



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

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**Washington Cap-and-Invest Program
Annual Proceeds Report**

Issued on January 12, 2024

Introduction

The Department of Ecology (Ecology) is required by state law to report annually starting in 2024 at the beginning of the year on the previous year’s auction results. The following report includes summary information for all Washington cap-and-invest auctions held in 2023. For auction-by-auction results, please visit the “Auction and market reports” tab on the Auctions and market trainings & resources [webpage](#).

Background

In 2021, the Washington State Legislature passed the Climate Commitment Act (CCA), which establishes a comprehensive program to reduce carbon pollution and achieve greenhouse gas limits set in state law. The CCA, codified in Chapter 70A.65 RCW, requires entities covered by the law to obtain compliance instruments equal to the greenhouse gases they generate.

Ecology offers a subset of compliance instruments (called “allowances”) for sale at quarterly auctions. The revenue raised from the auction of these allowances must be re-invested into projects and grants that help to achieve state climate change mitigation and resilience goals. For more information regarding the distribution and spending of cap-and-invest auction proceeds for fiscal year 2023, see the [Distribution of Funds from Climate Commitment Act Accounts](#) report to the Washington legislature.

Ecology has prepared this report for the Environmental Justice Council as well as the public, as required by RCW 70A.65.100. This report includes summaries of the allowances purchased, proceeds generated, and participating entities at all Washington cap-and-invest auctions in 2023.

Summary of Allowances Purchased

Table 1. Allowances offered by Ecology in 2023 quarterly auctions.

| Quarterly Auction | Number of Vintage 2023 allowances | Number of Vintage 2026 allowances |
|-------------------|-----------------------------------|-----------------------------------|
| Auction #1 | 6,185,222 | 0 |
| Auction #2 | 8,585,000 | 2,450,000 |
| Auction #3 | 5,657,651 | 0 |
| Auction #4 | 3,442,255 | 2,449,760 |
| Total | 23,870,128 | 4,899,760 |

Table 2. Allowances consigned by Washington entities in 2023 quarterly auctions.¹

| Quarterly Auction | Current Auction Vintage 2023 total |
|-------------------|------------------------------------|
| Auction #1 | 0 |
| Auction #2 | 0 |
| Auction #3 | 2,927,349 |
| Auction #4 | 3,699,891 |
| Total | 6,627,240 |

Table 3. Allowances offered by Ecology in 2023 Allowance Price Containment Reserve Auctions.

| APCR Auction | Number of Tier 1 Allowances (Priced at \$51.90) | Number of Tier 2 Allowances (Priced at \$66.68) |
|---------------|--|--|
| APCR #1 | 527,000 | 527,000 |
| APCR #2 | 5,000,000 | 0 |
| Total: | 5,527,000 | 527,000 |

Table 4. Settlement prices for 2023 quarterly auctions.

| Quarterly Auction | Vintage 2023 Allowance Settlement Price | Vintage 2026 Allowance Settlement Price |
|-------------------|--|--|
| Auction #1 | \$48.50 | N/A |
| Auction #2 | \$56.01 | \$31.12 |
| Auction #3 | \$63.03 | N/A |
| Auction #4 | \$51.89 | \$45.00 |

Summary of Auction Proceeds

Table 5. Total state proceeds for 2023 current, advance, and reserve auctions.

| Auction | State Proceeds | Proceeds to Consigning Entities |
|--------------------------------------|---------------------------|---------------------------------|
| Auction #1 February 2023 | \$299,983,267.00 | N/A |
| Auction #2 May 2023 | \$557,089,850.00 | N/A |
| APCR #1 August 2023 | \$62,491,660.00 | N/A |
| Auction #3 August 2023 | \$356,601,742.53 | \$184,510,807.47 |
| APCR #2 November 2023 | \$259,500,000.00 | N/A |
| Auction #4 December 2023 | \$288,857,811.95 | \$191,987,343.99 |
| Total public proceeds to date | \$1,824,524,331.48 | \$376,498,151.5 |

¹ Registered electric and natural gas utilities are able to receive no cost allowances which they may "consign" to a quarterly auction. Ecology sells consigned allowances on behalf of the utilities at the same settlement price as all other allowances sold at that auction. Revenue from the sale of no cost allowances is remitted to the utilities that consigned them and must be used to benefit the utilities' customers.

