

Multiple Agency Fiscal Note Summary

Bill Number: 1903 S HB	Title: Low-income energy assistance
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Estimated Cash Receipts

NONE

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	11.2	0	0	20,191,840	7.0	0	0	10,488,376	7.0	0	0	10,448,376
Department of Commerce	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Utilities and Transportation Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	11.2	0	0	20,191,840	7.0	0	0	10,488,376	7.0	0	0	10,448,376

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	Non-zero but indeterminate cost and/or savings. Please see discussion.								
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	2.8	0	1,050,568	5.5	0	2,101,136	5.5	0	2,101,136
Department of Commerce	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Total \$	2.8	0	1,050,568	5.5	0	2,101,136	5.5	0	2,101,136

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

Estimated Capital Budget Breakout

Agency Name	2025-27	2027-29	2029-31
	Total	Total	Total
Department of Commerce			
Staff	1,050,568	2,101,136	2,101,136
In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.			
Total \$	1,050,568	2,101,136	2,101,136

Prepared by: Val Terre, OFM	Phone: (360) 280-3073	Date Published: Final 2/27/2025
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Individual State Agency Fiscal Note

Bill Number: 1903 S HB	Title: Low-income energy assistance	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	14.3	8.0	11.2	7.0	7.0
Account					
Climate Commitment Account-State 26C-1	18,813,717	1,378,123	20,191,840	10,488,376	10,448,376
Total \$	18,813,717	1,378,123	20,191,840	10,488,376	10,448,376

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

Estimated Capital Budget Impact:

	2025-27		2027-29		2029-31	
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Pre-design/Design	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Grants/Loans	0	0	0	0	0	0
Staff	0	1,050,568	1,050,568	1,050,568	1,050,568	1,050,568
Other	0	0	0	0	0	0
Total \$	0	1,050,568	1,050,568	1,050,568	1,050,568	1,050,568

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

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: 02/20/2025
Agency Preparation: Joseph Piper	Phone: 360-725-3042	Date: 02/25/2025
Agency Approval: Joseph Piper	Phone: 360-725-3042	Date: 02/25/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/26/2025

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.

SHB 1903 establishes a statewide monthly low-income energy bill assistance program at the Department of Commerce (Department).

The program would provide universal, streamlined access to monthly low-income energy bill assistance and target funds toward households in greatest need. The program defines low income as the greater of 200% of the federal poverty level (FPL) or 80% of the area median income (AMI), adjusted for household size.

The bill requires the Department to set income tiers and benefit levels for the program and provide payments to utilities upfront. Utilities would use those funds to reimburse households based on the benefit levels that correspond with the benefit levels established by the Department. The bill states that the Legislature intends to fund the program sustainably through the Climate Commitment Account.

The bill requires multiple ways for households to enroll in the program, including online, over the phone, or in person at a local community organization. It requires the Department to develop target outreach and community engagement to historically underserved communities and populations and provide program materials in multiple languages. The bill requires the Department to develop outreach plans with local communities.

The bill establishes an advisory group to inform program development and advise the Department on program evaluation. The advisory group must be composed of diverse stakeholders, including members of low-income households.

Section 1 is a new section that states the Legislature finds an urgent need for stronger policy and a new program option to secure universally accessible bill assistance to reduce the energy burden in Washington. It says the Department's Statewide Monthly Low-Income Energy Assistance Program Design report provides core features of a just system to expand and secure access to energy affordability. Key elements of the program include those that reduce administrative burden but also improve the experience and likelihood that an eligible household receives assistance.

Section 2, a new section, defines low income as the greater of 200% FPL or 80% AMI, adjusted for household size. Energy burden means the share of annual household income used to pay annual home bills. Energy assistance is defined as monetary assistance, such as a grant or discounts for low-income households, that lowers a low-income household's energy burden. Energy burden has the same meaning as RCW 19.405.020.

