

Multiple Agency Fiscal Note Summary

Bill Number: 5982 S SB 5982-S AMH ENVI H-3613.1	Title: Consumer-owned utilities
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Estimated Cash Receipts

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

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of State Auditor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Utilities and Transportation Commission	.2	0	0	78,204	.1	0	0	35,404	.1	0	0	35,404
Department of Ecology	.0	0	0	0	.3	0	0	103,762	.2	0	0	78,312
Total \$	0.2	0	0	78,204	0.4	0	0	139,166	0.3	0	0	113,716

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
Office of State Auditor	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Renee Martine, OFM	Phone: (360) 915-4588	Date Published: Revised 3/ 5/2026
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Individual State Agency Fiscal Note

Bill Number: 5982 S SB 5982-S AMH ENVI H-3613.1	Title: Consumer-owned utilities	Agency: 095-Office of State Auditor
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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: 02/19/2026
Agency Preparation: Charleen Patten	Phone: 564-999-0941	Date: 02/25/2026
Agency Approval: Charleen Patten	Phone: 564-999-0941	Date: 02/25/2026
OFM Review: Rayanna Evans	Phone: (360) 902-0553	Date: 02/25/2026

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.

This substitute legislation adds clarifying language to the definitions of “affected market customer” in section 1(25)(d) and “retail electric load” in section 1(35)(b). It also removes the reporting requirements for affected market customers that previously appeared in Section 2(4)(c). These revisions do not create any fiscal impact for SAO, as the agency does not audit affected market customer compliance and these entities fall outside our audit authority.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 5982 S SB 5982-S AMH ENVI H-3613.1	Title: Consumer-owned utilities	Agency: 100-Office of Attorney General
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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: 02/19/2026
Agency Preparation: Chad Standifer	Phone: 3605863650	Date: 02/23/2026
Agency Approval: Joe Zawislak	Phone: 360-586-3003	Date: 02/23/2026
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/25/2026

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.

1. The AGO Consumer Protection Division (CPR) has reviewed this bill and determined it will not increase or decrease the division's workload. Therefore, no costs are included in this request.
2. The AGO Utilities and Transportation Commission (AGO-UTC) has reviewed this bill and determined it will not increase or decrease the division's workload. Therefore, no costs are included in this request.
3. The AGO Agriculture & Health Division (AHD) has reviewed this bill and determined it will not increase or decrease the division's workload. Therefore, no costs are included in this request.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 5982 S SB 5982-S AMH ENVI H-3613.1	Title: Consumer-owned utilities	Agency: 103-Department of Commerce
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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: 02/19/2026
Agency Preparation: Marla Page	Phone: 360-725-3129	Date: 02/22/2026
Agency Approval: Marla Page	Phone: 360-725-3129	Date: 02/22/2026
OFM Review: Marie Davis	Phone: (360) 890-1163	Date: 03/05/2026

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.

There are no changes from SSB 5982 to SSB 5982-S AMH ENVI H-3613.1

Summary of SSB 5982-S AMH ENVI H-3613.1

Section 1 Adds port districts and utilities that serve at one retail customer to the definition of consumer-owned utilities. Exempts entities that serve only one customer and are 100% BPA load-following.

Modifies the definition of “market customer” to cover non-residential consumers of electricity that purchase power from an entity other than their utility or generate electricity for their own consumption.

Broadens the definition of affected market customer to include electricity consumers who do not procure electricity through a utility. Provides an exemption for entities that self-generated electricity less a hundred percent of their electricity as of May 7, 2019, and who meet certain energy requirements.

Modifies the definition of retail electric load to include electricity purchased by affected market customers from entities not covered under Clean Energy Transformation Act (CETA) or generated by customer for their own consumption.

Section 2 Requires the Utilities and Transportation Commission (Commission) to adopt reporting requirements for affected market customers.

Section 3 Mandates the Commission enforce compliance with CETA for affected market customers.

The Department of Commerce (Commerce) does not need to update its rules or conduct any additional work under this bill and therefore would experience 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.

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.

Commerce does not need to update its rules or conduct any additional work under this bill and therefore would experience no fiscal impact.

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

None.

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 5982 S SB 5982-S AMH ENVI H-3613.1	Title: Consumer-owned utilities	Agency: 215-Utilities and Transportation Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.1	0.3	0.2	0.1	0.1
Account					
Public Service Revolving Account-State 111-1	17,702	60,502	78,204	35,404	35,404
Total \$	17,702	60,502	78,204	35,404	35,404

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: 02/19/2026
Agency Preparation: Michelle Parish	Phone: 360-664-1158	Date: 02/20/2026
Agency Approval: Michelle Parish	Phone: 360-664-1158	Date: 02/20/2026
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.

