Preparing for the Nov. 1, 2025, Annual Compliance Obligation deadline

Contents

The information in this document is based on the requirements set forth in the Climate Commitment Act (CCA), Chapter 70A.65 RCW, and the CCA Program Rule, Chapter 173-446 WAC (collectively referred to as CCA Requirements). If there is any apparent conflict between this document and the CCA Requirements, the CCA Requirements shall control.

1. 2024 Annual Compliance Obligation overview

The first compliance period of the Washington cap-and-invest program began on Jan. 1, 2023, and ends Dec. 31, 2026. This compliance period includes three annual compliance obligations, and one full compliance period compliance obligation called the Quadrennial Compliance Obligation:

- 2023 Annual Compliance Obligation: Equal to 30% of 2023 covered emissions
- 2024 Annual Compliance Obligation: Equal to 30% of 2024 covered emissions
- 2025 Annual Compliance Obligation: Equal to 30% of 2025 covered emissions
- 2023 – 2026 Quadrennial Compliance Obligation: Equal to 100% of 2026 covered emissions, plus the remaining 70% of 2023, 2024, and 2025 covered emissions

The 2024 Annual Compliance Obligation deadline is Saturday, Nov. 1, 2025, at 5:00 p.m. Pacific Time.

This document outlines actions that a Primary Account Representative (PAR) and Alternate Account Representative (AAR) must take on behalf of a covered or opt-in entity to ensure the entity has sufficient compliance instruments in their compliance account by the 2024 Annual Compliance Obligation deadline.

Ecology staff are available to assist with compliance questions:

- Email: RegistrarCCA@ecy.wa.gov
- Phone: 360-407-6296

2. Summary of the 2024 Annual Compliance Obligation

Key points

- **The 2024 Annual Compliance Obligation deadline is on Saturday, Nov. 1, 2025, at 5:00 p.m. Pacific Time.**
- The 2024 Annual Compliance Obligation is equal to 30% of an entity's 2024 covered emissions.[1] Entity representatives must transfer eligible instruments to the entity's compliance account in the Compliance Instrument Tracking System Service (CITSS) before the 2024 Annual Compliance Obligation deadline.
- Eligible Instruments for the 2024 Annual Compliance Obligation are:
  - Allowances with a vintage year of 2024 or earlier.
  - Allowance Price Containment Reserve (APCR) allowances.
  - Offset credits of any vintage, in an amount worth up to **8%** of 2024 covered emissions.
    - Offset credits providing Direct Environmental Benefits to the State and not on Tribal Lands cannot be used to cover more than **5%** of 2024 covered emissions
  - For entities who received true-up allocation by Oct. 24, 2025: Vintage 2025 and 2026 allowances, up to the specified "Remaining True-up Quantity" (see True-up Quantity Terminology section)
- Entities are able to place eligible instruments for the 2024 Annual Compliance Obligation into their compliance accounts at any time prior to the deadline and do not need to wait until the 2024 Annual Compliance Obligation deadline to do so. Waiting until the day of the compliance deadline to transfer instruments may result in insufficient instruments in the account as transfers require two account representatives to take action within a two-day period.
- If an entity fails to fulfill its compliance obligation by the deadline, it will incur two penalty obligations in CITSS: a Shortfall Obligation and an Untimely Surrender Obligation.[2] Together, these penalties are worth up to four allowances for each compliance instrument the entity did not surrender by the compliance obligation deadline.

[1] Covered Emissions are typically based upon reported emissions. However, an entity may be given an Assigned Emissions Level (AEL) of which the obligation will be based upon, if the entity meets any scenario under WAC 173-441-086(1).
[2] Penalty obligations replace any unfulfilled portions of an entity's annual or full compliance period compliance obligations.

More information

The 2024 Annual Compliance Obligation is equal to 30% of an entity's 2024 covered emissions. Each entity must meet their obligation by transferring enough eligible compliance instruments into their compliance account in the Compliance Instrument Tracking System Service (CITSS) by 5:00 p.m. Pacific Time on Saturday, Nov. 1, 2025.

Entities can use a combination of allowances and offset credits to meet their compliance obligations. However, entities can only use certain kinds of these compliance instruments to meet their 2024 Annual Compliance Obligations.

For the 2024 Annual Compliance Obligation, entities may only use allowances with a vintage year of 2024 or earlier, or allowances without a vintage, such as those won at an APCR auction.

Entities can use offset credits of the following types to meet their compliance obligations: those which originate from offset projects **on** Tribal lands, and those that originate from offset projects **not on** Tribal lands. For the 2024 Annual Compliance Obligation, entities can use offset credits of any vintage in an amount up to the offset usage limit, which is equal to 8% of their 2024 covered emissions. Entities may not use offset credits sourced from projects not on Tribal lands in an amount greater than 5% of their 2024 covered emissions.

Energy-intensive, trade-exposed (EITE) entities who received true-up allocation by Oct. 24, 2025, can also use vintage 2025 and vintage 2026 allowances to fulfill their compliance obligations. EITEs may not use these allowances in an amount greater than the specified Remaining True-Up Quantity (see the True-up Quantity Terminology section for more information).

The CITSS Compliance Obligation Detail Report shows an entity's compliance obligations and determines whether sufficient eligible compliance instruments are in the compliance account to meet the compliance obligation.

The Compliance Obligation Detail Report will not show the 2024 Annual Compliance Obligation until Ecology approves the obligation in CITSS. CITSS will send each account representative an email sometime in early October 2025 when Ecology has approved their entity's 2024 Annual Compliance Obligation.

Transfers to the compliance account from an entity's own general account or Electricity Allocation Holding Account (EAHA) require two account representatives: one account representative must **propose** the transfer, and a different account representative must **approve** the transfer. If the transfer is not approved by the second account representative within two days of the proposal, the transfer will expire, and the instruments will not be moved to the compliance account. Entities should allow enough time for all representatives to complete their compliance transfers ahead of the compliance obligation deadline.

Failure to fulfill an entity's compliance obligation results in both a Shortfall Obligation and an Untimely Surrender Obligation which, in combination, are worth up to four allowances for each compliance instrument the entity did not surrender by the compliance obligation deadline.

