



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

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Washington Cap-and-Invest Program
APCR Auction #1 August 2023
Summary Report

Issued on August 16, 2023

Background

Ecology held an auction of vintage-less allowances from the Allowance Price Containment Reserve (APCR) account on August 9, 2023 (APCR Auction #1). Allowances were sold in two tiers at fixed prices, which were announced on Dec. 1, 2022 in a [formal notice](#) posted to the Ecology website.

Prior to today's certification of APCR Auction #1, 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, making the following determination:

The Market Monitor found that the APCR auction was cleared consistent with the APCR auction clearing rules in the Regulations. The Market Monitor did not observe any breaches of communication protocols.

The Market Monitor recommends Ecology approve the APCR Auction #1 results.

The Financial Services Administrator will distribute auction proceeds to the State of Washington after all qualified bidder payments are received. Ecology will release an APCR Auction Proceeds Report on September 6, 2023, providing the total amount of proceeds generated by APCR Auction #1.

Auction Results

A total of 1,054,000 APCR allowances were offered for sale, 527,000 in each tier. All available allowances were sold. Only covered and opt-in entities – entities with a compliance obligation for covered emissions – were eligible to participate, and consignment of allowances was not permitted. For more information, please refer to the [APCR auction examples](#) and [APCR auction supply methodology documents](#), available on the WCI Auction Platform.

Table 1: APCR allowance tier prices for 2023

	Tier 1	Tier 2
Tier Price	\$51.90	\$66.68

Tier prices are defined by Ecology in accordance with [Chapter 173-446-370 WAC](#).

Table 2: Allowances offered and sold at APCR Auction #1

	Tier 1	Tier 2
Allowances offered by Ecology	527,000	527,000
Allowances sold	527,000	527,000

Table 3: Auction data for APCR Auction #1

	Tier 1	Tier 2
Total qualified bids divided by total allowances available for sale	12.79	3.11
Herfindahl-Hirschman Index*	1315	1315

*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. While allowances were sold at two different tiers, APCR auctions are treated as a single event. The HHI is a measure of competitiveness of the entire APCR auction and is not specific to a single tier.

List of qualified bidders for APCR Auction #1

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. This list does not indicate whether or not any of these qualified bidders placed a bid or won allowances at APCR Auction #1 or any other auction.

This list includes 32 qualified bidders.

CITSS Entity ID	Entity Legal Name
WA3446	BP PRODUCTS NORTH AMERICA INC.
WA3530	Cascade Natural Gas Corporation
WA3681	CECO,Inc.
WA3549	CenTrio Energy Seattle, LLC
WA3545	CHEVRON U.S.A. INC.
WA3621	CHS Inc.
WA3551	City of Ellensburg
WA3568	City of Enumclaw
WA3636	CityServiceValcon, LLC
WA3544	Coleman Oil Company, LLC
WA3479	GAS TRANSMISSION NORTHWEST LLC
WA3457	Grays Harbor Energy LLC
WA3519	HF Sinclair Puget Sound Refining LLC
WA3488	Idemitsu Apollo Corporation
WA3501	Lamb Weston, Inc.
WA3579	Macquarie Energy LLC
WA3435	MARATHON PETROLEUM COMPANY LP
WA3536	Morgan Stanley Capital Group Inc.
WA3496	NORTHWEST PIPELINE LLC
WA3502	NW Natural Gas Co.
WA3487	PacifiCorp
WA3700	Parkland Corporation
WA3600	Petrogas, Inc.
WA3424	Phillips 66 Company
WA3475	Powerex Corp.
WA3438	Puget Sound Energy, Inc.
WA3441	Puget Sound Energy, Inc.
WA3662	SeaPort Sound Terminal, LLC
WA3474	Shell Energy North America (US), L.P.
WA3491	Space Age Fuel, Inc
WA3527	Washington State University
WA3454	Wilson Oil Inc

How does Ecology decide what information to share?

Ecology shares information about the outcome of each 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-market

Email: RegistrarCCA@ecy.wa.gov

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.