Sec. 1 – adds or modifies definitions including redefining “market customer” and adding additional requirements for “retail electric load”

NEW – adds “affected market customer” and additional requirements to “retail electric load” that allows de minimis amounts of fossil fuels to be used solely for emergency backup to list of definitions (No NEW fiscal impact)

Sec. 2 – requires the Commission to adopt rules to establish reporting requirements for affected market customers.

NEW – removes affected market customers that use de minimis fossil fuels for emergency back up as a party the Commission may waive from reporting requirements. (No NEW fiscal impact)

Sec. 3 – requires the Commission to enforce compliance with the requirements of the chapter.

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.

Simple Rulemaking to adopt new rules in RCW 19.405.100

Sec. 2 requires the Commission to adopt a new rule in RCW 19.405.100 establishing reporting requirements for affected market customers

FY2027 - \$42,800 total cost

(Administrative Law Judge, 0.06 FTE; Deputy Director | Regulatory Services, 0.02 FTE; Director | Regulatory Services, 0.02 FTE; Policy Advisor, 0.02 FTE; Deputy Asst. Director | Regulatory Services, 0.02 FTE; Regulatory Analyst 2, 0.03 FTE; Regulatory Analyst 3, 0.04 FTE; Asst. Director Policy, 0.02 FTE)

Review reports and ensure compliance with reporting requirements

Sec. 2 – UTC assumes the work to begin July 1, 2026, to analyze and acknowledge any report required under sec. 2 and track compliance with the reporting requirements for all investor-owned utilities (Sec. 3).

\$17,702 per fiscal year

(Deputy Director | Energy Rates & Services, 0.01 FTE; Section Manager | Energy Rates & Services, 0.01 FTE; Regulatory Analyst 3, 0.06 FTE; Policy Advisor, 0.01 FTE; Attorney General, 0.01 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	17,702	60,502	78,204	35,404	35,404
Total \$			17,702	60,502	78,204	35,404	35,404

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.1	0.3	0.2	0.1	0.1
A-Salaries and Wages	12,042	41,158	53,200	24,084	24,084
B-Employee Benefits	4,215	14,405	18,620	8,430	8,430
C-Professional Service Contracts					
E-Goods and Other Services	1,445	4,939	6,384	2,890	2,890
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 \$	17,702	60,502	78,204	35,404	35,404

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	124,452		0.1	0.0		
Attorney General	19,900	0.0	0.0	0.0	0.0	0.0
Deputy Director, Energy Planning	10,828		0.0	0.0		
Deputy Director, Energy Rates and Services	10,425	0.0	0.0	0.0	0.0	0.0
Director, Regulatory Services	12,369		0.0	0.0		
Policy Advisor, Energy	8,975	0.0	0.0	0.0	0.0	0.0
Regulatory Analyst 2	7,662		0.0	0.0		
Regulatory Analyst 3	8,628	0.1	0.1	0.1	0.1	0.1
Section Manager, Energy Rates and Services Unit A	9,286	0.0	0.0	0.0	0.0	0.0
Section Manager, Energy Rates and Services Unit B	9,442		0.0	0.0		
Total FTEs		0.1	0.3	0.2	0.1	0.1

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Section 2 requires the UTC to adopt rules amending the requirements and procedures to review required reports and Section 3 requires the Commission to enforce compliance with the reporting rules. The UTC assumes this simple rulemaking will occur between July 1, 2027, and June 30, 2028.

Individual State Agency Fiscal Note

Bill Number: 5982 S SB 5982-S AMH ENVI H-3613.1	Title: Consumer-owned utilities	Agency: 461-Department of Ecology
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

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

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.0	0.0	0.0	0.3	0.2
Account					
Climate Investment Account-State 26B-1	0	0	0	103,762	78,312
Total \$	0	0	0	103,762	78,312

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: 02/19/2026
Agency Preparation: Kelcy Shaffer	Phone: 564-200-3781	Date: 03/05/2026
Agency Approval: Garret Ward	Phone: 360-789-7938	Date: 03/05/2026
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 03/05/2026

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.

Compared to SB 5982, SSB 5982 AMH ENVI H-3613.1 makes the following changes:

-Would exempt from compliance with the Clean Energy Transformation Act (CETA) standards nonresidential consumers of electricity that would generate electricity using de minimis amounts of fossil fuels solely for emergency backup requirements.

-Would specify that retail electric load for affected market customers would not include electricity using de minimis amounts of fossil fuels used solely for emergency backup requirements.

-Would expand an exemption for certain nonresidential customers of electric utilities from compliance with the Clean Energy Transformation Act (CETA) regardless of whether they continue to consume electricity with the same or greater percentage of non-emitting electric generation.