3. Review facility information

Key points

- In CITSS, each covered or opt-in entity has at least one facility with a unique Washington Greenhouse Gas (GHG) Reporting ID assigned by Ecology (see More Information below).
- CITSS sums up the covered emissions for each facility to the entity level in order to determine an entity's overall compliance obligation.
- Account Representatives can use CITSS to confirm the following:
    - The correct facilities are associated with the entity's CITSS account.
    - Each facility is in a status of "Active" or "Retired".[3]

[3] A facility may be retired from an entity's CITSS account for a number of reasons, including a transfer of ownership or if the facility is no longer considered a covered entity under the Cap-and-Invest Program, pursuant to WAC 173-446-070. Retired facilities do not contribute to compliance obligations.

- The GHG Reporting ID for a facility in CITSS is the same as the ID in the Washington Electronic Database for Greenhouse Gas Emissions (WEDGE).

More information

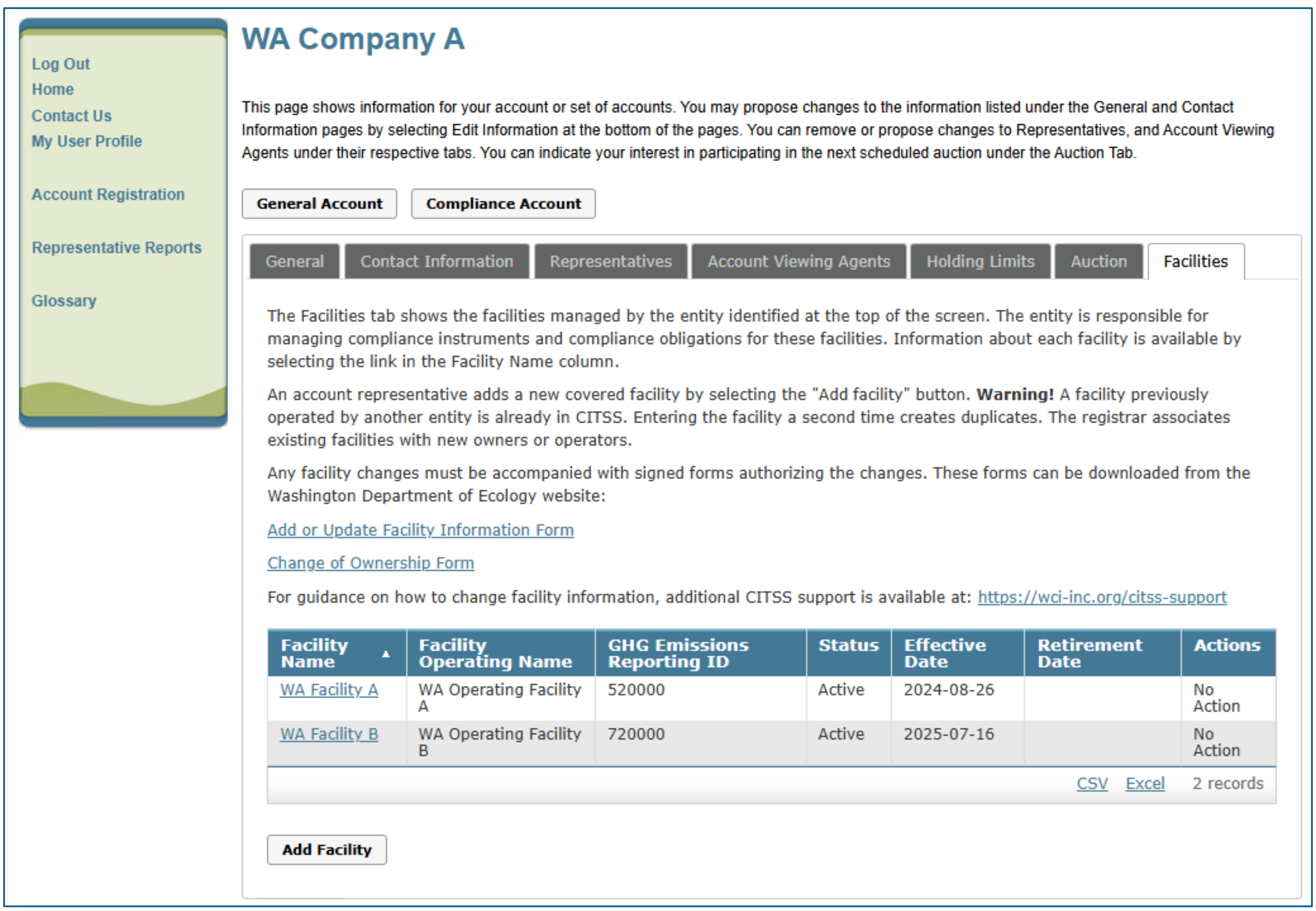
A covered or opt-in entity may have one or more facilities associated with their account in CITSS. Facilities under one entity may be from multiple covered emissions sources; an entity could have a facility that is a stationary source (such as a refinery) and a facility that is an electric power entity (EPE).

In CITSS, each covered or opt-in entity has at least one facility with a unique Washington Greenhouse Gas (GHG) Reporting ID assigned by Ecology. CITSS sums up the covered emissions for each facility to the entity level in order to determine an entity's overall compliance obligation.

Account Representatives can use the CITSS Facilities Tab to view information about the facilities associated with their entity. Ecology recommends that Account Representatives use the CITSS Facilities Tab to confirm that their entity's facility information is current and accurate. Ecology will work with Account Representatives to ensure all facilities with covered emissions are correctly associated with covered or opt-in entities ahead of the 2024 Annual Compliance Obligation. Account representatives should contact the Auctions & Market Section as soon as possible if they believe they are seeing an error in the data entered in CITSS.

Figure 1 is a screenshot of the CITSS Facilities Tab. CITSS lists all facilities that have ever been associated with the entity account. Only facilities that are in the "Active" status contribute to a compliance obligation.

Figure 1. Example Facilities Tab in CITSS.