Section 3(1) establishes a statewide low-income energy assistance program within the Department. The intent of the program is to reduce the energy burden of low-income households in Washington. The Department must begin providing energy assistance through the program on July 1, 2026. The Department is required to write rules to implement the program

Section 3 (2) requires the Department to establish rules that:

Ensure all households are eligible to participate

Allow low-income households to directly apply to the program

Enable low-income households to self-attest to their income qualifications Assist households with the income verification process

Provide protections against immigration status being used to deny households access to the program

Allow utilities to enter into agreements with utilities to allow them to be coadministrators of the program.

Section 3(3)(a) requires the Department to provide outreach for the program, including digital and written materials in multiple languages approved by first-language speakers.

Section 3(3)(b) requires the Department to partner with community organizations and community action councils to reach households less likely to sign up directly or seek government services.

Section 3(3)(c) requires the Department to coordinate with other statewide programs that provide benefits to low-income households to notify households that they may be eligible for energy assistance when they sign up or participate in statewide low-income programs with similar eligibility criteria.

Section 3(3)(d) requires the Department to establish a call center.

Section 3 (3)(e) requires the call center to ensure staff are trained in trauma-informed practices.

Section 3(3)(f) requires the Department to co-design outreach campaigns with community partners, low-income service providers, and statewide community-based organizations.

Section 3(4) allows the Department to enter into agreements with utilities to allow them to be coadministrators of the program.

Section 3(5) requires the Department to administer the program and provide funds for energy assistance to gas and electric utilities. Utilities must then pass the funds to their customers. The amount provided to households must be tiered to provide the most energy assistance to households with the greatest need. Utilities with more than 25,000 customers must be reimbursed by the Department after households receive assistances. Utilities with up to 30,000

Section 3(5)(a) requires the Department to administer the program and provide funds for energy assistance to gas and electric utilities. Utilities must then pass the funds to their customers and show the energy assistance on the customer's bill.

Section 3(5)(b) requires the dollar amount that the Department must provide to low-income households must be tiered to provide the most energy assistance to the households with the greatest need.

Section 3(5)(c) The Department's obligation to provide energy assistance is based on available funding appropriated for the program. It is the intent of the Legislature that sustained funding shall be provided to meet low-income household needs from Climate Commitment Act Auction Revenues.

Section 3(6) requires the Department to submit a report to the Governor and Legislature by July 1 in every even-numbered year that includes a program evaluation of the statewide low-income energy assistance program. The advisory group established in Sec. 4 of the legislation must advise the Department on the program evaluation, which must include meaningful metrics around equitable access and overall program delivery.

Section 4 The Department must establish an advisory group for the statewide low-income energy assistance program, which must include but is not limited to members of low-income households. The advisory group must be established by the Department before program implementation to help inform program development. The advisory group must advise the Department throughout program implementation and on the program, evaluation required in Sec. 3 of this act.

Section 5 allows utilities to opt out of the statewide program if they have one program that provides monthly energy bill assistance to at least 50% of low-income households and maintains that participation rate. The program must meet the requirements laid out in RCW 19.405.120. The companies must certify with the Department they are meeting the required participation requirements. The first report to the Department must be by July 1, 2026. If the utility does not meet the

participation rate by July 1, 2028, the company must then immediately contact the Department to establish participation in the program.

Section 6 amends RCW 19.405.120 to say that a utility participating in the statewide program complies with Sec. 120.

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.

SHB 1903 establishes a statewide low-income energy bill assistance program. The Department assumes all utilities participate in the statewide program.

Section 3 – Establishing A Statewide Low-Income Energy Bill Assistance Program General Assumptions:

The following grant assumptions are for illustrative purposes. The Department uses these assumptions as a basis for its staffing costs, which could vary depending on the grant number.

The Department assumes a 35% program participation rate in FY 27, 40% participation in FY 28, 50% participation by FY 29, 60% participation in FY 30, and 65% participation in FY 31, spread evenly across low-income households with energy burdens above 6% and low-income households with energy burdens below 6%. The Department assumes the average annual amount of assistance for households with energy burdens above 6% is \$1,016, and \$132 for low-income households with energy burdens below 6%.

The Department assumes it will issue 50 contracts in FY26 and every 2 years thereafter for \$8 million to 50 community partners to establish lead partners in the program ahead of the program launch.