All versions of SB 5982 would have the same fiscal impact to Ecology due to the expansion of the CETA definition of consumer-owned utilities to include port districts and other specified entities serving at least one customer. All entities defined as consumer-owned utilities in CETA receive no-cost allocation under the Climate Commitment Act (CCA) to mitigate cost burden to customers. Ecology will need staff capacity to track and manage allocation to any of these new consumer-owned utilities that pursue energy generation.

This is the first fiscal note Ecology has been assigned for this bill. The bill would create a fiscal impact for the agency.

CURRENT LAW

CETA (RCW 19.405) requires entities defined as consumer-owned utilities, investor-owned utilities, and affected market customers to meet greenhouse gas reduction standards for retail sales as outlined in RCW 19.405.040 and .050. SSB 5982 amends CETA to expand the consumer-owned utilities definition and modify the market customer definition.

To mitigate the cost burden of the CCA on CETA-obligated utilities, consumer-owned utilities and investor-owned utilities subject to CETA receive no-cost allowances per the CCA (RCW 70A.65.120(1)). Any additional entities defined as consumer-owned utilities or investor-owned utilities in CETA in this bill will receive no-cost allowances from Ecology.

Section 1 would modify CETA definitions (RCW 19.405.020).

-The definition of "consumer-owned utility" would be amended to include port districts and is further expanded to include any municipal electric utility, public utility district, irrigation district, port district, or cooperative with only one retail electric customer in Washington.

-Would restore current CETA exclusions by specifying that any public utility district (PUD) with only one retail electric customer in Washington is excluded from the consumer-owned utility definition, provided the customer remains the same as of January 1, 2026, and the PUD continues to receive 100 percent of its electricity from the Bonneville Power Administration.

-Would change the definition of "market customer" to include all electricity consumers that do not acquire their electricity from utilities (e.g., they purchase from other sources and/or produce their own). The affected market customer definition is modified to align with the new "market customer" definition.

-Would restore a current CETA exemption by excluding from the definition of affected market customer a nonresidential customer of an electric utility that prior to May 7, 2019, generated electricity to meet less than 100 percent of its own

needs.

-Would clarify that “affected market customer” would not include a nonresidential consumer of electricity that generates electricity using de minimis amounts of fossil fuels solely for emergency backup requirements.

-A new provision (Section 1 (35)(b)) would clarify that for affected market customers, retail electric load refers to electricity that is generated by the entity and/or not acquired from utilities subject to CETA. The provision clarifies that for affected market customers retail electric load does not include electricity using de minimis amounts of fossil fuels used solely for emergency backup requirements.

Section 2 would direct Commerce to establish reporting requirements for port districts and waive requirements that do not pertain to the retail electric customers served by port districts. It also would give the Utilities and Transportation Commission (UTC) authority to establish reporting requirements for affected market customers to demonstrate CETA compliance. UTC can waive reporting for affected market customers who acquire power from non-emitting electric generation or renewable resources. Port districts are given an extension for submitting interim performance reports and required to first submit these in July 2030 versus July 2026.

Section 3 would require the UTC to enforce CETA compliance for affected market customers.

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.

The cash receipts impact to Ecology under this bill is estimated to be indeterminate for revenue under Section 1. Section 1 would expand the CETA definition of consumer-owned utility to include port districts and other specified entities serving at least one customer. Under the CCA, consumer-owned utilities as defined in CETA would receive no-cost allowances to mitigate the cost burden to customers (RCW 70A.65.120). Therefore, this bill would expand the definition of consumer-owned utility would increase the entities that are eligible for no-cost allowances. Port districts have indicated plans to produce and supply energy to customers, which would require Ecology to provide them with no-cost allowances.

Ecology assumes an indeterminate impact on cash receipts into the Climate Investment Account because the change in the bill could result in fewer allowances available for sale at state auction. This could cause an indeterminate decrease in auction revenue depending on how many port districts pursue energy generation.

II. C - Expenditures

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

Section 1 would expand the CETA definition of consumer-owned utility to include port districts and other specified entities serving at least one customer. Under the CCA, consumer-owned utilities as defined in CETA receive no-cost allowances to mitigate the cost burden to customers (RCW 70A.65.120). Therefore, expanding the definition of consumer-owned utility would increase the entities that are eligible for no-cost allowances. Ecology would need staffing capacity to implement this expansion of entities eligible to receive no-cost allowances. Expanding allowance allocation to port districts will require developing a system for acquiring information from any port district that produce electricity and determining no-cost allowance allocation for these entities.

