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**Technology & Economic Development  
Committee**

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**HB 2406**

**Brief Description:** Modifying administrative processes for managing deposits and cost reimbursements of the energy facility site evaluation council.

**Sponsors:** Representatives Tarleton, Short, Ryu and Smith; by request of Utilities & Transportation Commission and Energy Facility Site Evaluation Council.

**Brief Summary of Bill**

- Modifies requirements pertaining to deposits and other payments submitted to the Energy Facility Site Evaluation Council for the costs of the application process and for the costs of inspections and determinations of compliance.

**Hearing Date:** 1/28/14

**Staff:** Kelly Leonard (786-7147).

**Background:**

Energy Facility Site Evaluation Council.

The Energy Facility Site Evaluation Council (Council) was created in 1970 to provide a "one-stop" siting process for major energy facilities in Washington. The Council coordinates all evaluation and licensing and specifies the conditions of construction and operation. If approved, a site certification agreement is issued in lieu of any other individual state or local agency permits.

The Council's siting authority includes several types of energy facilities, including, for example, large natural gas and petroleum pipelines, thermal electric power plants of 350 megawatts (MWs) or greater and their dedicated transmission lines, and new oil and biofuel refineries or large expansions of existing facilities.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The Washington Utilities and Transportation Commission (UTC) provides all administrative and staff support for the Council. The UTC has supervisory authority over the staff of the Council. The Council otherwise retains its independence in exercising its powers, functions, and duties and its supervisory control over nonadministrative staff support.

#### Site Certification Process.

There are six major steps in the site certification process: (1) application submittal; (2) application review; (3) initial public hearings; (4) environmental impact statement; (5) adjudicative proceedings and permits review; and (6) recommendation to the Governor. Each step has specific requirements the applicant and the Council must follow to ensure a comprehensive review of the project.

#### Site Certification Application Costs and Monitoring Costs.

The deposits and charges associated with application processing and certification monitoring by the Council are established in state law.

Each applicant seeking energy facility site certification is required to pay reasonable costs as are actually and necessarily incurred by the Council in processing his or her application. A site certification application to the Council must be accompanied by a \$50,000 deposit. The Council may charge costs against the deposit, including, for example, independent consultants' costs, staff salaries, wages and benefits, goods and services, and travel expenses arising directly from processing an application.

A \$50,000 deposit is also required for each certificate holder in order to cover the Council's reasonable costs associated with inspections and determinations of compliance with the terms of certification. The Council may charge costs against the deposit in the same manner as is permitted for processing applications.

The Council must provide each applicant and certificate holder with a statement of expenditures for each calendar quarter. The applicant must provide payment in order to restore the deposit to the originally established level. An applicant is permitted to increase the amount of funds in the deposit to cover anticipated expenses during peak periods of application processing.

Applicants and certificate holders are required to make all payments to the state treasurer.

#### **Summary of Bill:**

The requirements for administering deposits and payments are modified.

Applicants and certificate holders are required to pay actual costs incurred by the Council and the UTC. The deposit amount is modified to be an amount up to \$50,000. In addition to the amount of the deposit, applicants and certificate holders must reimburse the UTC, on behalf of the Council, for actual expenditures that arise in considering the application or conducting inspections and determining compliance, including the cost of any independent consultant studies.

The Council and the UTC must charge costs against the deposit if the applicant withdraws its application and has not reimbursed the UTC, on behalf of the Council, for all actual expenditures incurred. The same process applies for certificate holders that cease operations and fail to reimburse the commission for actual expenditures incurred in conducting inspections and determining compliance.

Upon receipt of quarterly statements, an applicant or certificate holder is required to pay the amount on the statement to the UTC by the due date referenced on the statement. The option for an application to increase the amount of a deposit to cover anticipated expenses is eliminated.

Applicants and certificate holders are required to make all payments to the UTC.

Any unexpended portions of the deposit shall be returned to the applicant within sixty days following the conclusion of the application process or to the certificate holder within sixty days after a determination by the Council that the certificate is no longer required and there is no continuing need for compliance with its terms. "Conclusion of the application process" means after the Governor's decision granting or denying a certificate and the expiration of any opportunities for judicial review.

**Appropriation:** None.

**Fiscal Note:** Received January 17, 2014

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.