The Department assumes the statewide advisory group would include community partners, utilities, advocates, and members of low-income households. The Department assumes there would be at least four members of low-income households on the advisory group: one urban and one rural member of a household on the West and East sides of the state.

The Department assumes the Utilities and Transportation Commission will participate in the rulemaking, advisory group, and meetings with partner agencies. The Department assumes it would sign interagency agreements with agencies that serve low-income households to facilitate outreach to low-income households already enrolled in a statewide program.

To complete this work the Department estimates (FY26):

Consulting assumptions

The Department assumes one contract of \$8 million for a consultant to support the Department in establishing the program for FY 26. The consultant will establish a human-centered design program, including customer service portals and underlying databases, contracts with utilities and community partners, and initial program outreach materials with communities. The Department also assumes an additional contract of \$200,000 for a consultant to assist the Department in establishing income tiers and benefit levels for the program.

Staffing Assumptions

Management, policy, and outreach staffing assumptions

1.0 FTE WMS3 FY26-31 Program Director to oversee the program.

1.0 FTE EMS 2 FY26-31 Statewide Program and Policy Alignment to ensure effective implementation of the program across utilities, coordination with other statewide low-income programs, conduct rulemaking and lead reporting to the Legislature under the law.

1.0 FTE Program Specialist 5 FY26-31 to lead community engagement, outreach activities, and programmatic expertise on grants for community partners in FY27-31.

1.0 FTE Commerce Specialist 4 FY26 to manage contracts with community partners and ensure effective implementation of the program with other statewide low-income programs.

1.0 FTE Commerce Specialist 3 FY26 to support contract management, invoice payments, and backup documentation.

1.0 FTE Administrative Assistant 3 FY26-31 provides administrative support for meetings, materials, and interagency coordination.

1.0 FTE Management Analyst 5 (Project Position) to assist in initial rulemaking and start-up of the program in FY26 and FY27. Statewide program and policy alignment to assist in the effective implementation of the program across utilities, coordination and involvement of workgroup, conduct rulemaking, coordinate interagency work within the Department, and lead reporting to the Legislature.

Call center and customer service staffing assumptions

1.0 FTE Commerce Specialist 5 FY26-31 Customer Service Manager to manage day-to-day customer services, including the call center and corresponding with utilities as needed.

1.0 FTE Customer Service Specialist 3 FY26-31 to provide customer services to households, including call center duties and updating benefits.

Program evaluation staffing assumptions

1.0 FTE Management Analyst 4 FY26-31 Program Evaluation Analyst provides senior-level professional program evaluations to management and staff regarding the impact of programs and policies.

1.0 FTE Management Analyst 5 FY26-31 Data Lead provides senior-level professional analyses to management and staff regarding the impact of programs and policies.

1.0 FTE Management Analyst 4 FY26-31 Database Specialist to support the management of the database in compliance with state security and privacy laws.

Information technology staffing assumptions

0.5 FTE Business Analyst Journey (1044) in FY26 for significant system development to the data application, including specifications, requirements collection, and coordination of procuring system, assisting with data services and aggregation tools, including the new program and ongoing maintenance and periodic upgrades thereafter. Coordinate with Data Management staff, project manager, program staff and WaTech staff to develop and assist in data security and data access training for system users.

0.5 FTE IT Data Management Journey, (1044 hours) in FY26 for overall program and data coordination between the

Department and the new state senior independent living ombuds office. Consult and establish data security and access protocols and work closely with staff. Reviewing, mapping, and cataloging all data, the primary source for deciding what category data elements fall into, reviewing data sharing agreements, working with programs and other agencies to see if there are areas to share data, or feed into the state's open data program, work closely with the data retention, public disclosure, and contract teams to answer data questions.

0.5 FTE IT System Administrator Journey in FY26 for security, user management, data backups, system/server configuration, and management of system(s).

0.5 FTE IT Quality Assurance Journey, in FY26 to provide system testing, developing and maintaining quality standards, testing the system, ensuring customer satisfaction, adherence to state and federal accessibility standards.