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WA Company A

This page shows information for your account or set of accounts. You may propose changes to the information listed under the General and Contact Information pages by selecting Edit Information at the bottom of the pages. You can remove or propose changes to Representatives, and Account Viewing Agents under their respective tabs. You can indicate your interest in participating in the next scheduled auction under the Auction Tab.

General Account | Compliance Account

General | Contact Information | Representatives | Account Viewing Agents | Holding Limits | Auction | Facilities

The Facilities tab shows the facilities managed by the entity identified at the top of the screen. The entity is responsible for managing compliance instruments and compliance obligations for these facilities. Information about each facility is available by selecting the link in the Facility Name column.

An account representative adds a new covered facility by selecting the "Add facility" button. **Warning!** A facility previously operated by another entity is already in CITSS. Entering the facility a second time creates duplicates. The registrar associates existing facilities with new owners or operators.

Any facility changes must be accompanied with signed forms authorizing the changes. These forms can be downloaded from the Washington Department of Ecology website:

Add or Update Facility Information Form

Change of Ownership Form

For guidance on how to change facility information, additional CITSS support is available at: https://wci-inc.org/citss-support

Facility Name	Facility Operating Name	GHG Emissions Reporting ID	Status	Effective Date	Retirement Date	Actions
WA Facility A	WA Operating Facility A	520000	Active	2024-08-26		No Action
WA Facility B	WA Operating Facility B	720000	Active	2025-07-16		No Action

CSV Excel 2 records

Add Facility

4. Review facility verified covered emissions

Key points

- CITSS displays a covered or opt-in entity's emissions by facility for each year.
- Account Representatives can use CITSS to confirm the following:
    - The 2024 Annual Emissions are correct.
    - The 2024 Annual Emissions are associated with the correct facilities.

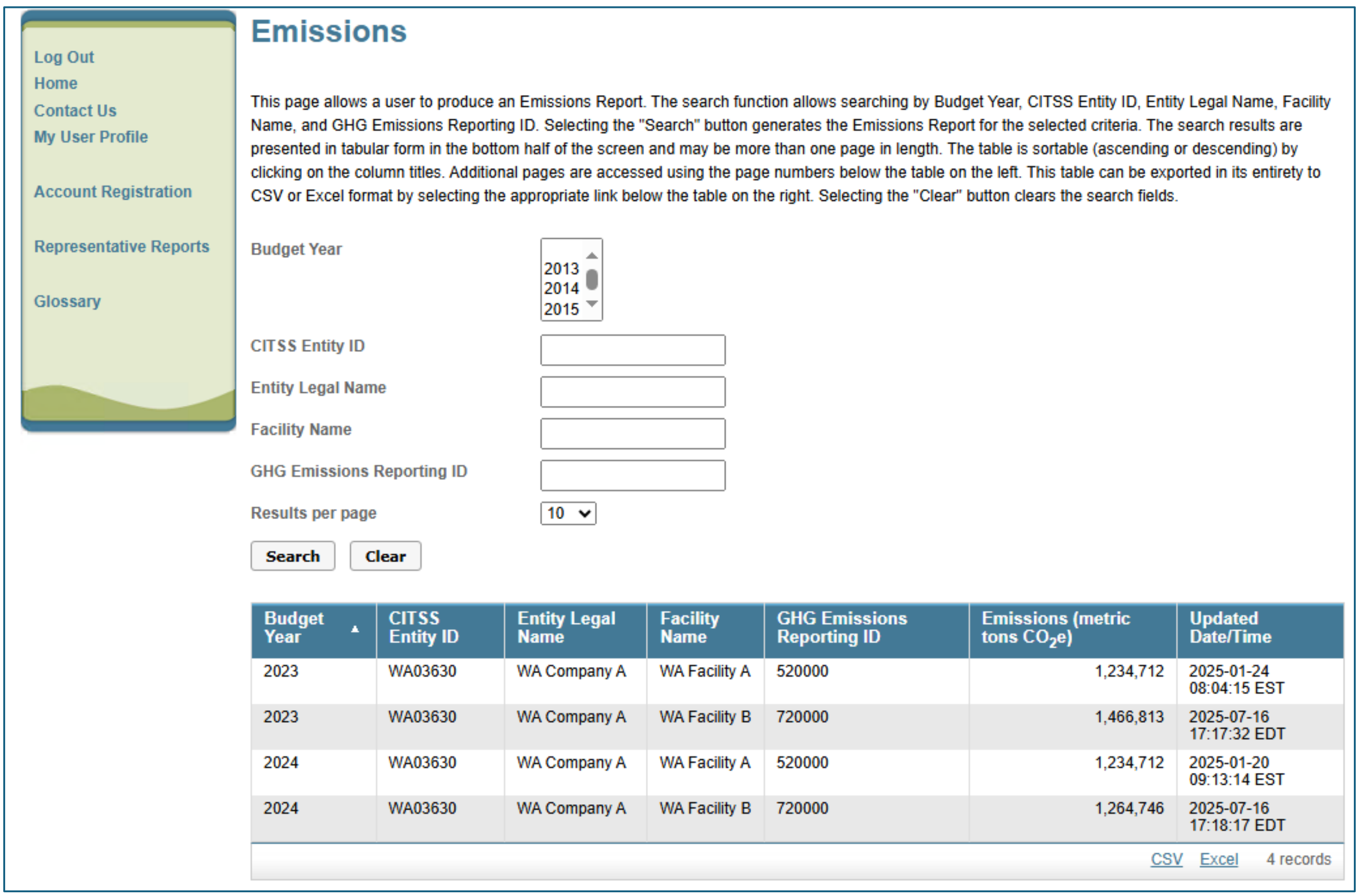
More information

In CITSS, each covered or opt-in entity has at least one facility with a unique Washington Greenhouse Gas (GHG) Reporting ID assigned by Ecology. Each facility in CITSS is associated with a single covered or opt-in entity, meaning that no facility is associated with multiple entities at a given time. CITSS sums up the covered emissions for each facility to the entity level in order to determine an entity's overall compliance obligation.

