

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1589 E S HB AMS ENE1 S2284.4	<b>Title:</b> Clean energy
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## Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Attorney General	0	0	152,000	0	0	113,000	0	0	48,000
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>152,000</b>	<b>0</b>	<b>0</b>	<b>113,000</b>	<b>0</b>	<b>0</b>	<b>48,000</b>

## Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Attorney General	1.3	0	0	416,000	1.7	0	0	509,000	1.2	0	0	370,000
Utilities and Transportation Commission	3.0	953,563	953,563	953,563	1.6	484,027	484,027	484,027	.4	117,268	117,268	117,268
<b>Total \$</b>	<b>4.3</b>	<b>953,563</b>	<b>953,563</b>	<b>1,369,563</b>	<b>3.3</b>	<b>484,027</b>	<b>484,027</b>	<b>993,027</b>	<b>1.6</b>	<b>117,268</b>	<b>117,268</b>	<b>487,268</b>

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.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>

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Tiffany West, OFM	<b>Phone:</b> (360) 890-2653	<b>Date Published:</b> Final 4/ 3/2023
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1589 E S HB AM; ENET S2284.4	<b>Title:</b> Clean energy	<b>Agency:</b> 100-Office of Attorney General
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Legal Services Revolving Account-State 405-1	76,000	76,000	152,000	113,000	48,000
<b>Total \$</b>	76,000	76,000	152,000	113,000	48,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.3	1.3	1.3	1.7	1.2
<b>Account</b>					
Public Service Revolving Account-State 111-1	132,000	132,000	264,000	396,000	322,000
Legal Services Revolving Account-State 405-1	76,000	76,000	152,000	113,000	48,000
<b>Total \$</b>	208,000	208,000	416,000	509,000	370,000

### 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: 03/29/2023
Agency Preparation: Dave Merchant	Phone: 360-753-1620	Date: 04/03/2023
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 04/03/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 04/03/2023

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Section 1: Legislative findings and intent.

Section 2: Amends RCW 80.28.010 to prohibit gas companies with more than 500,000 retail gas customers from furnishing or supplying gas to residential and commercial customers if the location did not order or receive gas service prior to June 30, 2023. Provides exception for facilities engaged in one or more manufacturing processes described in North American industry classification codes beginning in 31, 32, or 33. Provides additional exception for certain other facilities until January 1, 2035. By November 1, 203, gas companies serving more than 500,000 retail customers on June 30, 2023, must file a tariff to offer rebates and incentives to customers to purchase electric appliances and replace non-electric appliances. Beginning January 1, 2024, no gas company serving more than 500,000 retail customers may offer incentives for purchasing gas fueled equipment; until January 1, 2031, electric heat pumps with gas backups are exempt.

Section 3: Amends RCW 80.28.110 to provide exception for a gas company pursuant to RCW 80.20.010(2)(b).

Section 4: Definitions.

Section 5: Findings. Authorizes Utilities and Transportation Commission (UTC) to consolidate planning requirements into a single integrated system plan that is approved by the UTC. The UTC must initiate a rulemaking proceeding by January 1, 2024.

Section 6: Subject to UTC's approval, by January 1, 2026, and every four years thereafter, combination utilities must file integrated system plans for both gas and electric operations that demonstrate how they will achieve numerous listed requirements.

Section 7: The UTC is required to establish by rule a cost test for emissions reduction measures taken by combination utilities.

Section 8: The UTC may approve, reject, or approve with conditions, an integrated system plan that exceeds the cost test identified in Section 7 and risk reduction premium requirements only if it finds the plan is in the public interest and various other factors are satisfied.

Section 9: Requires combination utilities to include various information in calculating their emission baselines and projected cumulative emissions.

Section 10: The UTC must adopt depreciation schedules for multiyear rate plan filers; Requirements.

Section 11: Amends RCW 19.280.030 to add authorize the UTC to approve, reject, or approve with conditions, any plans submitted by a combination utility.

Section 12: Requirements for prevailing wage and other specific employment conditions and benefits for projects in a gas de-carbonization or electrification plan.

Section 13: Encourages cooperation regarding the provision of retail electric services between electrical companies, various government entities, and combination utilities.

Section 14: Authorizes the UTC to adopt rules to ensure the proper implementation and enforcement of this Act.

Section 15: Amends RCW 80.24.010 to set fees applicable to combination utilities.

Section 16 and 17: Codifications.

Section 17: Emergency clause.

