published:** Final 2/10/2025

FNPID 72642

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1819 HB	Title: Transmission capacity	Agency: 103-Department of Commerce

Part I: Estimates

[X] **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: 02/04/2025
Agency Preparation:	Joseph Piper	Phone: 360-725-3042	Date: 02/07/2025
Agency Approval:	Joseph Piper	Phone: 360-725-3042	Date: 02/07/2025
OFM Review:	Gwen Stamey	Phone: (360) 790-1166	Date: 02/10/2025

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 1 requires utilities who perform Integrated Resource Plans (IRP) to include reconductoring analysis in their IRPs.

Section 2 directs the Utilities and Transportation Commission to allow an incentive rate of return on investment for reconductoring and grid enhancing technologies.

Section 3 adds a categorical exemption for upgrading transmission lines with advanced conductors and widening existing ROWs within previously disturbed or developed land.

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 Department of Commerce assumes no impact under the proposed legislation.

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: 1819 HB	Title: Transmission capacity	Agency: 215-Utilities and Transportation Commission

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	0.4	0.3	0.1	0.2
Account					
Public Service Revolving Account-State 111-1	41,117	68,270	109,387	36,454	72,909
Total $	41,117	68,270	109,387	36,454	72,909

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: 02/04/2025
Agency Preparation:	Michelle Parish	Phone: 360-664-1158	Date: 02/06/2025
Agency Approval:	Michelle Parish	Phone: 360-664-1158	Date: 02/06/2025
OFM Review:	Kyle Siefering	Phone: (360) 995-3825	Date: 02/10/2025

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 1 amends energy planning requirements in RCW 19.280.030 and 2024 c 351 s 9 related to an assessment and 20-year forecast of and requirements for regional generation and transmission capacity to provide and deliver electricity to the utility's customers and to meet requirements of the state's laws, clarifying that if the electric utility operates transmission assets rated at 115,00 volts or greater, the transmission assessment must examine which of the utility's transmission lines can be reconductored with advanced conductors.

Section 2 allows electrical companies to earn an incentive rate of return on investments in advanced conductor reconductoring until 2040. Companies can receive up to a two percent increase in return on equity for eligibility projects installed after July 1, 2025, with earnings limited to the investment's depreciable life. By December 31, 2029, the Commission must report to the legislature on the impact of these incentives on transmission capacity and recommend further utility investments.

Section 3 amends requirements in chapter 43.21C RCW, exempting utility-related actions from compliance, including: (1) upgrading or rebuilding an existing transmission line by reconductoring the line with advanced conductors within existing rights-of-way; and (2) widening existing rights-of-way to meet electrical standards if the widening remains within previously disturbed or developed lands and only extends into an area beyond such rights-of-way as needed to comply with applicable electrical standards. (No fiscal impact)

Section 4 names the Washington incentives for reconductoring in existing developed transmission corridors act. (No 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.

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.

Section 1:
Simple rulemaking and open meeting to amend energy planning requirements. In FY 2026 (assuming initiation in Q2-2025), the UTC assumes fiscal impact through a simple rulemaking and Open Meeting.

FY 2026: $41,117

(Administrative Law Judge, 0.06 FTE; Director, Regulatory Services 0.02 FTE; Deputy Director, Energy Planning, 0.02 FTE; Policy Advisor, 0.02 FTE; Section Manager, Energy Planning 0.02 FTE; Regulatory Analyst 2, 0.03 FTE; Regulatory Analyst 3, 0.04 FTE; Attorney General, 0.02 FTE)

Section 2:
Implementation of incentive rate of return and policies to encourage transmission infrastructure investment.
Sec. 2 allows the commission to implement incentive rate of return on capital expenditures for 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 work in FY 2027.