0.1 FTE IT APP Development Senior Manager in FY26 to provide project oversight, communication, and collaboration.

1.0 FTE IT APP Developer Journey in FY26 for system development and support, the transition of technical knowledge from vendor, documentation, as well as managing maintenance and releases for upgrades to the data system, external portals and other interfaces.

Rulemaking

The rulemaking is anticipated to be moderately complex. It will consist of six two-hour-long stakeholder workshops. The rulemaking will be public and include electric utilities, environmental justice advocates, Public Counsel, UTC staff, and other interested parties.

Community Partnerships

The Department anticipates issuing 50 contracts in FY26 and every 2 years thereafter for \$8 million to 50 community partners to establish lead partners in the program ahead of the program launch.

Interagency coordination

In FY26, the department would coordinate with DSHS, DCYF, DOR, and OSPI quarterly to establish connections between the program and other statewide programs with similar eligibility criteria. Each coordination meeting would last one hour.

Program communications

The Department anticipates establishing interagency transfer payments to DSHS, DCYF, DOR, and OSPI in FY26 ahead of the program launch. At the program launch, these agencies will mail program flyers to households enrolled in statewide low-income programs with similar eligibility criteria ahead of program launch. The Department assumes \$8,000 for interagency agreements to distribute outreach materials.

Translation Services

The Department assumes \$40,000 in FY 26 and every 2 years thereafter to translate outreach materials into 20 languages and verified by first language speakers ahead of program launch.

Outreach budget

The Department assumes 8 in-person training sessions with community organizations and 8 virtual workshops to raise awareness of the program with community organizations ahead of the program launch. The Department assumes \$8,000 in travel costs in FY26.

Compensation for Community Members

The Department anticipates 12 two-hour virtual meetings in FY26, 6 two-hour virtual meetings in FY27-31 with advisory group members to help oversee program implementation, and three virtual meetings, each two hours long, with an advisory group to establish program evaluation metrics ahead of program launch. The Department assumes four low-income members participating in each meeting and compensating community members \$50 per hour.

Salaries and Benefits

FY26: \$1,851,329
 FY27: \$1,015,894
 FY28-31: \$886,522

Goods and Services

FY26: \$46,250
 FY27: \$20,000
 FY28-31: \$19,000

Travel

FY26: \$22,250
 FY27: \$8,000
 FY28-31: \$7,000

Capital Outlays

FY26: \$40,000
 FY29: \$40,000

Professional Service Contracts

FY26: \$16,244,800
 FY28: \$8,040,000
 FY30: \$8,040,000

Intra-agency Reimbursement

FY26: \$609,088
 FY27: \$334,229
 FY28-31: \$291,666

Total Costs

FY26: \$18,813,717
 FY27: \$1,378,123
 FY28: \$9,244,188
 FY29: \$1,204,188
 FY30: \$9,244,188
 FY31: \$1,204,188

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
26C-1	Climate Commitment Account	State	18,813,717	1,378,123	20,191,840	10,488,376	10,448,376
Total \$			18,813,717	1,378,123	20,191,840	10,488,376	10,448,376

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 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	14.3	8.0	11.2	7.0	7.0
A-Salaries and Wages	1,403,695	768,051	2,171,746	1,340,022	1,340,022
B-Employee Benefits	447,634	247,843	695,477	433,022	433,022
C-Professional Service Contracts	16,244,800		16,244,800	8,040,000	8,040,000
E-Goods and Other Services	46,250	20,000	66,250	38,000	38,000
G-Travel	22,250	8,000	30,250	14,000	14,000
J-Capital Outlays	40,000		40,000	40,000	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	609,088	334,229	943,317	583,332	583,332
9-					
Total \$	18,813,717	1,378,123	20,191,840	10,488,376	10,448,376

