

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1903 E 2S HB	<b>Title:</b> Low-income energy assistance
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## 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	3.6	0	0	2,791,939	7.8	0	0	31,368,750	6.0	0	0	2,782,500
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	.2	0	0	77,045	.2	0	0	49,764	.2	0	0	55,294
<b>Total \$</b>	<b>3.8</b>	<b>0</b>	<b>0</b>	<b>2,868,984</b>	<b>8.0</b>	<b>0</b>	<b>0</b>	<b>31,418,514</b>	<b>6.2</b>	<b>0</b>	<b>0</b>	<b>2,837,794</b>

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
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

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

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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1903 E 2S HB	<b>Title:</b> Low-income energy assistance	<b>Agency:</b> 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	0.0	7.2	3.6	7.8	6.0
<b>Account</b>					
Climate Commitment Account-State 26C-1	0	2,791,939	2,791,939	31,368,750	2,782,500
<b>Total \$</b>	0	2,791,939	2,791,939	31,368,750	2,782,500

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

### Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Kim Cushing	Phone: (360) 786-7421	Date: 02/14/2026
Agency Preparation: Marla Page	Phone: 360-725-3129	Date: 02/18/2026
Agency Approval: Marla Page	Phone: 360-725-3129	Date: 02/18/2026
OFM Review: Marie Davis	Phone: (360) 890-1163	Date: 02/18/2026

## 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.*

E2SHB 1903 makes two changes to the prior version of the bill:

- Provides that utilities choosing to co-administer the statewide program for low-income energy assistance with the Department of Commerce may also choose to be lead co-administrator.
- Adds the requirement that the advisory group for the statewide program include at least one member from a community organization, a community action council, investor-owned utility, and a consumer-owned utility.

No definition of lead co-administrator is provided in the bill. Commerce assumes a lead co-administrator would not require significantly different treatment than a co-administrator of the program, and that this change in the bill does not impact the agency.

Commerce previously assumed the newly added members of the advisory group would be participants in the group. The change has no fiscal impact to the agency.

E2SHB 1903 establishes a statewide monthly low-income energy bill assistance program at Commerce that would phase in across utilities and home heating fuel types, with priority for locations with a disproportionate share of low-income households in energy assistance need and where low-income monthly bill assistance programs targeted at addressing energy assistance need are lacking.

The program would provide access to monthly low-income energy bill assistance and target funds toward households in greatest need. The bill 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 Commerce to set income tiers and benefit levels for the program. Small utilities must discount household energy bills based on the benefit levels that correspond with the benefit levels established by Commerce. 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.

The bill establishes an advisory group to inform program development and advise Commerce 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 that 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 references Commerce's Statewide Monthly Low-Income Energy Assistance Program Design report as providing 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 is a new section that 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 in RCW 19.405.020.

Section 3(1) establishes a statewide low-income energy assistance program within Commerce. The intent of the program is to reduce the energy burden of low-income households in Washington. Commerce must begin providing energy assistance through the program on October 1, 2027. Commerce is required to write rules to implement the program.

Section 3 (2) requires Commerce to establish enrollment details that:

- Ensure all eligible households are able 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

Section 3(3) authorizes Commerce to enter into agreements with utilities to serve as co-administrators of the program.

Section 3(4) directs Commerce to phase in the program across utilities and home heating fuel types subject to appropriation. Commerce must prioritize areas of the state with a disproportionate share of low-income households in energy assistance need and where low-income monthly bill assistance programs targeted at addressing energy assistance need are lacking.

Section 3(5)(a) requires Commerce 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 monthly bills.

Section 3(5)(b) requires the dollar amount that Commerce 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) states the obligation to Commerce 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 Commerce 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 Section 4 of the legislation must advise Commerce on program evaluation, which must include meaningful metrics around equitable access and overall program delivery.

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

Section 5 modifies the intent of RCW 19.405.120 (Section 120) and certain assessments under that statute. It states that a utility that participates in the statewide energy assistance programs satisfies the requirements of Section 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.*

None.