## 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.*

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is the Washington State Utilities and Transportation Committee (UTC). The Attorney General's Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO's authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency's fiscal note. Appropriation authority is necessary in the AGO budget.

### AGO AGENCY ASSUMPTIONS:

Utilities and Transportation Committee Division (AGO-UTC) assumes the below impact based on updated discussions with UTC.

UTC will be billed for non-Seattle rates:

FY 2024: \$76,000 for 0.3 Assistant Attorney General FTE (AAG) and 0.15 Legal Assistant 3 FTE (LA).

FY 2025: \$76,000 for 0.3 AAG and 0.15 LA.

FY 2026: \$76,000 for 0.3 AAG and 0.15 LA.

FY 2027: \$37,000 for 0.15 AAG and 0.08 LA.

FY 2028 and each FY thereafter: \$24,000 for 0.1 AAG and 0.05 LA.

The AGO Public Counsel Unit (PCU) activities are funded with Public Service Revolving Account (Account 111-1) dollars. No cash receipt impact. There is no client agency to bill for legal services.

## 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.*

Attorney General's Office (AGO) Agency Assumptions:

This bill is assumed effective immediately based on the emergency clause.

Location of staffing housed is assumed to be in Seattle and non-Seattle office buildings.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 (MA), is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 FTE for a Legal Assistant 3 (LA) and 0.25 FTE of an MA.

1. The AGO Utilities and Transportation Commission Division (AGO-UTC) has reviewed this bill and determined the following impact related to the enactment of this bill:

The AGO will bill Washington State Utilities and Transportation Commission (UTC) for legal services based on the enactment of this bill.

AGO-UTC assumes that this bill will require UTC proceedings and rulemakings to address the requirements for integrated system plans (Section 6), the waiver or modification of certain planning deadlines (Section 5), developing the cost-effectiveness test for emissions reductions (Section 7), and the consolidation of the Puget Sound Energy's (PSE) gas and electric rate bases (Section 10(2)).

AGO-UTC assumes in FY 2024 and FY 2025, new proceedings and rulemakings to address amendments to existing rules to modify timelines for various utility plans, and testing the cost-effectiveness of certain actions. AGO-UTC assumes in FY 2026, litigation and the provision of advice relating to the filing of PSE's Clean Energy Implementation Plans (CEIP). AGO-UTC assumes in FY 2027 and FY 2028, advice and proceeding concerning the consolidation of PSE's gas and electric rate bases. Lastly, in FY 2029, AGO-UTC assumes the need for advice in preparation for PSE's second CEIP.

AGO-UTC total FTE workload impact for non-Seattle rates:

FY 2024: \$76,000 for 0.3 AAG and 0.15 LA.  
FY 2025: \$76,000 for 0.3 AAG and 0.15 LA.  
FY 2026: \$76,000 for 0.3 AAG and 0.15 LA.  
FY 2027: \$37,000 for 0.15 AAG and 0.08 LA.  
FY 2028 and each FY thereafter: \$24,000 for 0.1 AAG and 0.05 LA.

2. The AGO Public Counsel Unit (PCU) has reviewed this bill and determined the following impact related to the enactment of this bill:

PCU assumes this bill will require integrated system planning, or de-carbonization and electrification plan rulemaking and the plans themselves would be heavily litigated. PCU assumes that CEIP rulemakings, review, and litigation of the plans are potential indicators of what will happen with gas de-carbonizations, electrification plans, and rulemakings.

UTC rulemakings will take place in FY 2024 and FY 2025. PCU will be an active participant. In FY 2026 and FY 2027, PCU will review and respond to filed integrated system plans. PCU expects that this process would be similar to the process used to review utility CEIP, involving initial review and comments on the plan, stakeholder work, and potential adjudication. PCU also assumes litigation of proceedings involving consolidation of PSE's electric and gas rate base. In FY 2028, PCU assumes continuation of litigation involving PSE's electric and gas rate base. In FY 2029, PCU assumes a second round of integrated system plans. Additionally, PCU assumes preparation for an FY 2030 filing, with stakeholder work and review of draft plans, or potentially review of a formal filing.