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 2026	FY 2027	2025-27	2027-29	2029-31
Administrative Assistant 3	54,199	1.0	1.0	1.0	1.0	1.0
Commerce Specialist 3	84,518	1.0		0.5		
Commerce Specialist 4	88,794	1.0		0.5		
Commerce Specialist 5	98,040	0.3		0.2		
Customer Service Specialist 3	54,132	0.5		0.3		
EMS Band 2	126,529	1.0	1.0	1.0	1.0	1.0
IT APP Development - Journey	107,148	1.0		0.5		
IT APP Development - Senior Manager	143,628	0.5		0.3		
IT Business Analyst - Journey	107,149	0.5		0.3		
IT Data Management - Manager	136,751	0.5		0.3		
IT Quality Assurance - Journey	107,149	0.5		0.3		
IT System Admin - Journey	112,538	0.5		0.3		
Management Analyst 4	88,794	2.0	2.0	2.0	2.0	2.0
Management Analyst 5	98,040	2.0	2.0	2.0	1.0	1.0
Program Specialist 5	71,144	1.0	1.0	1.0	1.0	1.0
WMS Band 3	142,511	1.0	1.0	1.0	1.0	1.0
Total FTEs		14.3	8.0	11.2	7.0	7.0

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Program Support (100)	726,193		726,193		
Energy Division (500)	18,087,524	1,378,123	19,465,647	10,488,376	10,448,376
Total \$	18,813,717	1,378,123	20,191,840	10,488,376	10,448,376

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
26C-1	Climate Commitment Account	State	0	1,050,568	1,050,568	2,101,136	2,101,136
Total \$			0	1,050,568	1,050,568	2,101,136	2,101,136

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

IV. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31	
FTE Staff Years		5.5	2.8	5.5	5.5	
A-Salaries and Wages		584,068	584,068	1,168,136	1,168,136	
B-Employee Benefits		180,092	180,092	360,184	360,184	
C-Professional Service Contracts						
E-Goods and Other Services						
G-Travel		21,500	21,500	43,000	43,000	
J-Capital Outlays		13,500	13,500	27,000	27,000	
M-Inter Agency/Fund Transfers						
N-Grants, Benefits & Client Services						
P-Debt Service						
S-Interagency Reimbursements						
T-Intra-Agency Reimbursements		251,408	251,408	502,816	502,816	
9-						
Total \$		0	1,050,568	1,050,568	2,101,136	2,101,136

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

IV. C - Capital Budget Breakout

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

Construction Estimate	FY 2026	FY 2027	2025-27	2027-29	2029-31
Predesign/Design					
Construction					
Grants/Loans					
Staff		1,050,568	1,050,568	2,101,136	2,101,136
Other					
Total \$		1,050,568	1,050,568	2,101,136	2,101,136

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

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

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
Commerce Specialist 3	84,518		1.0	0.5	1.0	1.0
Commerce Specialist 4	88,794		1.0	0.5	1.0	1.0
IT APP Development - Journey	107,148		1.0	0.5	1.0	1.0
IT APP Development - Senior Manager	143,628		0.5	0.3	0.5	0.5
IT Business Analyst - Journey	107,149		0.5	0.3	0.5	0.5
IT Data Management - Manager	136,751		0.5	0.3	0.5	0.5
IT Quality Assurance - Journey	107,149		0.5	0.3	0.5	0.5
IT System Admin - Journey	112,538		0.5	0.3	0.5	0.5
Total FTEs			5.5	2.8	5.5	5.5

Section 3 – Establishing A Statewide Low-Income Energy Bill Assistance Program

Bill Assistance

The following grant assumptions are for illustrative purposes. The Department uses these assumptions as a basis for its staffing costs that could vary depending on the grant number.

The Department assumes it would distribute the following assistance:

- \$134 million in FY27
- \$153 million in FY28
- \$191 million in FY29
- \$230 million in FY30
- \$265 million in FY31

Consulting

The Department assumes contracts of \$200,000 in FY28 and FY30 for a consultant to assist it in updating the program's income tiers and benefit levels.

Call Center

The Department assumes it will contract with a third-party social service call center for \$300,000 in FY27-31. Staffing Assumptions

Management, policy, and outreach staffing assumptions

1.0 FTE Commerce Specialist 4 FY27-31 to manage contracts with community partners and ensure effective implementation of the program with other statewide low-income programs.