## **II. C - Expenditures**

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

E2SHB 1903 establishes a statewide low-income energy bill assistance program by October 1, 2027. Subject to appropriation, the bill directs the agency to phase-in the program with priority for regions of the state with a disproportionate share of low-income households in energy assistance need and where monthly low-income energy bill assistance programs are lacking.

Commerce assumes it would design the program in FY27 to work with all natural and electric utilities as outlined in the Statewide Low-Income Energy Assistance Program Design. Commerce further assumes the program would first be phased in across small and medium-sized utilities where there is a disproportionate share of low-income customers in energy assistance need.

Commerce assumes IT costs would remain the same regardless of the amount of grant funding provided. Program staffing and administrative costs would vary based on grant amount.

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

#### General Assumptions:

Commerce assumes the Legislature would provide \$30 million in FY28 and an indeterminate amount equal to or greater than \$30 million in future fiscal years. Commerce assumes \$30 million could serve households across roughly a dozen electric utilities in the highest need areas of the state with that funding.

For illustrative purposes, an additional \$30 million added to the program would cover an additional half dozen to a dozen small or medium-sized utilities in areas of the state with high energy assistance need, depending on the number of low-income households and their energy assistance need. Commerce estimates approximately \$130 million would be needed to phase-in all small and medium-sized electric utilities statewide, and an additional \$180 million to phase in the remaining large electric utilities and natural gas utilities.

Commerce assumes the statewide advisory group would include community partners, utilities, advocates, and members of low-income households. Commerce 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.

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

#### Management, Policy, Outreach, and Program Evaluation Staffing Assumptions

1.00 FTE WMS2 Program Director (2088 hours) in FY27-FY31 to oversee the program.

1.00 FTE MA5 Statewide Program and Policy Alignment Specialist (2088 hours) in FY27-31 to ensure effective implementation of the program across utilities, coordination with other statewide low-income programs, perform environmental justice assessments under HEAL, and conduct rulemaking and lead reporting to the Legislature under the law.

0.20 FTE Commerce Specialist 3 (418 hours) in FY27, increasing to 1.0 FTE Commerce Specialist 3 (2088 hours) in FY28-31, to manage contracts, invoice payments, monitor compliance, and backup documentation.

1.00 FTE Commerce Specialist 2 in FY28-FY31 to support the COM3 in support contract management, invoice payments, and backup documentation.

#### Consulting

Commerce assumes one contract of \$1 million for a consultant to support Commerce in establishing the program for FY27. The consultant will support Commerce in establishing a human-centered design program, including customer service portals and underlying databases that align with human centered design best practices, assist in designing a plan to scale the program, forecasting caseloads and expenditures, and initial program outreach materials. Commerce also assumes an additional contract of \$50,000 for a consultant in FY27 and every three years thereafter to assist Commerce in establishing income tiers and benefit levels for the program.

## 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, and other interested parties. For complex rulemaking, the AAG cost is estimated to be \$10,600 in FY27.

## Outreach materials and communications

Commerce anticipates establishing interagency transfer payments to DSHS, DCYF, DOR, and OSPI in FY27 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. Commerce assumes \$2,000 for interagency agreements to distribute outreach materials.

## Translation Services

Commerce assumes \$5,000 in FY27 and every two years thereafter to translate outreach materials into five languages and verified by first language speakers ahead of program launch.

## Compensation for Community Members

Commerce anticipates four two-hour virtual meetings with the advisory group in FY27. Commerce assumes four two-hour virtual meetings with the advisory group in each fiscal year between FY28-31. Commerce assumes four low-income persons participate in each meeting and compensating community members \$50 per hour.

## Call Center

Commerce assumes it will contract with a third-party social service call center for \$100,000 in FY28-31 (and ongoing).

## Energy Division Costs

### Salaries and Benefits

FY27: \$375,464

FY28-31: \$593,986 per fiscal year

### Professional Services

FY27: \$1,050,000

FY28-29: \$100,000 per fiscal year

FY30: \$150,000

FY31: \$100,000

Grants – For illustrative purposes we assume \$27,797,405 in FY28 and an indeterminate amount above FY28 assumptions subject to appropriations in future years.