PCU total FTE workload impact for Seattle rates:

FY 2024: \$132,000 for 0.25 AAG, 0.13 LA, 0.1 Paralegal FTE (PL), 0.25 Regulatory Analyst 2 FTE (RA), and direct litigation costs of \$20,000.  
FY 2025: \$132,000 for 0.25 AAG, 0.13 LA, 0.1 PL, 0.25 RA, and direct litigation costs of \$20,000.  
FY 2026: \$198,000 for 0.3 AAG, 0.15 LA, 0.25 PL, 0.5 RA, and direct litigation costs of \$25,000.  
FY 2027: \$198,000 for 0.3 AAG, 0.15 LA, 0.25 PL, 0.5 RA, and direct litigation costs of \$25,000.  
FY 2028: \$198,000 for 0.3 AAG, 0.15 LA, 0.25 PL, 0.5 RA, and direct litigation costs of \$25,000.  
FY 2029 and each FY thereafter: \$124,000 for 0.2 AAG, 0.1 LA, 0.1 PL, 0.3 RA, and direct litigation costs of \$20,000.

AGO total FTE workload and direct costs impact for Seattle and non-Seattle rates:

FY 2024: \$208,000 for 0.55 AAG, 0.28 LA, 0.10 PL, 0.25 RA, and direct litigation costs of \$20,000.  
 FY 2025: \$208,000 for 0.55 AAG, 0.28 LA, 0.10 PL, 0.25 RA, and direct litigation costs of \$20,000.  
 FY 2026: \$274,000 for 0.6 AAG, 0.3 LA, 0.25 PL, 0.5 RA, and direct litigation costs of \$25,000.  
 FY 2027: \$235,000 for 0.45 AAG, 0.23 LA, 0.25 PL, 0.5 RA, and direct litigation costs of \$25,000.  
 FY 2028: \$222,000 for 0.4 AAG, 0.2 LA, 0.25 PL, 0.5 RA, and direct litigation costs of \$25,000.  
 FY 2029 and each FY thereafter: \$148,000 for 0.3 AAG, 0.15 LA, 0.10 PL, 0.3 RA, and direct litigation costs of \$20,000.

3. The AGO Ecology Division (ECY) has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing the Department of Ecology (Ecology). The enactment of this bill will not impact the provision of legal services to ECY because it creates no obligations for the Ecology expected to result in new legal services demands. Therefore, costs are not included in this request.

### Part III: Expenditure Detail

#### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
111-1	Public Service Revolving Account	State	132,000	132,000	264,000	396,000	322,000
405-1	Legal Services Revolving Account	State	76,000	76,000	152,000	113,000	48,000
<b>Total \$</b>			208,000	208,000	416,000	509,000	370,000

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.3	1.3	1.3	1.7	1.2
A-Salaries and Wages	124,000	124,000	248,000	303,000	215,000
B-Employee Benefits	40,000	40,000	80,000	100,000	70,000
C-Professional Service Contracts	20,000	20,000	40,000	50,000	45,000
E-Goods and Other Services	22,000	22,000	44,000	53,000	38,000
G-Travel	2,000	2,000	4,000	3,000	2,000
<b>Total \$</b>	208,000	208,000	416,000	509,000	370,000

#### 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 2024	FY 2025	2023-25	2025-27	2027-29
Assistant Attorney General	118,700	0.3	0.3	0.3	0.2	0.1
Assistant Attorney General-Seattle	124,635	0.3	0.3	0.3	0.3	0.3
Legal Assistant 3	55,872	0.2	0.2	0.2	0.1	0.1
Legal Assistant 3-Seattle	67,044	0.1	0.1	0.1	0.2	0.1
Management Analyst 5	91,524	0.1	0.1	0.1	0.1	0.1
Paralegal 2-Seattle	75,096	0.1	0.1	0.1	0.3	0.2
Regulatory Analyst	82,896	0.3	0.3	0.3	0.5	0.4
<b>Total FTEs</b>		1.3	1.3	1.3	1.7	1.2

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

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Public Counsel Unit (PCU)	132,000	132,000	264,000	396,000	322,000
Utilities & Transportation Division (UTC)	76,000	76,000	152,000	113,000	48,000
<b>Total \$</b>	208,000	208,000	416,000	509,000	370,000

### 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

Revised

<b>Bill Number:</b> 1589 E S HB AM; ENET S2284.4	<b>Title:</b> Clean energy	<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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.5	2.5	3.0	1.6	0.4
<b>Account</b>					
General Fund-State      001-1	555,100	398,463	953,563	484,027	117,268
<b>Total \$</b>	555,100	398,463	953,563	484,027	117,268

**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: 03/29/2023
Agency Preparation: Amy Andrews	Phone: 360-481-1335	Date: 04/03/2023
Agency Approval: Amy Andrews	Phone: 360-481-1335	Date: 04/03/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 04/03/2023

## 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.*

1589 ESHB S2284.4 amends the intent and definitions. Section 1 outlines legislative findings related to clean energy transformation. UTC assumes no fiscal impact.