1.0 FTE Commerce Specialist 3 FY27-31 to support contract management, invoice payments, and backup documentation.

Information technology staffing assumptions

0.5 FTE Business Analyst Journey in FY27-31 for significant system development to the data application, including specifications, requirements collection, and coordination of procuring system, assisting with data services and aggregation tools, including the new program and ongoing maintenance and periodic upgrades thereafter. Coordinate with Data Management staff, project manager, program staff and WaTech staff to develop and assist in data security and data access training for system users.

0.5 FTE IT Data Management Journey in FY27-31 for overall program and data coordination between the Department and the new state senior independent living ombuds office. Consult and establish data security and access protocols and work closely with staff. Reviewing, mapping, and cataloging all data, the primary source for deciding what category data elements fall into, reviewing data sharing agreements, working with programs and other agencies to see if there are areas to share data, or feed into the state's open data program, work closely with the data retention, public disclosure, and contract teams to answer data questions.

0.5 FTE IT System Administrator Journey in FY27-31 for security, user management, data backups, system/server configuration, and management of system(s).

0.5 FTE IT Quality Assurance Journey in FY27-31 to provide system testing, developing and maintaining quality standards, testing the system, ensuring customer satisfaction, and adherence to state and federal accessibility standards.

0.5 FTE IT APP Development Senior Manager in FY27-31 to provide project oversight, communication, and collaboration.

1.0 FTE IT APP Developer Journey in FY27-31 for system development and support, the transition of technical knowledge from the vendor, documentation, as well as managing maintenance and releases for upgrades to the data system, external portals, and other interfaces.

Salaries and Benefits
FY27-31: \$764,160

Goods and Services
FY27-31: \$21,500

Travel
FY27-31: \$13,500

Grants
FY27 \$134,000,000
FY28 \$153,000,000
FY29 \$191,000,000
FY30 \$230,000,000
FY31 \$265,000,000

Intra-agency Reimbursement
FY27-31: \$251,408

Total Costs
FY27 \$135,050,568
FY28 \$154,050,568
FY29 \$192,050,568
FY30 \$231,050,568
FY31 \$266,050,568

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 requires the Department to establish new rules for implementing the program. These include detailed rules pertaining to enrollment that ensure all eligible households have access to the program, allow households to apply directly to the program, self-attestation and verification requirements, and protections for immigrant households.

Individual State Agency Fiscal Note

Bill Number: 1903 S HB	Title: Low-income energy assistance	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:

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: 02/20/2025
Agency Preparation: Kim Anderson	Phone: 360-664-1153	Date: 02/24/2025
Agency Approval: Kim Anderson	Phone: 360-664-1153	Date: 02/24/2025
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 02/27/2025

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.

The UTC assumes no fiscal impact for Sections 1 through 7.

New Sec. 1 establishes a statewide low-income energy assistance program. The recommended program design promotes a more centralized approach to energy assistance. Key elements include those that reduce administrative burdens but also improve the experience and likelihood that an eligible household receives assistance. (No fiscal impact)

New Sec. 2 amends chapter 43.330 RCW and includes definitions of low-income, community action council, energy assistance, and energy burden. (No fiscal impact)

New Sec. 3 amends chapter 43.330 RCW to establish a statewide low-income energy assistance program within the Department of Commerce; new requirements are outlined, including administration of the program and enrollment details. This section contains application requirements to the utility, clarifying the department may enter into agreements with utilities to serve as co-administrators, and allows self-attestation. The department can verify that applicants and participants meet income qualifications. Section 3, subsection (6) also requires the Department to report to the governor and legislature, by July 1st in every even-numbered year. (No fiscal impact)

New Sec. 4 amends chapter 43.330 RCW to establish an advisory group for the statewide low-energy assistance program. (No fiscal impact)