### Goods and Other Services

FY27: \$28,200

FY28: \$21,600

FY29: \$26,600

FY30: \$21,600

FY31: \$26,600

### Capital Outlays

FY27: \$15,000

FY28: \$5,000

#### Interagency Reimbursements

FY27: \$2,000

#### Intra-agency Reimbursements

FY27: \$119,022

FY28-31: \$188,294 per fiscal year

#### Total Costs

FY27: \$1,589,686

FY28: \$28,706,285

FY29-31: \$908,880 per fiscal year

#### IT Fiscal Impact Summary

IT costs are incremental to existing systems and staffing

One-time costs are driven by system design, development, integration, and security configuration

Ongoing costs are driven by application operations, data stewardship, security, accessibility, and statutory reporting

Absorption within existing IT resources is not assumed and is not considered feasible given the scope and duration of the program

#### Sensitivity and Scenario Considerations

If statutory reporting frequency, audit tolerance, or verification requirements were materially reduced, some data management and QA workload could decrease. However, any statewide benefit program with household-level enrollment, self-attestation, and utility coordination will retain baseline security, system-of-record, and operational IT costs.

#### IT Assumptions

The bill creates a durable system-of-record obligation for Commerce, including household enrollment, eligibility determination, benefit tiering, coordination with utilities, verification support, and statutory reporting. These obligations extend beyond initial implementation and require ongoing operations, security, data governance, and audit readiness.

All IT capabilities, including identity management, security controls, reporting, reconciliation, and accessibility, are treated as baseline requirements of new system development, delivered internally in coordination with WaTech.

#### Key Delivery, Security, Data, and Audit Risks Considerations for staffing

**Delivery and Governance Risk:** Implementation requires coordination across rulemaking, system development, WaTech infrastructure and cybersecurity services, identity platforms (WA.gov and Entra ID), and phased utility onboarding. A dedicated IT Project Manager is required to manage dependencies, sequencing, and delivery risk.

**Data Quality and Audit Risk:** The program allows income self-attestation with post-enrollment verification. Commerce must maintain audit-defensible records, sampling controls, and reconciliation with utility-reported data.

**Security and Privacy Risk:** The system will process sensitive household-level information and must comply with enterprise cybersecurity, privacy, and accessibility standards on an ongoing basis.

**Utility Coordination Risk:** Utilities maintain parallel billing records, requiring sustained reconciliation and exception

handling rather than one-time integration.

#### Enterprise Sustainability Considerations for Staffing

The bill establishes a long-term statewide benefit platform, not a pilot or temporary program. While program funding and utility participation may be phased, the IT system must be designed for continuous operations, ongoing reporting, and audit support. Assumptions that IT workload materially declines after launch are not supported by the statute.

Internal ownership of the system, supported by WaTech enterprise services, is necessary to ensure sustainability, cost control, and audit defensibility.

#### Governance and Sequencing Considerations for Staffing

Rulemaking Dependency: Final eligibility and benefit tier rules inform system configuration and must be sequenced to avoid rework.

Project Management Discipline: A dedicated IT Project Manager is required during implementation to manage cross-functional delivery and statutory timelines.

Enterprise Alignment: Early and ongoing coordination with WaTech is required to ensure compliance with enterprise architecture, cybersecurity, accessibility, and data governance standards.

All delivery, staffing, governance, and sustainability considerations described are fully reflected in the accompanying IT Impact Analysis. No additional assumptions or costs are introduced beyond those documented in the fiscal analysis.

#### Delivery Approach and Sourcing

Delivery is assumed to be internal, led by Commerce in coordination with WaTech. The fiscal assumptions do not rely on vendor-hosted platforms or outsourced operations.

#### Evaluation of Consultant Use

Consultants are not required for core system delivery or operations.

Internal Commerce IT staff, supported by WaTech enterprise services, are assumed to have sufficient capacity provided that incremental FTE authority is funded. Consultant use, if any, would be limited to one-time, non-operational advisory activities and is not assumed in the base fiscal estimate.

#### Timeline & Phasing

IT delivery is aligned with the following:

Rulemaking to define eligibility, benefit tiers, and enrollment requirements

Development and testing of the centralized enrollment and utility exchange portal

Program launch no earlier than the statutory start date

Ongoing phased onboarding of utilities and fuel types subject to appropriation

Phased expansion increases, rather than eliminates, long-term IT operational workload.

