

Multiple Agency Fiscal Note Summary

Bill Number: 1329 E HB	Title: Wholesale power purchases
-------------------------------	---

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	.0	0	0	0	.0	0	0	0	.0	0	0	0
Utilities and Transportation Commission	.1	0	0	41,099	.0	0	0	0	.0	0	0	0
Total \$	0.1	0	0	41,099	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	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	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.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	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Prepared by: Kyle Siefering, OFM	Phone: (360) 995-3825	Date Published: Final 3/19/2025
---	---------------------------------	---

Individual State Agency Fiscal Note

Bill Number: 1329 E HB	Title: Wholesale power purchases	Agency: 103-Department of Commerce
-------------------------------	---	---

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: Kim Cushing	Phone: (360) 786-7421	Date: 03/13/2025
Agency Preparation: Joseph Piper	Phone: 360-725-3042	Date: 03/17/2025
Agency Approval: Joseph Piper	Phone: 360-725-3042	Date: 03/17/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 03/18/2025

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.

Comparing EHB 1329 to HB 1329:

Section 1(7) updates the definition for "coal-fired resource."

EHB 1329 modifies the 2025 no-coal standard under the Clean Energy Transformation Act (CETA). The Department of Commerce (Department) establishes rules under this standard. If this bill were enacted, the Department would need to update its rules. The Department anticipates two online meetings of 1.5 hours each over six months, plus a final hearing to review before finalizing the rules.

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's fiscal impact is minimal. This proposed legislation would require minimal rulemaking activities. The Department estimates the following existing staffing resources.

Section 1 Staffing:
5 hours WMS3 to attend the two online meetings and final hearing.
5 hours EMS2 to attend the two online meetings and final hearing.
1 hour MA4 Rules Coordinator to attend the final hearing.

Section 1 Goods and Services:
The Department estimates that two hours of Attorney General Fees (\$165 per hour) would be required for rules review.

Salaries and Benefits:
FY26: \$884

Goods and Services:
FY26: \$335

Indirect Costs:
FY26: \$291

=====

Total Costs:
FY26 \$1,516

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.

EHB 1329 modifies the 2025 no-coal standard under CETA. The department would have to have to amend WAC 194-40-300 to align with the proposed statutory changes.

Individual State Agency Fiscal Note

Bill Number: 1329 E HB	Title: Wholesale power purchases	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	0.0	0.1	0.0	0.0
Account					
Public Service Revolving Account-State 111-1	41,099	0	41,099	0	0
Total \$	41,099	0	41,099	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: Kim Cushing	Phone: (360) 786-7421	Date: 03/13/2025
Agency Preparation: Michelle Parish	Phone: 360-664-1158	Date: 03/19/2025
Agency Approval: Michelle Parish	Phone: 360-664-1158	Date: 03/19/2025
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 03/19/2025

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.

Sec. 1 (RCW 19.405.020) – Amends two definitions, coal-fired resource, including the following exclusions clarifying that it does not include unspecified electricity under certain conditions, where the purchase is: (A)(I) for a contract not to exceed three months; or (II) purchase of system sales for a contract duration not to exceed six months, provided that the purchase is used to demonstrate compliance with the electric utility's seasonal resource adequacy requirements under a regional resource adequacy program; and (B) Not used for the purpose of avoiding the restrictions on coal-fired resources under RCW 19.405.030. The UTC assumes fiscal impact and will initiate a rulemaking to amend WAC 480-100-600 series rules in Q2-2025. By December 31, 2025, the UTC assumes it will complete rulemaking proceeding and issue an order adopting rules. (Fiscal Impact)

Sec. 2 (RCW 19.405.030) – Amends coal-fired resources—Depreciation schedule—Penalties, and subsection 1(c), adding that electricity purchased from the Bonneville power administration under a long-term power purchase agreement or exchange agreement, including any portion of the federal system supplied by unspecified electricity, is exempt from the compliance requirements of (a) of this subsection, except for any portion of the federal system supplied by a transaction to procure electricity where, at the time the Bonneville power administration entered into the transaction, the source of the electricity was known to be from a coal-fired generating unit. Similar to Sect. 1, the UTC assumes fiscal impact and will incorporate Sect. 2 new requirements into the rulemaking to amend WAC 480-100-600 series rules. (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 as a result of the 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.

