



**STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY**

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**Washington Cap-and-Invest Program
Auction #3 August 2023
Summary Report**

Issued on September 6, 2023

Background

Ecology held an auction of allowances on August 30, 2023. The auction included a current of 2023 vintage allowances. No future vintage allowances were offered. Auction #3 was the first opportunity for entities to consign allowances to auction.

Prior to today's certification of Auction #3, Ecology staff and the independent market monitor evaluated bids and determined that the auction process and procedures complied with the requirements of the Washington Regulation. The Market Monitor made the following determination:

The Market Monitor found that the auction was cleared consistent with the auction clearing rules in the regulation and appropriate economic logic. The Market Monitor confirmed the clearing price and clearing quantities by qualified bidder. The auction algorithm correctly applied requirements of the regulation covering the bid guarantee. The Market Monitor did not observe any breaches of communication protocols.

The Market Monitor recommends Ecology approve the August 2023 Auction results.

The Financial Services Administrator will distribute auction proceeds to the State of Washington and to consigning entities after all qualified bidder payments are received. Ecology will release information on September 27, 2023, in the Auction Public Proceeds Report, providing the final amount of proceeds generated from Auction #3.

Auction Results

All allowances offered for sale by Ecology were sold. The settlement price for current vintage allowances was \$63.03 per allowance. No future vintage allowances were offered in this auction.

Table 1: Qualified Bid Statistics for Auction #3 August 2023

Auction Statistics	Current Auction
Auction Floor Price	\$22.20
Settlement Price	\$63.03

Table 2: Allowances offered for sale in Auction #3 August 2023

Description of Allowances	Current Auction Vintage 2023
Allowances offered through entity consignment	2,927,349
Allowances offered by Ecology	5,657,651
Total allowances offered for sale	8,585,000

Table 3: Allowances sold in Auction #3 August 2023

Description of Allowances	Current Auction Vintage 2023
Allowances sold on behalf of consigning entities	2,927,349
Allowances sold by Ecology	5,657,651
Total allowances sold at auction	8,585,000

Table 4: Auction Data for Auction #3 August 2023

Auction Data	Current Auction
Total qualified bids divided by total allowances available for sale	1.79
Proportion of allowances purchased by compliance entities	85.46%
Herfindahl-Hirschman Index*	623

*Herfindahl-Hirschman Index (HHI) is a measure of market concentration and competitiveness, the values of which range from 0 to 10,000. A lower HHI value indicates a higher level of competition. A higher HHI value indicates greater market concentration among fewer entities.

List of qualified bidders for Auction #3 August 2023

A qualified bidder is an entity that completed an auction application, submitted a bid guarantee that was accepted by the Financial Services Administrator, and was approved by Ecology to participate in the auction. Qualified bidders may or may not have participated in the auction.

This list includes 53 qualified bidders.

CITSS Entity ID	Entity Legal Name
WA3591	Avista Corporation
WA3446	BP PRODUCTS NORTH AMERICA INC.
WA3556	Braeswood Climate Partners, LP
WA3542	Brookdale Receivables LLC
WA3530	Cascade Natural Gas Corporation
WA3681	CECO, Inc.
WA3549	CenTrio Energy Seattle, LLC
WA3545	CHEVRON U.S.A. INC.
WA3621	CHS Inc.
WA3420	Citadel Energy Marketing LLC
WA3568	City of Enumclaw
WA3636	CityServiceValcon, LLC
WA3544	Coleman Oil Company, LLC
WA3557	Constellation Energy Generation, LLC
WA3468	CP Energy Marketing (US) Inc
WA3685	DTE Energy Trading, Inc.
WA3528	East Coast Environmental, LLC
WA3558	Elbow River Marketing Ltd.
WA3479	GAS TRANSMISSION NORTHWEST LLC
WA3460	Gelber & Associates Corp
WA3457	Grays Harbor Energy LLC
WA3519	HF Sinclair Puget Sound Refining LLC
WA3488	Idemitsu Apollo Corporation
WA3569	J.Aron & Company LLC
WA3563	Kcarbon Holdings LLC
WA3447	Klima Holdings W LLC
WA3579	Macquarie Energy LLC
WA3435	MARATHON PETROLEUM COMPANY LP
WA3510	Mercuria Energy America LLC
WA3590	Midstream Energy Partners (USA), LLC
WA3536	Morgan Stanley Capital Group Inc.
WA3472	Musket Corporation
WA3442	MV Global Carbon Fund LP
WA3495	North Pacific Paper Company, LLC
WA3496	NORTHWEST PIPELINE LLC
WA3502	NW Natural Gas Co.

CITSS Entity ID	Entity Legal Name
WA3487	PacifiCorp
WA3600	Petrogas, Inc.
WA3424	Phillips 66 Company
WA3475	Powerex Corp.
WA3438	Puget Sound Energy, Inc.
WA3500	REC Solar Grade Silicon LLC
WA3662	SeaPort Sound Terminal, LLC
WA3474	Shell Energy North America (US), L.P.
WA3491	Space Age Fuel, Inc
WA3679	THE ANDERSONS, INC.
WA3416	Trafigura Trading LLC
WA3482	Trailstone Energy Marketing, LLC
WA3570	TRANSALTA ENERGY MARKETING (U.S.) INC.
WA3417	Triolith Energy Fund, LP
WA3583	Uniper Global Commodities North America LLC
WA3509	Vitol Inc.
WA3454	Wilson Oil Inc

How does Ecology decide what information to share?

Ecology shares information about the outcome of each quarterly auction as required by the Washington regulation and to support the successful implementation of the program. Ecology does not share information that could potentially enable market manipulation or other unfair practices by market participants.

Contact Information

If you have questions about the information in this auction summary, please contact:

Website: cca.wa.gov/auctions-and-trading

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Ecology CCA Help Desk: 360-407-6296

ADA Accessibility

The Department of Ecology is committed to providing people with disabilities access to information and services by meeting or exceeding the requirements of the Americans with Disabilities Act (ADA), Section 504 and 508 of the Rehabilitation Act, and Washington State Policy #188. To request an ADA accommodation, contact Ecology by phone at 360-407-6800 or email Melanie Forster at melanie.forster@ecy.wa.gov, or visit <https://ecology.wa.gov/accessibility>. For Relay Service or TTY call 711 or 877- 833 - 6341.