Account Representatives can use the CITSS Emissions Report Tab to view information about the emissions for their facility(s). Ecology recommends that Account Representatives use the CITSS Emissions Report to confirm that their entity's facility information is current and accurate.

Figure 2 shows a screenshot of a CITSS Emissions Report, which displays all emissions entered into CITSS by budget year and facility.

Figure 2. Example Emissions Report for covered or opt-in entities.



5. Estimate the 2024 Annual Compliance Obligation

Key points

- Account Representatives can preview the 2024 Annual Compliance Obligation on the CITSS Compliance Obligation Detail Report by early October 2025.
- Covered entities will receive an email from CITSS once the obligation has been approved.
- Reported emissions in WEDGE may not always equal the covered emissions in CITSS. Not all reported emissions are considered covered emissions under the Cap and Invest program.

For questions about emissions reporting, contact the Emissions Reporting and Verification Team at GHGReporting@ecy.wa.gov.

More information

Using preliminary reports, entities can estimate their 2024 Annual Compliance Obligation before the information is displayed in CITSS. Covered emissions and Assigned Emissions Level (AEL) values are entered into CITSS as whole numbers.

CITSS calculates the annual compliance obligation as 30% of the entered emissions values **rounded up** to the nearest whole number regardless of the value after the decimal.

Table 1 displays an example calculation of the 2024 Annual Compliance Obligation for WA Company A due Nov.1, 2025.

Table 1: Rounding rules for annual compliance obligation calculations.

Description	Value ($MTCO_2$-e)
2024 emissions/AEL in WEDGE	7,208,508
2024 emissions in CITSS	7,208,508
Calculated 30% of 2024 emissions	2,162,552.4
2024 Annual Compliance Obligation (30% of covered emissions/AEL, rounded up to the nearest whole number)	2,162,553

6. Offset usage limits

Key points

- Entities can use offset credits to fulfill a small portion of the 2024 Annual Compliance Obligation. There are limits related to the two types of offsets eligible for use in Washington's program:
  - Offset credits providing Direct Environmental Benefits to the State, in an amount worth up to 8% of an entity's 2024 covered emissions.
    - Offset credits providing Direct Environmental Benefits to the State and not on Tribal Lands cannot be used in an amount worth more than 5% of 2024 covered emissions.
    - Offset credits providing Direct Environmental Benefits to the State and on Tribal Lands cannot exceed the annual offset usage limit (8% of an entity's 2024 covered emissions) minus the number of offsets retired from projects Not on Tribal Lands.

More information

In CITSS, emissions are uploaded as a whole number. Whenever the multiplication product of the applicable offset credit usage limit and the annual emissions is not a whole number, CITSS will round the product **down to the nearest whole number** to prevent entities from exceeding the offset usage limit.

Table 2 shows an example of the maximum number of offset credits an entity may use for the 2024 Annual Compliance Obligation. The two types of offset credits and their respective usages limits are assessed on the covered emissions or AEL, not on the 30% annual compliance obligation.

Table 2: Example offset usage limit calculations.

Offset Credits Providing Direct Environmental Benefits (DEBs) to the State		
Description	**Value**	**Notes**
2024 emissions in CITSS	6,920,168	Total annual emissions
Overall Offset Limit	553,613	8% of covered annual emissions **rounded down**
Maximum number of offsets sourced from projects Not on Tribal Lands	346,008	Maximum number of offsets an entity may use of this offset type. An entity may use non or all of this type of offset up to the limit.
Maximum number of offsets sourced from projects on Tribal Lands	553,613	An entity can satisfy the entire offset limit with offset credits of this type, so this value is equal to the overall offset limit. The maximum number of offsets eligible for use is the overall offset limit minus the number of offsets retired from projects Not on Tribal Lands.

7. Eligible compliance instruments

Key points

- To fulfill a compliance obligation, an entity must use eligible compliance instruments. Eligible instruments for the 2024 Annual Compliance Obligation are:
    - Allowances with a vintage year of 2024 or earlier
    - Allowance Price Containment Reserve (APCR) allowances
    - Offset credits providing Direct Environmental Benefits to the State, in an amount worth up to 8% of an entity's 2024 covered emissions
        - Offset credits providing Direct Environmental Benefits to the State and Not on Tribal Lands cannot be used in an amount worth more than 5% of 2024 covered emissions
    - Entities assigned a true-up quantity in CITSS can use vintage 2025 or vintage 2026 allowances up to the specified "Remaining True-up Quantity"
- Ecology will retire compliance instruments with specific vintages in decreasing order of vintage year (e.g., Ecology will retire vintage 2023 allowances before vintage 2024 allowances).