#### New System Development - IT

E2SHB 1903 requires Commerce to administer a statewide program providing monthly energy assistance to low-income households. Existing Commerce systems do not provide a single, secure, audit-ready platform capable of supporting household enrollment, eligibility determination, benefit tiering, coordination with utilities, verification, and statutory reporting at statewide scale.

Commerce is assumed to develop and operate a new enterprise application that serves as the authoritative system of record for the program. New system development includes, as baseline scope:

Public-facing household enrollment functionality

Assisted enrollment workflows conducted by authorized Commerce staff (partners do not directly access the system)

Income self-attestation capture with support for post-enrollment verification sampling

Eligibility determination and benefit tier assignment

Secure data exchange with participating utilities, including household-level and aggregated data

Tracking of enrollment status and utility-applied discounts

Reconciliation support between Commerce eligibility records and utility billing data

Biennial legislative and gubernatorial reporting

Role-based access control

Integration with WA.gov authentication (OpenID Connect) for external users

Integration with Entra ID (SSO) for Commerce and state agency staff

Enterprise security controls, logging, backup, and incident response readiness

Accessibility compliance and records retention support

Utilities may retain their own billing and expenditure records; however, Commerce's system is the authoritative system of record for eligibility and benefit determination.

Manual, spreadsheet-based, or loosely coupled solutions are not assumed, as they would not meet audit, security, accessibility, or sustainability requirements.

Enhancements to Existing Platforms

The fiscal assumptions do not rely on modifying or expanding an existing Commerce application. Configuration and integration with enterprise shared services (e.g., identity management, security monitoring, reporting tools) are considered inherent to standing up a new enterprise system and are included in the scope of new system development.

Reporting, Data Sharing, and Analytics

E2SHB 1903 requires Commerce to submit a biennial report to the Governor and Legislature that includes program evaluation and metrics related to equitable access and program delivery.

To meet these requirements, the new system must support:

Secure exchange of household-level and aggregated data with utilities

Normalization and validation of data received from multiple utilities

Repeatable, auditable reporting and analytics

Support for post-enrollment verification sampling and audit reporting

Reconciliation reporting between Commerce records and utility-applied discounts

Commerce assumes responsibility for maintaining data quality, audit readiness, and compliance with public records and disclosure requirements.

Ongoing IT Operations, Security, and Compliance

E2SHB 1903 creates ongoing enterprise IT obligations, including:

Application operations and maintenance

Identity and access management for internal, partner, and external users

Cybersecurity monitoring and incident response readiness

Privacy review and data classification for sensitive household-level information

Accessibility compliance for public-facing functionality

Records retention and public disclosure support

Data stewardship and governance coordination with WaTech

Information Technology Staffing Assumptions

1.00 FTE IT Project Manager – Journey (2088 hours) in FY27-28 to provide project oversight, communication, and collaboration.

0.50 FTE IT Application Development Manager – Senior (1044 hours) in FY27-28 to provide project oversight, communication, and collaboration.

1.00 FTE IT Business Analyst – Journey (2088 hours) in FY27-28 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.

1.00 FTE IT Application Developer – Journey (2088 hours) in FY27-28 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.

0.50 FTE IT Data Management – Senior (1044 hours) in FY27 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.

0.50 FTE IT Quality Assurance – Journey (1044 hours) in FY27 to provide system testing, developing and maintaining quality standards, testing the system, ensuring customer satisfaction, adherence to state and federal accessibility standards.

0.50 FTE IT Systems Administration – Journey (1044 hours) in FY27 for security, user management, data backups, system/server configuration, and management of system(s).

0.50 FTE IT Application Developer – Journey (1044 hours) in FY28-31 (and ongoing) 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.

0.50 FTE IT Data Management – Journey (1044 hours) in FY28-31 (and ongoing) 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.

0.50 FTE IT Systems Administration – Journey (1044 hours) in FY28-31 (and ongoing) for security, user management, data backups, system/server configuration, and management of system(s).