New Sec. 5 amends chapter 80.28 RCW, requiring gas and electric companies to either participate in the low-income energy assistance program, if the utility provides monthly energy bill assistance to at least 50 percent low-income households served, or opt-out in accordance with subsection 2 requirements, including those outlined in CETA RCW 19.405.120, for electric companies. For gas or electric companies electing to opt-out, there is a certification requirement in a report to the Department, by July 1, 2026, or if the company does not meet the requirements by July 1, 2028, the company must contact the department and establish participation in the statewide low-income energy assistance program. The UTC assumes participation or opt-out for investor-owned utilities, with no incremental workload associated with Sec. 5 requirements. (No fiscal impact)

Sec. 6 amends RCW 19.405.120 subsection 2, clarifying funding and programs for energy assistance to low-income households by July 1, 2028, including participation or program participation standards. A utility may either do directly and in accordance with the requirements described in this section or through the statewide low-income energy assistance program described in section 3 of this act. Sec. 6 subsection 2(3) also outlines opt-out certification report, which the utility must submit to the department annually, with the first report submitted by July 1, 2026. If a utility does not meet requirement by July 1, 2028, the electric utility must participation in the statewide low-income energy assistance program satisfies compliance with this section. (No fiscal impact)

Sec. 7 amends RCW 70A.65.260 subsection 1, adding subpart (n), implementing the statewide low-income energy assistance program as described in section 3 of this 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.

UTC assumes it will not have any expenditure because of this 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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1903 S HB

Title: Low-income energy assistance

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities: Cities that own and operate an electric utility. Costs or cost savings related to administering a low-income energy assistance program.
- Counties:
- Special Districts: Electricity public utility districts. Same as above.
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs: Legal and administrative costs to join the statewide program.
- Legislation provides local option: Consumer-owned utilities may opt-out of the statewide program.
- Key variables cannot be estimated with certainty at this time: The number of utilities that choose to opt-out of the statewide program.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

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

Part III: Preparation and Approval

Fiscal Note Analyst: Kristine Williams	Phone: (564) 250-5931	Date: 02/27/2025
Leg. Committee Contact: Megan McPhaden	Phone: 360-786-7114	Date: 02/20/2025
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/27/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/27/2025

Part IV: Analysis

A. SUMMARY OF BILL

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

This legislation establishes the Statewide Low-Income Energy Assistance Program (statewide program) in the Department of Commerce (department). The statewide program will provide monthly energy bill assistance targeted to low-income households. Low-income households are defined as those that do not exceed the higher of 80 percent of area median income or 200 percent of federal poverty level, adjusted for household size. The energy assistance need is defined as an amount necessary to reach a 6 percent energy burden for a low-income household. A definition of “energy assistance” is provided.

Sec. 3 is a new section added to chapter 43.330 RCW which allows the department to adopt rules for the statewide program to begin implementation by July 1, 2026. The department may enter into agreements with utilities to become co-administrators of the program. Utilities have the option to become a co-administrator. Utilities serving up to 25,000 customers that are under contract with the department may request energy funds in advance of payments to customers.

Certain enrollment details must be included in the statewide program to include:

- All low-income households are eligible to participate
- Low-income households may apply directly to the program
- Low-income households may apply to the utility from which they receive service if the utility is a co-administrator of the program
- Low-income households may self-attest income qualifications
- The department may verify income qualifications
- There is no risk to eligibility based on immigration status or income self-attestation
- The department must explore auto-enrollment of known eligible households

Sec. 5 is a new section added to chapter 80.28 RCW which allows a gas or electric company to either participate in the statewide program or to opt-out of the program if the utility provides monthly energy bill assistance to at least 50 percent of the low-income households served by the utility. Electric companies must also follow the energy assistance requirements in the Clean Energy Transformation Act (CETA). Utilities that opt-out of the statewide program must certify in an annual report to the department that the utility is providing at least one low-income program that meets the requirements above. If a program is not established by July 1, 2028, the utility must participate in the statewide program.

Utilities must submit certain low-income energy assistance program information to Commerce. Consumer-owned utilities may enter into an agreement with certain entities to aggregate and submit this information on their behalf.

The bill takes 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 expenditure impact on local governments in the form of both cost savings and expenditures. However, the Local Government Fiscal Note Program assumes that any cost savings or costs will equal rate decreases or increases paid by utility customers.