Summary of Auction Participants

Table 6. Summary of 2023 auction participants.

| CITSS Entity ID | Entity Legal Name |
|-----------------|--|
| WA3455 | Avista Corp.-Natural Gas |
| WA3591 | Avista Corporation |
| WA3452 | Bellus Ventures III LP |
| WA3446 | BP PRODUCTS NORTH AMERICA INC. |
| WA3556 | Braeswood Climate Partners, LP |
| WA3542 | Brookdale Receivables LLC |
| WA3448 | Carbon Point Partners LP |
| WA3462 | Cardinal Glass Industries |
| WA3530 | Cascade Natural Gas Corporation |
| WA3681 | CECO,Inc. |
| WA3549 | Centrio Energy Seattle, LLC |
| WA3562 | Charter Oak Carbon Fund II LP |
| WA3545 | CHEVRON U.S.A. INC. |
| WA3621 | CHS Inc. |
| WA3420 | Citadel Energy Marketing LLC |
| WA3551 | City of Ellensburg |
| WA3568 | City of Enumclaw |
| WA3636 | CityServiceValcon, LLC |
| WA3544 | Coleman Oil Company, LLC |
| WA3626 | Colvin Oil I LLC |
| WA3557 | Constellation Energy Generation, LLC |
| WA3468 | CP Energy Marketing (US) Inc |
| WA3744 | DRW Investments LLC |
| WA3685 | DTE Energy Trading, Inc. |
| WA3528 | East Coast Environmental, LLC |
| WA3558 | Elbow River Marketing Ltd. |
| WA3659 | Emerald Kalama Chemical, LLC |
| WA3437 | Environmental Commodity Partners Holdings LP |
| WA3610 | Exxon Mobil Corporation |
| WA3479 | GAS TRANSMISSION NORTHWEST LLC |
| WA3460 | Gelber & Associates Corp |

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|--------|--|
| WA3547 | Gen IV Investment Opportunities, LLC |
| WA3669 | General Petroleum LLC |
| WA3457 | Grays Harbor Energy LLC |
| WA3519 | HF Sinclair Puget Sound Refining LLC |
| WA3760 | HP Carbon, LLC |
| WA3488 | Idemitsu Apollo Corporation |
| WA3569 | J.Aron & Company LLC |
| WA3563 | Kcarbon Holdings LLC |
| WA3577 | KIROS Energy Marketing ULC |
| WA3447 | Klima Holdings W LLC |
| WA3501 | Lamb Weston, Inc. |
| 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 |
| WA3565 | NGL Supply Co. Ltd. |
| WA3495 | North Pacific Paper Company, LLC |
| WA3580 | Northern Trace Capital LLC |
| WA3496 | NORTHWEST PIPELINE LLC |
| WA3477 | Nucor Steel Seattle, Inc. |
| WA3502 | NW Natural Gas Co. |
| WA3470 | Oregon Carbon Holdings, LLC |
| WA3683 | Pacific Summit Energy LLC |
| WA3487 | PacifiCorp |
| WA3700 | Parkland Corporation |
| WA3600 | Petrogas, Inc. |
| WA3424 | Phillips 66 Company |
| WA3575 | Portland General Electric Company |
| WA3475 | Powerex Corp. |
| WA3555 | Public Utility District No. 1 of Grays Harbor County |
| WA3485 | Public Utility District No.1 of Clark County |
| WA3484 | Public Utility District No.1 of Cowlitz County |

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|--------|---|
| WA3441 | Puget Sound Energy |
| WA3438 | Puget Sound Energy, Inc. |
| WA3500 | REC Solar Grade Silicon LLC |
| WA3662 | SeaPort Sound Terminal, LLC |
| WA3474 | Shell Energy North America (US), L.P. |
| WA3567 | Skyview Finance Company 2, LLC |
| WA3491 | Space Age Fuel, Inc |
| WA3679 | THE ANDERSONS, INC. |
| WA3416 | Trafigura Trading LLC |
| WA3483 | Trailstone Commodity Trading US, LLC |
| WA3482 | Trailstone Energy Marketing, LLC |
| WA3570 | TRANSALTA ENERGY MARKETING (U.S.) INC. |
| WA3668 | TransCanada Energy Sales Ltd. |
| WA3417 | Triolith Energy Fund, LP |
| WA3469 | Tyson Foods, Inc. |
| WA3481 | U.S. OIL & REFINING CO. |
| WA3583 | Uniper Global Commodities North America LLC |
| WA3531 | University of Washington |
| WA3509 | Vitol Inc. |
| WA3527 | Washington State University |
| WA3706 | West Coast Environmental, LLC |
| WA3454 | Wilson Oil Inc |

Contact Information

For more detail on the contents of this report, please contact:

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