Section 2, as revised in 1589 ESHB S2284.4, includes additional fiscal impact relating to the review of a direct gas company tariff before November 1, 2023, that offers rebates and incentives to customers using a nonelectric fuel source. Section 2 also outline other revised provisions to implement the Washington decarbonization act for combination utilities and prohibits furnishment or supply gas services to commercial or residential locations that did not receive gas service or applications for gas service, as of June 30, 2023.

Section 3 outlines exceptions for a large gas company pursuant to RCW 80.28.010(2)(b).

Section 5 authorizes the UTC, through a rulemaking, to consolidate or streamline utility planning requirements required by statute, existing pipeline safety requirements, and planning requirements ordered by the commission, such as electrification and decarbonization plans. UTC assumes work to determine the appropriate, cost-effective strategy for decarbonization, which may include recovery mechanism(s), for a combination utility to meet its integrated system plan. This will require capacity beyond MYRP review as currently required by law. The UTC will initiate the rulemaking process in January 1, 2024, which may result in rules or a policy statement, including a compliance checklist, to ensure plans meet requirements of specified statutes or orders. Section 5, as revised in 1589 ESHB S2284.4, requires the commission to complete the rule making within 12 months, except that it may extend the proceeding for 90 days for good cause shown.

Section 6 sets forth combination utility quadrennial filing requirements for integrated system plan by January 1, 2026. UTC assumes determining the appropriate, cost-effective strategies for a combination utility to meet its integrated system plan will require capacity beyond the multiyear rate plan (MYRP). The UTC assumes technical assistance, review and approval of an integrated system plan and an order by no later than June 30, 2027.

Section 7 also requires a separate rulemaking for developing a cost-effectiveness test for certain emissions reduction measures taken by a combination utility and determine the appropriate, cost-effective cost recovery mechanisms for a combination utility to meet its integrated system plan. UTC assumes additional fiscal impact in determining the appropriate, cost-effective recovery mechanisms for a combination utility to meet its integrated system plan. The UTC assumes fiscal impact through an extensive new rulemaking beginning July 1, 2023, for developing a cost test through June 30, 2025, for emissions reduction measures taken by combination utilities to comply with state clean energy and climate policies.

Section 8 sets forth requirements related to the recovery of costs for an integrated system plan, where the UTC may approve, reject, or approve with conditions, and integrated system plan that exceeds the cost test subject to certain conditions, including the requirement for combination utilities to apply a risk reduction premium. Section 8 outlines requirements for a combination utility, with an integrated system plan approved by the UTC, allowing 50 percent of the total capacity and energy necessary to meet the requirements of CETA must be supplied through the execution of power purchase agreements (PPAs) for a term longer than three years with third parties; and 50 percent of the total capacity and energy necessary to meet the requirements of CETA must be supplied from resources owned and operated by the combination utility or an affiliate. UTC assumes fiscal impact related to technical assistance, evaluation and applicable use of a risk reduction premium, evaluation of cost-effective strategy for decarbonization, such as analysis related to recovery mechanism(s) beyond current MYRP review, and prudence evaluation.

Section 9 requires large gas companies to calculate and report their emissions baselines and projected cumulative emissions, consistent with WAC 173-441. UTC assumes no fiscal impact.

Section 10 sets forth requirements where the commission may, as part of any multiyear rate plan filed by a combination utility, adopt specified depreciation schedules for any gas plant in service, which may include an extended suspension date for a MYRP for good cause shown. The UTC assumes a proposed merger of gas and electric rate bases, which will require additional capacity and training to determine and set guidelines, and whether such a merger will result in a net benefit to customers. The UTC assumes associated workload beginning January 1, 2026, continuing through June 30, 2029.

Section 11 establishes requirements that a combination utility must consider the social cost of greenhouse gas emissions, determined by the UTC, when developing integrated resource and clean energy action plans, and outlines that integrated system plans submitted by a combination utility may be a basis to bring legal action against electric utilities. The UTC assumes no additional fiscal impact.

Section 12 establishes labor requirements for any project in an integrated system plan of a combination utility that is part of a competitive solicitation with a cost greater than \$10,000,000. The UTC assumes no fiscal impact.