Sections 1 and 2 - Simple rulemaking and open meeting to amend definitions and requirements. In FY 2026 (assuming Q4-2025), the UTC assumes fiscal impact through a simple rulemaking and Open Meeting.

FY 2026: \$41,099

(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 0.02 FTE; Regulatory Analyst 2, 0.03 FTE; Regulatory Analyst 3, 0.04 FTE; Attorney General, 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	41,099	0	41,099	0	0
Total \$			41,099	0	41,099	0	0

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.2		0.1		
A-Salaries and Wages	27,959		27,959		
B-Employee Benefits	9,785		9,785		
C-Professional Service Contracts					
E-Goods and Other Services	3,355		3,355		
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 \$	41,099	0	41,099	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
Administrative Law Judge	115,008	0.1		0.0		
Attorney General	237,600	0.0		0.0		
Deputy Director, Energy Planning	122,472	0.0		0.0		
Director, Regulatory Services	144,108	0.0		0.0		
Policy Advisor, Energy	104,568	0.0		0.0		
Regulatory Analyst 2	88,800	0.0		0.0		
Regulatory Analyst 3	100,524	0.0		0.0		
Section Manager, Energy Rates and Services Unit B	110,004	0.0		0.0		
Total FTEs		0.2		0.1		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.

Sections 1 and 2 modify key coal definitions and provisions in WAC 480-100-600 series related to wholesale power purchases by electric utilities under the Clean Energy Transformation Act. Statutes authorizing the agency to adopt rules on this subject include RCW 80.01.040, RCW 80.04.160, RCW 19.280, RCW19.405.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1329 E HB	Title: Wholesale power purchases
-------------------------------	---

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

Legislation Impacts:

- ☒ Cities: Cost savings for cities that own and operate an electric utility.
- ☐ Counties:
- ☒ Special Districts: Cost savings for electric public utility 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: Staff time or professional services needed to execute contracts.

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: 03/17/2025
Leg. Committee Contact: Kim Cushing	Phone: (360) 786-7421	Date: 03/13/2025
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 03/17/2025
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 03/18/2025

Part IV: Analysis

A. SUMMARY OF BILL

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

This note is on E HB 1329 and compares it to HB 1329.

CHANGES BETWEEN THIS VERSION AND THE PRIOR VERSION OF THE BILL:

This version of the bill includes technical changes to the definition of “coal-fired resource” which require that limited duration wholesale power purchases are not used for the purpose of avoiding restrictions on coal-fired resources.

This change does not affect the fiscal impacts discussed below.

SUMMARY OF CURRENT BILL:

This bill modifies the definition of “coal-fired resource” that will be used to meet the December 31, 2025, deadline in the Washington Clean Energy Transformation Act. The bill allows the purchase of unspecified electricity under certain circumstances and also exempts purchases made by an electric utility from the Bonneville Power Administration under a long-term power purchase or exchange agreement under certain circumstances. Limited duration wholesale power purchases cannot be used to avoid restrictions on coal-fired resources.

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 result in indeterminate cost savings for some local governments.

This legislation removes the 30-day limit currently imposed on electric utilities to purchase power through an unspecified contract. Electric utilities will now be able to use three- or six-month contracts, as defined, if the purchase is necessary to meet the utility's seasonal resource needs. Cities that own or operate electric utilities and electric public utility districts would see cost savings due to a reduction in staff time and resources needed to execute contracts and a potential savings in the cost of power. These cost savings would vary by utility and cannot be estimated.

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

Washington Public Utility Districts Association (WPUDA)