FY2027: $68,270 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 Dec. 31, 2029
Sec. 2 requires the commission to provide a report by Dec. 31, 2029, to legislature on the use of any incentives, quantifiable impacts of the incentives, and any recommendation about further utility investments in existing electric transmission corridors. This would require data analysis, policy analysis, stakeholder outreach, hosting of workshops, and drafting of the report. While the report is due at the end of 2029, there will need to be work beginning in 2028.

FY2029: $36,454
FY2030: $72,909
(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, 0.24 FTE; Regulatory Analyst 3, 0.02 FTE; Attorney General, 0.02 FTE; Director | Regulatory Services, 0.02 FTE; Director | Regulatory Services, 0.02 FTE)

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	41,117	68,270	109,387	36,454	72,909
		Total $	41,117	68,270	109,387	36,454	72,909

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.2	0.4	0.3	0.1	0.2
A-Salaries and Wages	27,971	46,441	74,412	24,799	49,597
B-Employee Benefits	9,789	16,256	26,045	8,680	17,360
C-Professional Service Contracts					
E-Goods and Other Services	3,357	5,573	8,930	2,975	5,952
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 $	41,117	68,270	109,387	36,454	72,909

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 Law Judge	115,008	0.1		0.0		
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
Deputy Director, Energy Planning	122,472	0.0		0.0		
Deputy Director, Energy Rates and Services	117,912		0.0	0.0	0.0	0.0
Director Policy	133,008		0.0	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	0.0	0.1	0.0	0.1	0.1
Regulatory Analyst 2	88,800	0.0		0.0		
Regulatory Analyst 3	100,524	0.0	0.1	0.1	0.0	0.0
Section Manager, Energy Planning Unit B	110,580	0.0		0.0		
Section Manager, Energy Rates and Services Unit A	104,688		0.1	0.1	0.0	0.0
Total FTEs		0.2	0.4	0.3	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.

The UTC assumes modifications to requirements under Sections 1, which will necessitate modifications to existing agency rules, including WAC 480-100-600, Part VIII—Planning and Implementation.

Individual State Agency Fiscal Note

Bill Number: 1819 HB	Title: Transmission capacity	Agency: 461-Department of Ecology

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: 02/04/2025
Agency Preparation:	Sam Weinstein	Phone: (564) 250-2427	Date: 02/07/2025
Agency Approval:	Garret Ward	Phone: 360-789-7938	Date: 02/07/2025
OFM Review:	Lisa Borkowski	Phone: (360) 742-2239	Date: 02/09/2025

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 3 would add a new section to chapter 43.21C RCW, State Environmental Policy Act (SEPA) to exempt any utility actions for upgrading or rebuilding existing transmission lines using reconductoring within existing rights-of-way. It would also add an exemption for widening existing rights-of-way to meet electrical standards if it is done within previously disturbed or developed lands. This would require Level 1 (simple, and minimally complex) Rulemaking.

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 3.

Section 3 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-JOURNEY		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 3 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: 1819 HB	**Title:** Transmission capacity

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: 02/10/2025
Leg. Committee Contact: Megan McPhaden	Phone: 360-786-7114	Date: 02/04/2025
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/10/2025
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 02/10/2025

Part IV: Analysis

A. SUMMARY OF BILL

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

Sec. 1 amends RCW 19.280.030 which would require consumer owned utilities with more than 25,000 customers that operate transmission assets rated at 115 volts or greater, to examine which of the utility's transmission lines can be reconductored with advanced conductors as part of the utility's Integrated Resource Plan (IRP) planning process.

A new section is added to chapter 80.28 RCW to exempt certain utility-related actions for upgrading or rebuilding existing transmission lines under SEPA.

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 legislation would have an indeterminate, but de minimus, expenditure impact on local governments.

The Chelan Public Utility District does not anticipate a fiscal impact from this legislation. The PUD currently includes an analysis of potential upgrades and other improvements, to include transmission lines, that will increase efficiencies in IRP updates. The Local Fiscal Note Program (LGFN) assumes that other local government utilities will incorporate this requirement into the current IRP planning timeline.

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.

SOURCES
Chelan Public Utility District