More information

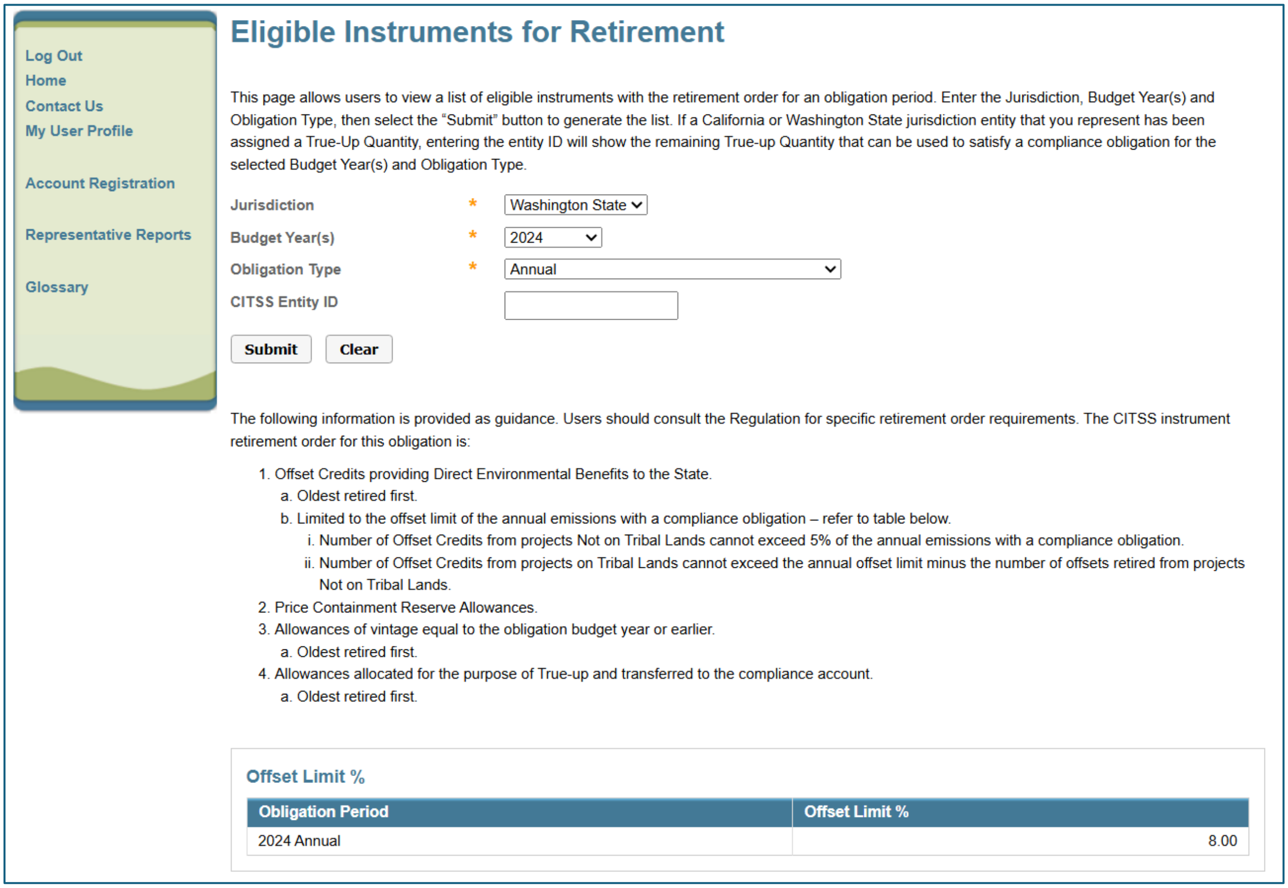
CITSS will only retire the number of eligible instruments from the compliance account necessary to fulfill the 2024 Annual Compliance Obligation. CITSS will **not** retire more than the 2024 Annual Compliance Obligation from the compliance account, even if more than the required 30% is in the account. Allowances in the compliance account in excess of the required 30% will remain in each entity's compliance account and are eligible for meeting future compliance obligations.

The retirement order for the 2024 Annual Compliance Obligation is:

1. Offset Credits providing Direct Environmental Benefits to the State.
    a. Oldest retired first.
    b. Limited to the offset limit of the annual emissions with a compliance obligation
        i. Number of Offset Credits from projects Not on Tribal Lands cannot exceed 5% of the annual emissions with a compliance obligation.
        ii. Number of Offset Credits from projects on Tribal Lands cannot exceed the annual offset limit minus the number of offsets retired from projects Not on Tribal Lands.
2. APCR allowances.
3. Allowances of vintage equal to the obligation budget year or earlier.
    a. Oldest retired first.
4. Allowances allocated for the purpose of True-up and transferred to the compliance account.
    a. Oldest retired first.

Figure 3 shows the CITSS Eligible Instruments for Retirement page, which lists the eligible instruments in the order in which Ecology retires them.

Figure 3. Eligible Instruments for Retirement report.



8. Review compliance obligation details in CITSS

Key points

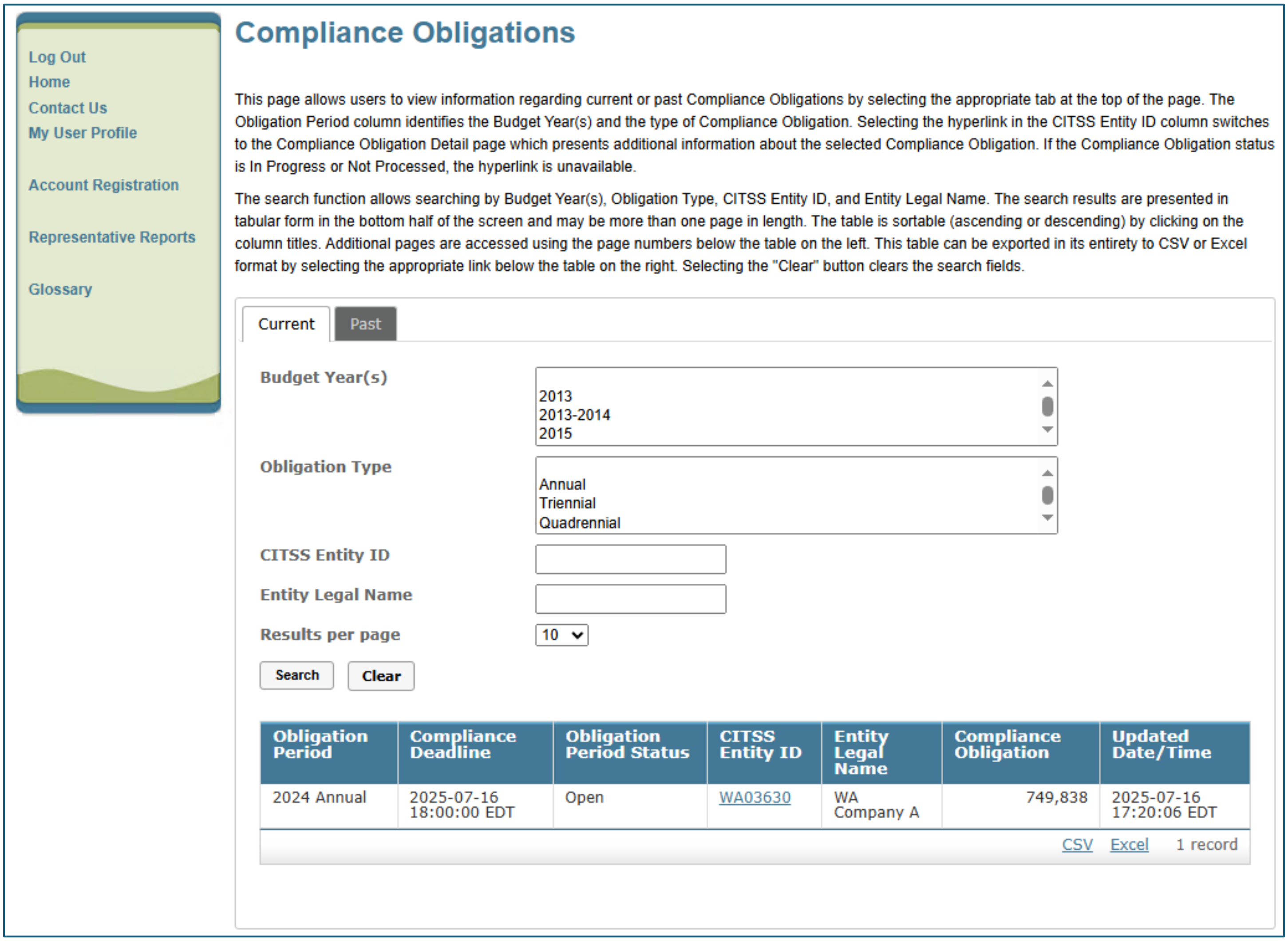
- The Compliance Obligations Detail Report shows all relevant information for a selected compliance obligation.
  - This report will not display current compliance obligations until Ecology uploads emissions and approves the obligations sometime in early October.
- CITSS will evaluate the compliance account to determine if enough eligible instruments are in the account to fulfill an obligation. This evaluation informs the Compliance Status in the Compliance Obligations Detail Report.