COST SAVINGS

Data provided the Department of Commerce indicates that the cost to administer low-income energy bill assistance programs funded through utility rates in 2023 for the following utilities totaled \$38,063,756 as follows:

- Benton County PUD: \$643,006

- Clark County PUD: \$1,292,461
- Cowlitz County PUD: \$415,657
- Franklin County PUD: \$95,643
- Klickitat County PUD: \$77,435
- Lewis County PUD: \$69,783
- Mason County PUD: \$213,311
- Pacific County PUD: \$168,992
- Skamania County PUD: \$34,421
- Snohomish County PUD: \$6,238,504
- Wahkiakum County PUD: \$17,149

ESTIMATED COST SAVINGS FOR PUBLIC UTILITY DISTRICTS: \$9,266,362

- City of Ellensburg: \$81,125
- City of Richland: \$198,770
- City of Steilacoom: \$2,000
- Seattle City Light: \$26,253,007
- City of Tacoma: \$2,262,492

ESTIMATED COST SAVINGS FOR CITIES: \$28,797,394

The department assumes that all of these utilities will join the statewide program. Therefore, cost savings to these utilities would equal \$38,063,756.

EXPENDITURES

Consumer-owned electric utilities may opt-out of the statewide program if they currently provide a low-income energy assistance program that serves at least 50 percent of the low-income households served by the utilities and the programs comply with CETA. Data provided by the Department of Commerce in 2024 indicates that local government electric utilities serving more than 25,000 customers provide at least two low-income energy assistance programs and the majority of the other local government electric utilities provide at least one. Costs to continue local low-income energy assistance programs may increase depending on the percentage of low-income households that are currently being served. The total number of low-income households being served and the total number of eligible households for all utilities is unknown. Therefore, the costs to opt-out of the statewide program are indeterminate.

For illustrative purposes, the City of Richland provided the following 2023 actual data for the two low-income energy assistance scenarios (opt-out of statewide program or join statewide program) as follows:

CURRENT PROGRAMS:

- Eligible low-income customers: ~10,000
- Enrolled customers: ~500
- Customer benefits/discounts/rebates (paid by city ratepayers): \$320,000
- Admin costs: Assumed 20% of direct costs = \$64,000

OPT-OUT OF STATEWIDE PROGRAM:

Running local program with 50% of eligible households enrolled:

- Eligible low-income customers: ~10,000
- Enrolled customers: ~5,000
- Customer benefits/discounts/rebates (paid by City ratepayers): ~\$3.2M (assuming existing program design is maintained)

- Admin costs: Assumed 20% of direct costs = \$640,000

ADOPT STATEWIDE PROGRAM:

- Eligible low-income customers: ~10,000
- Enrolled customers: 5,000+
- Customer benefits/discounts/rebates (paid by City ratepayers): 0
- Admin costs: Depends on program design - likely requires additional hire for managing the program and coordinating with Commerce (+\$150,000 fully loaded cost)

Utilities that adopt the local option will incur one-time costs to join the statewide program which include the costs of conducting a cost-benefit analysis, staff training, updating policies and procedures, and providing notifications to utility customers. For those utilities that serve less than 25,000 customers and that choose to participate in statewide program, there may be one-time legal costs to enter into an agreement with the department to receive program fund advances. These costs would vary by utility and cannot be estimated. These costs are indeterminate.

In the HB 1903 fiscal note, Commerce assumes that the statewide advisory group will include utilities, and rulemaking will consist of six two-hour-long stakeholder workshops that will also include electric utilities. It is not known whether these workshops will be conducted in-person or virtually. For the purposes of this fiscal note, the Local Government Fiscal Note Program assumes that there will be no travel costs incurred by utilities and participation in the advisory group is included in current staffing responsibilities. Therefore, there is no fiscal impact to local governments.

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.

The Local Government Fiscal Note Program assumes that any costs or cost savings will equal rate decreases or increases in rates paid by utility customers.

SOURCES

- Association of Washington Cities (AWC)
- City of Richland
- Department of Commerce
- Washington Public Utility District Association (WPUDA)