Section 13 establishes guidelines encouraging electric, including municipal, public utility districts and others, to work with large gas companies regarding opportunities for electrification and inclusion of an electrification plan or transportation electrification program as part of collaboration with large gas companies. UTC assumes no fiscal impact involving coordination work.

Section 14 authorizes the UTC to adopt rules to ensure the proper implementation and enforcement of this act. Sections 5, 7, and 15 specify rulemakings to implement specific sections of this act; the UTC assumes fiscal impact in these sections.

Section 15 authorizes the UTC to assess a fee on combination utilities of one-tenth of one percent of the \$50,000 of gross operating revenue, plus five-tenths (0.5) of one percent of any gross operating revenue more than \$50,000. The UTC assumes incremental work related to a simple rulemaking and Open Meeting to set minimum fees that do not exceed the cost of collecting the fees. The UTC may also waive any or all the minimum fees.

Sections 16 through 18 are administrative; UTC assumes no fiscal impacts.

## **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.*

Review of new tariff and development of technical expertise

Section 2 – UTC assume additional fiscal impact in FY 2024 related to 1589 ESHB S2284.4 revisions, including first review of a direct gas company tariff offer rebates and incentives to customers using a nonelectric fuel source, before November 1, 2023. The UTC further assumes review of annual updates to the tariff through FY 2029.

FY2024 - \$47,919

FY2025 - \$23,959

FY2026 - \$23,959

FY2027 - \$23,959

FY2028 - \$23,959

FY2029 - \$23,959

(Commissioner, 0.02 FTE; Deputy Asst. Director | Regulatory Services, 0.03 FTE; Deputy Director, Regulatory Services, Director, Regulatory Services, 0.01 FTE; Director, Administrative Law & Policy, 0.01 FTE; Regulatory Analyst 3, 0.16; Regulatory Analyst 2, 0.04 FTE; Policy Advisor, 0.04 FTE)

Complex rulemaking to consolidate utility planning requirements

Sections 5 - The UTC assumes fiscal impact beginning January 1, 2024, by initiating a consolidation rulemaking proceeding, which may result in additional workload. As revised in 1589 ESHB S2284.4, UTC assumes completing the rule making within 12 months, except that it may extend the proceeding for 90 days for good cause shown.

FY2024 - \$195,941

FY2025 - \$97,971

(Administrative Law Judge, 0.17 FTE; Commissioner, 0.05 FTE; Cons Prog Spec 3, 0.31 FTE; Deputy Director | Regulatory Services, 0.05 FTE; Director, Regulatory Services, 0.05 FTE; Paralegal, 0.07 FTE; Policy Advisor, 0.13 FTE; Regulatory Analyst 2, 0.05; Regulatory Analyst 3, 0.31 FTE; Asst. Director, Policy, 0.10 FTE)

Extensive new rulemaking to determine cost test for emissions reduction measures Section 7 - The UTC assumes workload beginning July 2023, and rulemaking work for developing a cost test to continue through June 30, 2025, for emissions reduction measures taken by combination utilities to comply with state clean energy and climate policies.

FY2024 - \$276,533

FY2025 - \$276,533

(Administrative Law Judge, 0.08 FTE; Commissioner, 0.04 FTE; Deputy Director | Regulatory Services, 0.08 FTE; Director, Administrative Law & Policy, 0.01 FTE; Paralegal 3, 0.04 FTE; Policy Advisor, 0.42 FTE; Deputy Asst. Director | Regulatory Services, 0.47 FTE; Regulatory Analyst 2, 0.30; Regulatory Analyst 3, 0.13 FTE; Asst. Director, Policy, 0.10 FTE)

Technical assistance, review, approval of integrated system plan; evaluation of lowest reasonable cost of decarbonization measures, risk reduction premium

Sections 6 and 8 - UTC assumes work related to approval by the commission, by January 1, 2026, and every four years thereafter, where a combination utility shall file an integrated system plan demonstrating how the combination utility plans to achieve certain clean energy and investment obligation, including emissions targets and reductions. The UTC assumes technical assistance beginning July 2025, review and approval, by no later than FY 2027.