0.50 FTE IT Quality Assurance – Journey (1044 hours) in FY28-31 (and ongoing) to provide system testing, developing and maintaining quality standards, testing the system, ensuring customer satisfaction, and adherence to state and federal accessibility standards.

#### IT Costs

##### Salaries and Benefits

FY27: \$882,500

FY28: \$961,439

FY29-31: \$341,587 per fiscal year

##### Goods and Other Services

FY27: \$25,000

FY28: \$27,500

FY29-31: \$10,000 per fiscal year

##### Capital Outlays

FY27: \$15,000

##### Intra-agency Reimbursements

FY27: \$279,753

FY28: \$304,776

FY29-31: \$108,283 per fiscal year

##### Total Costs

FY27: \$1,202,253

FY28: \$1,293,715

FY29-31: \$459,870

Total Costs  
 FY27: \$2,791,939  
 FY28: \$30,000,000  
 FY29: \$1,368,750  
 FY30: \$1,413,750  
 FY31: \$1,368,750

### 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	0	2,791,939	2,791,939	31,368,750	2,782,500
<b>Total \$</b>			0	2,791,939	2,791,939	31,368,750	2,782,500

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		7.2	3.6	7.8	6.0
A-Salaries and Wages		849,976	849,976	1,683,107	1,264,288
B-Employee Benefits		407,988	407,988	807,891	606,858
C-Professional Service Contracts		1,050,000	1,050,000	200,000	250,000
E-Goods and Other Services		53,200	53,200	85,700	68,200
G-Travel					
J-Capital Outlays		30,000	30,000	5,000	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services				27,797,405	
P-Debt Service					
S-Interagency Reimbursements		2,000	2,000		
T-Intra-Agency Reimbursements		398,775	398,775	789,647	593,154
9-					
<b>Total \$</b>	0	2,791,939	2,791,939	31,368,750	2,782,500

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
Commerce Specialist 2	75,112				1.0	1.0
Commerce Specialist 3	87,054		0.2	0.1	1.0	1.0
IT APP Development - Journey	110,362		1.0	0.5	1.0	0.5
IT APP Development - Senior Manager	147,937		0.5	0.3	0.3	
IT Business Analyst - Journey	110,363		1.0	0.5	0.5	
IT Data Management - Journey	115,914				0.5	0.5
IT Data Management - Senior/Specialist	121,693		0.5	0.3		
IT Project Management - Journey	115,914		1.0	0.5	0.5	
IT Quality Assurance - Journey	110,363		0.5	0.3	0.5	0.5
IT System Admin - Journey	115,914		0.5	0.3	0.5	0.5
Management Analyst 5	100,981		1.0	0.5	1.0	1.0
WMS Band 2	130,325		1.0	0.5	1.0	1.0
<b>Total FTEs</b>			7.2	3.6	7.8	6.0

**III. D - Expenditures By Program (optional)**

<b>Program</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>2025-27</b>	<b>2027-29</b>	<b>2029-31</b>
Energy and Innovation (500)		2,791,939	2,791,939	31,368,750	2,782,500
<b>Total \$</b>		2,791,939	2,791,939	31,368,750	2,782,500

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

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

NONE

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

NONE

None.

**Part V: New Rule Making Required**

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

Section 3 requires Commerce 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

<b>Bill Number:</b> 1903 E 2S HB	<b>Title:</b> Low-income energy assistance	<b>Agency:</b> 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	0.1	0.4	0.2	0.2	0.2
<b>Account</b>					
Public Service Revolving Account-State 111-1	13,823	63,222	77,045	49,764	55,294
<b>Total \$</b>	<b>13,823</b>	<b>63,222</b>	<b>77,045</b>	<b>49,764</b>	<b>55,294</b>

### 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: 02/14/2026
Agency Preparation: Michelle Parish	Phone: 360-664-1158	Date: 02/19/2026
Agency Approval: Michelle Parish	Phone: 360-664-1158	Date: 02/19/2026
OFM Review: Renee Martine	Phone: (360) 915-4588	Date: 02/20/2026

## 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.*

Commerce assumes in E2SHB fiscal note that there will be a ramp-up beginning with small and medium-sized utilities and that large electric and natural gas utilities would come after, but the actual ramp-up timeline is indeterminate. Commerce assumes the Utilities and Transportation Commission will participate in the rulemaking, advisory group meetings, and coordination with partner agencies. UTC assumes fiscal impact for consultation and rulemaking activities noted in Section 3 and changes to advisory group activities noted in Section 4.