Ecology anticipates that new allowance allocation will need to be provided primarily to port districts that choose to develop energy generation capacity to serve new electricity load. Ecology anticipates that it will be at least a year after bill passage before port districts are able to develop energy generation capacity. However, if port districts generate electricity, they could qualify as a “consumer owned utility” eligible for no-cost allowances. This could lead to the work below being needed sooner than Ecology currently estimates. In order to inform no-cost allowance allocation before the second year of the compliance period, Ecology estimates this initial work would occur between November 2027 through October 2028. Beginning in FY 2029, ongoing staffing would be required to support port districts with calculating and allocating no-cost

allowances as they expand energy production.

An Environmental Planner 5 would require 0.33 FTE in FY 2028 to interface with any new entities starting to produce energy, to develop a system for exchanging information between entities and Ecology, and to ensure quality of data and information provided by entities to Ecology.

After the initial system to interface with new entities is created, Ecology assumes beginning in FY 2029 and ongoing, an Environmental Planner 5 would require 0.20 FTE to continue calculating and allocating no-cost allowances to port districts as they expand energy production, and to maintain regular communication with those entities to facilitate ongoing implementation.

THE TOTAL EXPENDITURE IMPACT to Ecology under this bill is estimated to be:

FY 2028: \$ 64,606 and 0.38 FTEs
 FY 2029: \$ 39,156 and 0.23 FTEs
 FY 2029: \$ 39,156 and 0.23 FTEs
 FY 2029: \$ 39,156 and 0.23 FTEs

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.
 Benefits are the agency average of 31.3% of salaries.
 Goods and Services are the agency average of \$5,531 per direct program FTE.
 Travel is the agency average of \$1,931 per direct program FTE.
 Equipment is the agency average of \$605 per direct program FTE.
 Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 28.85% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development - Journey.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
26B-1	Climate Investment Account	State	0	0	0	103,762	78,312
Total \$			0	0	0	103,762	78,312

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years				0.3	0.2
A-Salaries and Wages				58,806	44,382
B-Employee Benefits				18,406	13,892
C-Professional Service Contracts					
E-Goods and Other Services				2,931	2,212
G-Travel				1,023	772
J-Capital Outlays				321	242
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Administrative Overhead				22,275	16,812
Total \$	0	0	0	103,762	78,312

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

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
ENVIRONMENTAL PLANNER 5	110,956				0.3	0.2
FISCAL ANALYST 2					0.0	0.0
IT APP DEVELOPMENT-JOURNEY					0.0	0.0
Total FTEs					0.3	0.2

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

LOCAL GOVERNMENT FISCAL NOTE

Revised

Department of Commerce

Bill Number: 5982 S SB 5982-S AMH ENVI H-3613.1	Title: Consumer-owned utilities
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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: Whatcom County public utility district. Potential increase in planning and reporting costs.
- 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: The number of electric utilities that may be created.

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: 02/23/2026
Leg. Committee Contact: Megan McPhaden	Phone: 360-786-7114	Date: 02/19/2026
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/23/2026
OFM Review: Renee Martine	Phone: (360) 915-4588	Date: 02/24/2026

Part IV: Analysis

A. SUMMARY OF BILL

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

Note: this revision does not make any changes to the submitted note.

This note is on 5982 SSB 5982-S AMH ENVI H-3613.1 and compares it to SSB 5982.

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

This version of the bill exempts compliance with the Clean Energy Transformation Act (CETA) standards for nonresidential consumers of electricity that generate electricity using de minimis amounts of fossil fuels solely for emergency backup requirements. The bill also specifies that retail electric load for affected market customers does not include electricity using de minimis amounts of fossil fuels used solely for emergency backup requirements.

These changes do not affect the fiscal impacts discussed below.

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

SUMMARY OF CURRENT BILL:

This bill revises the definition of "consumer-owned utility" under CETA to include consumer-owned utilities (including port districts) that distribute electricity to at least one retail customer in the state of Washington. The definitions of "market customer" and "affected market customer" are also amended with clarifications provided regarding megawatt hours of electricity that are delivered by an electric utility. Under current law, consumer-owned utilities are municipal electric utilities, public utility districts, irrigation districts cooperatives, or mutual corporations that are engage in the business of distributing electricity to more than one retail electric customer.

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 indeterminate impact on local government expenditures.

There is currently one public utility district (Public Utility District No. 1 of Whatcom County) that supplies one electrical customer with power purchased from the Bonneville Power Administration (BPA). Depending on the rules adopted by the Department of Commerce, this PUD may incur planning and reporting costs in the form of staff time or consultant services to comply with CETA requirements.

There are currently 75 public ports in the state of Washington. The Washington Public Ports Association reports that none of these ports currently operate an electric utility.

This bill requires the Department of Commerce to adopt rules establishing reporting requirements for consumer-owned utilities to demonstrate compliance with CETA. It is not known whether this process will include input from consumer-owned utilities.

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 has no impact on local government revenues.

SOURCES

Whatcom County Public Utility District
Local Government FN SSB 5982 (2026)