More information

The CITSS Compliance Obligations Detail Report provides detailed information about a compliance obligation. To access the Compliance Obligations Detail Report, an account representative must choose the desired obligation from the CITSS Compliance Obligation Report page.

Figure 4 shows the Compliance Obligation Report page, filtered for the 2024 Annual Compliance Obligation, and the resulting 2024 Annual Compliance Obligation for WA Company A.

Figure 4. Compliance obligation information shown in the Current Tab.



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Compliance Obligations

This page allows users to view information regarding current or past Compliance Obligations by selecting the appropriate tab at the top of the page. The Obligation Period column identifies the Budget Year(s) and the type of Compliance Obligation. Selecting the hyperlink in the CITSS Entity ID column switches to the Compliance Obligation Detail page which presents additional information about the selected Compliance Obligation. If the Compliance Obligation status is In Progress or Not Processed, the hyperlink is unavailable.

The search function allows searching by Budget Year(s), Obligation Type, CITSS Entity ID, and Entity Legal Name. The search results are presented in tabular form in the bottom half of the screen and may be more than one page in length. The table is sortable (ascending or descending) by clicking on the column titles. Additional pages are accessed using the page numbers below the table on the left. This table can be exported in its entirety to CSV or Excel format by selecting the appropriate link below the table on the right. Selecting the "Clear" button clears the search fields.

Current | Past

Budget Year(s): 2013, 2013-2014, 2015
Obligation Type: Annual, Triennial, Quadrennial
CITSS Entity ID
Entity Legal Name
Results per page: 10

Search | Clear

Obligation Period	Compliance Deadline	Obligation Period Status	CITSS Entity ID	Entity Legal Name	Compliance Obligation	Updated Date/Time
2024 Annual	2025-07-16 18:00:00 EDT	Open	WA03630	WA Company A	749,838	2025-07-16 17:20:06 EDT

CSV Excel 1 record

On the Compliance Obligations Report page, the Current Tab displays information for current or future obligations. The Past Tab must be selected to review information for previous compliance obligations. To review the information for a specific obligation, select the hyperlinked CITSS Entity ID to open the Compliance Obligation Detail Report.

Figure 5 shows the Compliance Obligation Information section of the CITSS Compliance Obligation Detail Report. The following section provides more in-depth detail about the report. Not all components will be available to every entity or obligation.

Figure 5. Compliance Obligation Information page from the CITSS Compliance Obligation Detail Report.

Compliance Obligation Information

Obligation Period	2024 Annual	
CITSS Entity ID	WA03630	
Entity Legal Name	WA Company A	
Entity Operating Name	WA Company A	
Compliance Account Number	WA03630-91045	
Compliance Status	Pending Unfulfilled ?	
Compliance Deadline	2025-07-16 18:00:00 EDT ?	
Updated Date/Time	2025-07-16 17:20:06 EDT ?	
Compliance Obligation		749,838
Instruments Retired		0
Balance to Fulfill Obligation		749,838 ?
Offset Limit	199,956 ?	
Direct Environmental Benefits to the State Not on Tribal Lands Offset Limit	124,973 ?	
Instruments in Compliance Account to be Retired		217 ?
Additional Instruments Needed in Compliance Account		749,621 ?

9. Description of the CITSS Compliance Obligation Detail Report

The CITSS Compliance Obligation Detail Report provides all necessary information to review an entity's compliance obligation information. Some sections of the report contain a purple question mark "?". Hover the mouse over the question mark to view an explanation of the section.

Compliance Obligation Information

The "Compliance Obligation Information" section includes the most important information of the report. It is formatted like a math equation, for example

- "Balance to Fulfill Obligation" minus "Instruments in Compliance Account to be Retired" equals "Additional Instruments Needed in Compliance Account."

CITSS evaluates the compliance obligation information and determines a compliance status:

- "Pending Unfulfilled" indicates there are not sufficient instruments in the compliance account to meet the compliance obligation.
- "Pending Fulfilled" indicates there are sufficient instruments in the compliance account to meet the compliance obligation.

Compliance statuses will always start with the word “Pending” until the associated compliance obligation deadline passes. The term “Pending” in this context is a reference to the compliance obligation deadline not having passed; it is not a reference to the entity’s compliance account holdings.

Instruments in the Compliance Account to be Retired

The “Instruments in the Compliance Account to be Retired” sections list the vintage, type, and number of instruments that CITSS will retire at the compliance deadline.