New Sec. 1 establishes a statewide low-income energy assistance program, noting \$275,000,000 annual energy burden in Washington. 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; intent is for commerce to phase in this program across utilities prioritizing areas of the state with disproportionate share of low-income households in energy assistance need and where existing programs are lacking. (No fiscal impact, no change from 2SHB)

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, no change from 2SHB)

New Sec. 3 amends chapter 43.330 RCW to establish a statewide low-income energy assistance program within the Department of Commerce by October 1, 2027. The department, in consultation with the UTC, must write rules to implement this new section. In their E2SHB fiscal note, Commerce assumes the rulemaking will be moderately complex and that the UTC will participate. Due to changes in Commerce's assumptions about the rulemaking complexity, the UTC assumes a fiscal impact of engaging in rulemaking for FY 2027. Additionally, the UTC assumes a fiscal impact of program consultation from FY 2026 through FY2031. Program requirements are outlined, including administration of the program and enrollment details, and application procedures to the utility from which they receive service, if the utility has voluntarily chosen to serve as a co-administrator or lead co-administrator of the program. The department may verify that applicants and participants meet income qualifications. Subsection (4), outlines phase in changes to the program. Subsection 5 provides funding for energy assistance to gas and electric companies, and to all other electric utilities, and includes funding and monthly bill requirements. Subsection (6) outlines participation requirements and levels of low-income assistance, discounts, or affordability benefits; and Subsection (7) also requires the Department to report to the governor and legislature, by July 1st in every even-numbered year. (Fiscal impact, change from 2SHB)

New Sec. 4 amends chapter 43.330 RCW to establish an advisory group for the statewide low-energy assistance program. In their E2SHB fiscal note, Commerce now assumes that UTC will participate in the advisory group and that this will entail four two-hour meetings each fiscal year between FY28-31. The UTC also assumes fiscal impact from advisory group participation from 2028 through 2031. (Fiscal impact, change from 2SHB)

New Sec. 5 is changed to include previous Section 6, and amends chapter 19.405.120 RCW. This section further addresses legislative intent, an electric utility's participation requirements, and the department's data collection requirements. Once the program is established, the UTC should be aware of program details, including how it operates, funding levels (Commerce assumes no funding availability for IOUs for the period of this fiscal note), and other details, so that the UTC can provide an additional program outreach for regulated utilities and address affordability. In terms of UTC fiscal impact of Sect. 5, the UTC assumes participation or opt-out for investor-owned utilities, with no incremental workload associated with Sec. 5 requirements. (No fiscal impact, no change from 2SHB)

### 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 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 3: Supporting Rulemaking to Implement Low-Income Energy Assistance Program**

In establishing the program, the Department of Commerce must conduct a rulemaking, which they assume will be a moderately complex rulemaking. The UTC must consult on this rulemaking process and assume fiscal impact for the rulemaking in 2027.

FY 2027: \$49,398

(Director | Policy, 0.02 FTE; Director | Regulatory Services, 0.02 FTE; Deputy Director | Energy Planning, 0.02 FTE; Deputy Director | Policy, 0.02 FTE; Section Manager, Energy Planning Unit B, 0.02 FTE; Regulatory Analyst 2, 0.03 FTE; Regulatory Analyst 3, 0.04 FTE; Attorney General, 0.02 FTE; Policy Advisor, Energy, 0.04 FTE; Policy Advisor, Energy, 0.04 FTE)

**Sections 3 & 4: Consultation and Advisory Group**

The UTC will serve in an ongoing consultative role for program development and implementation. As such, the UTC assumes fiscal impact from ongoing consultation beginning in 2026 and ramping up in 2029, as the program ramps and more consideration is given to incorporating investor-owned utilities into the program. Additionally, Commerce also assumes that the UTC will participate in the program advisory group beginning in 2028 and continuing through 2031, for which the UTC assumes a fiscal impact.