FY2026: \$192,048

FY2027: \$192,048

(Administrative Law Judge, 0.24 FTE; Director | Regulatory Services, 0.08 FTE; Deputy Director | Regulatory Services, 0.08 FTE; Policy Advisor, 0.16 FTE; Deputy Asst. Director | Regulatory Services, 0.11 FTE; Regulatory Analyst 2, 0.19 FTE; Regulatory Analyst 3, 0.25 FTE; Asst. Director, Policy, 0.08 FTE; Commissioner, 0.04 FTE)

Multiyear rate plan depreciation schedules, evaluation of merger of rate bases, cost recovery, and prudence

Sections 8 and 10 - The UTC assumes one multiyear rate plan proposal with a proposed merger of gas and electric rate bases and incremental work related to the adoption of specified depreciation schedules for any gas plant in service. After the approval of the first integrated system plan, the UTC assumes depreciation and merger of rate bases technical assistance beginning January 1, 2026, through FY 2029 related to the prospective merger of rate bases. UTC assumes multiyear rate plan work will occur in FY 2029 in an adjudicated process, additional review of an integrated system plan, and incremental workload related to the consolidation of merger of rate bases and evaluation of recovery of costs for a combination utility with an approved integrated system plan, with work continuing through June 30, 2029.

FY2026: \$17,338  
 FY2027: \$34,675  
 FY2028: \$34,675  
 FY2029: \$34,675

(Deputy Asst. Director | Regulatory Services, 0.01 FTE; Regulatory Analyst 3, 0.11 FTE; Asst. Director, Policy, 0.01 FTE; Policy Advisor, 0.05 FTE; Regulatory Analyst 2, 0.06 FTE; Deputy Director | Regulatory Services, 0.01 FTE)

Simple Rulemaking and Open Meeting to change maximum regulatory fees  
 Section 15 – UTC assumes beginning a simple rulemaking July 1, 2023, and incremental work associated with an Open Meeting to change the regulatory fees, by rule and order, no later than December 31, 2023.

FY 2024: \$34,707

(Administrative Law Judge, 0.06 FTE; Deputy Director | CFO, 0.05 FTE; Deputy Asst. Director | Regulatory Services, 0.02 FTE; Regulatory Analyst 3, 0.02 FTE; Regulatory Analyst 2, 0.05 FTE)

The UTC does not have the financial resources to complete this work without both the indicated expenditure authority and corresponding revenue. Only providing for the expenditure authority does not increase the regulatory fee assessed to the companies regulated by the UTC. We request that if this bill is passed the funding be provided by General Fund-State resources until such time as regulatory fees are legislatively increased to support the agency’s full expenditure authority and maintain adequate fund balance in the Public Service Revolving Account.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	555,100	398,463	953,563	484,027	117,268
<b>Total \$</b>			555,100	398,463	953,563	484,027	117,268

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.5	2.5	3.0	1.6	0.4
A-Salaries and Wages	347,546	246,672	594,218	329,270	79,774
B-Employee Benefits	121,642	86,336	207,978	115,246	27,922
C-Professional Service Contracts					
E-Goods and Other Services	85,912	65,455	151,367	39,511	9,572
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>	555,100	398,463	953,563	484,027	117,268

**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 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Law Judge	119,088	0.3	0.2	0.2	0.2	
Asst. Director, Policy	110,064	0.2	0.2	0.2	0.1	0.0
Commissioner	168,012	0.1	0.1	0.1	0.1	0.0
Cons Prog Spec 3	68,076	0.3	0.2	0.2		
Deputy Asst. Director   Regulatory Services	101,136	0.5	0.5	0.5	0.1	0.0
Deputy Director   CFO	136,296	0.1		0.0		
Deputy Director   Regulatory Services	117,996	0.1	0.1	0.1	0.1	0.0
Director, Administrative Law & Policy	134,772	0.0	0.0	0.0	0.0	0.0
Director, Regulatory Services	134,532	0.1	0.0	0.1	0.1	0.0
Paralegal 3	78,900	0.1	0.1	0.1		
Policy Advisor	100,008	0.6	0.5	0.6	0.2	0.1
Regulatory Analyst 2	82,896	0.4	0.4	0.4	0.3	0.1
Regulatory Analyst 3	93,840	0.6	0.4	0.5	0.4	0.2
<b>Total FTEs</b>		3.5	2.5	3.1	1.6	0.4

**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 5 authorizes the UTC, through a rulemaking, to consolidate or streamline utility planning requirements. Section 7 requires the UTC to establish by rule a cost-effectiveness test for emissions reduction measures to comply with state clean energy and climate policies. Section 15 requires a simple rulemaking to update the statutory maximum regulatory fees for electric and natural gas industries in WACs 480-100 and 480-90, respectively.