Offset credits listed in this table will be designated as either On Tribal Lands or Not On Tribal Lands in the “Offset Type” column.

Figure 6 shows that WA Company A has 217 vintage 2023 allowances in the compliance account.

Figure 6. Instruments in Compliance Account to be Retired Table.

Instruments in Compliance Account to be Retired ?

Vintage	Jurisdiction	Type	Sub-Type	Offset Type	Offset Project ID	Quantity	Receiving Account
2023		Allowance				217	Retirement

Remaining True-up Quantity

By October 24th of each year, Ecology awards eligible energy-intensive, trade-exposed (EITE) entities with allowances from the next year’s budget at no cost. The specific number of allowances given to EITEs is based on their baseline emissions, or “allocation baseline”. The specific number of allowances given to EITEs is based on their baseline emissions, or “allocation baseline”.

Each allocation of allowances to EITEs always includes no-cost allowances intended to help EITEs cover their emissions for the following year (e.g., in 2025, EITEs will receive vintage 2026 allowances to cover their 2026 emissions).

Ecology updates the number of no-cost allowances given to EITEs each year to make sure that number aligns with actual production at EITE facilities. This process is referred to as “true-up”. Some allocations of allowances to EITEs include no-cost allowances intended to reconcile past allocations that did not reflect the actual production for those EITEs. For example, if an EITE’s 2024 emissions reports show that their 2024 production exceeded their vintage 2024 allocation, Ecology will compensate for that discrepancy by adding allowances to the next round of vintage 2026 allocation.

EITEs who received true-up allocation can use allowances of a future vintage to cover their emissions from previous years, but they may only use them in an amount up to the number of allowances they received in their true-up allocation. This amount is also known as the “True-up Quantity.” Each True-Up Quantity has an Assigned Vintage which matches the vintage of the allowances that an EITE received as part of a true-up allocation.

The “Remaining True-up Quantity” is the amount of an EITE’s True-Up Quantity from an Assigned Vintage that the EITE hasn’t put toward a compliance obligation. This value represents the maximum number of allowances from the Assigned Vintage that an entity can use to fulfill a compliance obligation.

CITSS does not distinguish true-up allowances from other allowances, meaning that an entity does not need to use the exact allowances allocated for true-up when it takes advantage of its Remaining True-up Quantity; that entity may use instruments purchased elsewhere of the same assigned vintage toward their compliance obligation.

Figure 7 shows an example Remaining True-up Quantity table for WA Company A.

Figure 7. Remaining True-up Quantity Table.

Remaining True-up Quantity ?

Eligible True-up Vintages	Remaining Quantity
2025	14,654
2026	9,999

Facility Emissions

The "Facility Emissions" section provides a table of the approved covered emissions or AEL for each facility, which contributes to the compliance obligation.

Figure 8 shows the emissions for WA Company A for budget year 2024 for each facility.

Figure 8. Facility Emissions Table

Facility Emissions ?

Budget Year	Facility Name	Facility Operating Name	GHG Emissions Reporting ID	Emissions (metric tons CO_2e)
2024	WA Facility A	WA Operating Facility A	520000	1,234,712
2024	WA Facility B	WA Operating Facility B	720000	1,264,746

CSV Excel 2 records

Assigned True-up Quantity

"Assigned True-up Quantity" is the true-up value assigned to a facility to account for a change in production or required allocation.

Figure 9 shows the assigned True-up Quantity for each applicable budget year, 2023 and 2024, for each facility. The assigned vintages are always two years later than the budget year.

Figure 9. Assigned True-up Quantity Table

Assigned True-up Quantity ?

Budget Year	Facility Operating Name	GHG Emissions Reporting ID	Assigned Vintage	Assigned Quantity
2023	WA Operating Facility A	520000	2025	8,965
2023	WA Operating Facility B	720000	2025	5,689
2024	WA Operating Facility A	520000	2026	4,365
2024	WA Operating Facility B	720000	2026	5,634

CSV Excel 4 records

10. True-up allocation and true-up quantity

Key points

- Ecology allocates allowances to account for production data and changes in required allocation that were not reflected in prior allocations for a given year. This is reflected in CITSS as the "True-Up Quantity." This is a value in CITSS, not a type of allowance.
- The True-Up Quantity vintage is the emissions year plus two. Therefore, an entity with a 2024 obligation may receive a True-Up Quantity of Assigned Vintage 2026, which is eligible for the 2024 Annual Compliance Obligation. This will only be applicable to some Emissions Intensive, Trade Exposed (EITE) entities.
- If an entity received 2023 True-Up Quantity of Assigned Vintage 2025 and did not use the full amount for the 2023 compliance obligation, the remainder may be used to meet the 2024 Annual Compliance Obligation.

More information – **only relevant for EITE entities**

Understanding True-up requires understanding relevant terminology and timing of reporting activities. **For purposes of compliance, only applicable Emissions Intensive, Trade Exposed (EITE) entities receive a True-up.**

Budget Year is the year emissions occurred. Ecology provided initial no-cost allocation to EITE entities for budget year 2024 in October 2023. This allocation was informed by 2023 reporting and production data. If covered emissions and production data require a greater number of no-cost allocation than the initial allocation, then after the budget year 2024, Ecology provides additional allowances of vintage later than the budget year to adjust the allowance allocation. Ecology refers to this as "true-up."

Upon receiving covered emissions for a budget year, allowances of vintage equal to the budget year can no longer be allocated. As such, allowances allocated for the purpose of True-up are of the vintage year two years later than the budget year. Allowances allocated for true-up are included in the annual allocation each October.

The true-up process allows for EITEs which received initial allocation to use a specified number (the "Assigned True-up Quantity") of vintage 2025 allowances to meet the 2024 Annual Compliance Obligation. EITEs may also use allowances of the Assigned True-up Quantity for the prior year if the entire amount was not utilized in the prior compliance obligation.