FY 2026: \$13,823  
 FY 2027: \$13,823  
 FY 2028: \$22,117  
 FY 2029: \$27,647  
 FY 2030: \$27,647  
 FY 2031: \$27,647

(Deputy Director | Energy Planning, 0.02 FTE; Section Manager, Energy Planning Unit B, 0.02 FTE; Regulatory Analyst 3, 0.04 FTE; Policy Advisor, Energy, 0.04 FTE; Deputy Director, Energy Planning, 0.02 FTE; Director Policy, 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	13,823	63,222	77,045	49,764	55,294
<b>Total \$</b>			13,823	63,222	77,045	49,764	55,294

**III. B - Expenditures by Object Or Purpose**

	<b>FY 2026</b>	<b>FY 2027</b>	<b>2025-27</b>	<b>2027-29</b>	<b>2029-31</b>
FTE Staff Years	0.1	0.4	0.2	0.2	0.2
A-Salaries and Wages	9,403	43,007	52,410	33,853	37,614
B-Employee Benefits	3,292	15,054	18,346	11,849	13,166
C-Professional Service Contracts					
E-Goods and Other Services	1,128	5,161	6,289	4,062	4,514
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-					
<b>Total \$</b>	<b>13,823</b>	<b>63,222</b>	<b>77,045</b>	<b>49,764</b>	<b>55,294</b>

**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*

<b>Job Classification</b>	<b>Salary</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>2025-27</b>	<b>2027-29</b>	<b>2029-31</b>
Attorney General	238,800		0.0	0.0		
Deputy Director, Energy Planning	129,936	0.0	0.0	0.0	0.0	0.0
Deputy Director, Policy	124,392	0.0	0.0	0.0	0.0	0.0
Director, Policy	124,392	0.0	0.0	0.0	0.0	0.0
Director, Regulatory Services	148,428		0.0	0.0		
Policy Advisor, Energy	107,700	0.0	0.1	0.1	0.0	0.0
Regulatory Analyst 2	91,464		0.0	0.0		
Regulatory Analyst 3	103,536	0.0	0.1	0.0	0.0	0.0
Section Manager, Energy Planning Unit B	113,892	0.0	0.0	0.0	0.0	0.0
<b>Total FTEs</b>		<b>0.1</b>	<b>0.4</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>

**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

<b>Bill Number:</b> 1903 E 2S HB	<b>Title:</b> Low-income energy assistance
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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: Consumer-owned utilities may choose to participate in the statewide program.
- 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) 250-5931	Date: 02/17/2026
Leg. Committee Contact: Kim Cushing	Phone: (360) 786-7421	Date: 02/14/2026
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/17/2026
OFM Review: Marie Davis	Phone: (360) 890-1163	Date: 02/18/2026

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

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

This note is on E2 SHB 1903 and compares it to 2 SHB 1903.

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

This version of the bill is amended to allow a utility to be the lead coadministrator of the Statewide Low-Income Energy Assistance Program (statewide program). The statewide program advisory group must include at least one member from a consumer-owned utility.

These changes do not affect the fiscal impacts discussed below.

#### **SUMMARY OF CURRENT BILL:**

This bill 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 to low-income households with high energy assistance needs. Funds will be prioritized in areas of the state with a disproportionate share of households in need where monthly low-income bill assistance programs are lacking.

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 bill does not impact local government expenditures due to the local option.

Utilities that choose 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, 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.

The Local Government Fiscal Note Program assumes that any costs or cost savings for consumer-owned utilities to participate in the statewide program will equal rate increases or decreases paid by utility customers.

The department assumes that the rulemaking will require six two-hour-long virtual meetings. The statewide advisory group will include at least one consumer-owned utility. Since these meetings will be conducted virtually, there will be no travel costs. For the purposes of this fiscal note, the Local Government Fiscal Note Program assumes that participation in the rulemaking or the advisory group to be 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 due to the local option.

The department assumes that a total of 10 consumer-owned utilities will choose to participate in the statewide program. This may include cities that own or operate an electric utility or electric public utility districts. The department assumes that \$30,000,000 will need to be appropriated to implement the program.

#### **SOURCES**

Department of Commerce