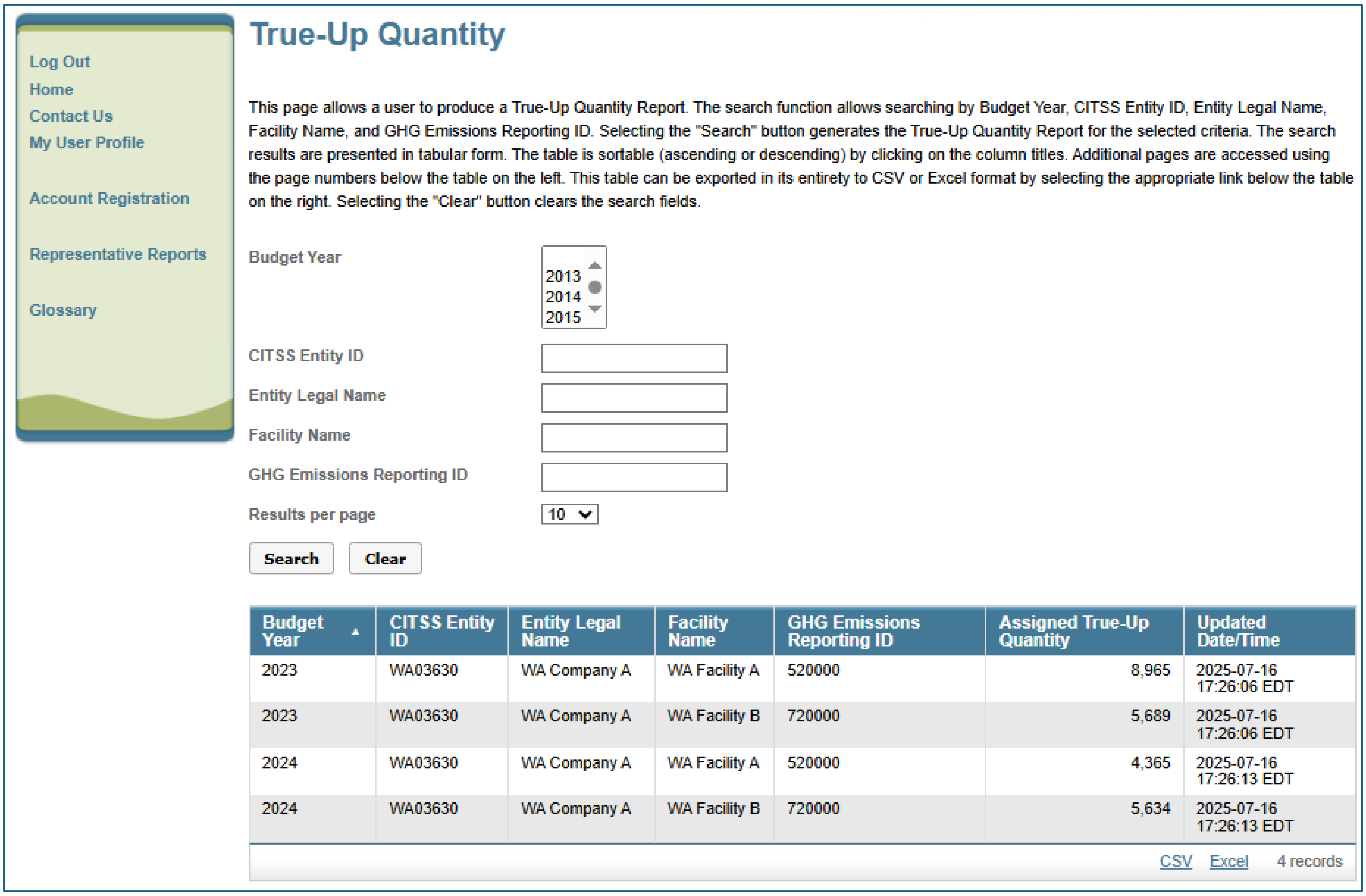
True-up quantity terminology

- "Assigned True-up Quantity" refers to the eligible vintage and number of allowances allocated for true-up.
- "Remaining True-up Quantity" is the balance of unused True-up Quantity. This is also the maximum number of the assigned vintages that an entity can use to meet a current compliance obligation.
  - The "Remaining True-up Quantity" remains eligible for use until the assigned vintage becomes current.

The 2024 Annual Compliance Obligation is the second of Washington's program, and so future vintages 2025 (if not entirely used for the 2023 Annual Compliance Obligation) and 2026 are eligible for use. Figure 10 shows the CITSS page for True-up Quantity.

An entity can sell allowances allocated for purposes of True-up; the True-up Quantity remains with the entity that was initially allocated the allowances. An entity does not need to use the allowances allocated for True-up for compliance and may use instruments purchased elsewhere of the same assigned vintage toward the compliance obligation.

Figure 10. True-up Quantity Report



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True-Up Quantity

This page allows a user to produce a True-Up Quantity Report. The search function allows searching by Budget Year, CITSS Entity ID, Entity Legal Name, Facility Name, and GHG Emissions Reporting ID. Selecting the "Search" button generates the True-Up Quantity Report for the selected criteria. The search results are presented in tabular form. The table is sortable (ascending or descending) by clicking on the column titles. Additional pages are accessed using the page numbers below the table on the left. This table can be exported in its entirety to CSV or Excel format by selecting the appropriate link below the table on the right. Selecting the "Clear" button clears the search fields.

Budget Year: 2013 / 2014 / 2015

CITSS Entity ID

Entity Legal Name

Facility Name

GHG Emissions Reporting ID

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Budget Year	CITSS Entity ID	Entity Legal Name	Facility Name	GHG Emissions Reporting ID	Assigned True-Up Quantity	Updated Date/Time
2023	WA03630	WA Company A	WA Facility A	520000	8,965	2025-07-16 17:26:06 EDT
2023	WA03630	WA Company A	WA Facility B	720000	5,689	2025-07-16 17:26:06 EDT
2024	WA03630	WA Company A	WA Facility A	520000	4,365	2025-07-16 17:26:13 EDT
2024	WA03630	WA Company A	WA Facility B	720000	5,634	2025-07-16 17:26:13 EDT

CSV Excel 4 records