

WAC 173-446-357 Acceptance of bids. (1) No bid price that is below the auction floor price shall be accepted.

(2) Ecology shall accept bids that have not been rejected, starting with the highest bid price and continuing in decreasing order by bid price until no more acceptable bids remain or no more of the allowances described in the notice of the auction are available.

(3) If the demand for allowances results in an auction settlement price that is lower than the emissions containment reserve trigger price, and ecology has not suspended the emissions containment reserve trigger price under WAC 173-446-340, ecology shall withhold up to 10 percent of the allowances submitted by ecology for auction as needed until either the emissions containment reserve trigger price becomes the auction settlement price or the number of allowances ecology may withhold is exhausted. Allowances withheld from the auction under this subsection shall be placed in the emissions containment reserve.

(4) Subsection (5) of this section applies if more than one bid has been submitted at the lowest accepted bid price for allowances in a quarterly auction of current, past, or future allowances, or at a Tier 1 price or the Tier 2 price for auctions from the allowance price containment reserve.

(5) If the total number of allowances bid upon at a bid price mentioned in subsection (4) of this section is greater than the number of allowances available at that bid price, ecology shall divide the remaining allowances available at that bid price between the registered entities who submitted the bids at that bid price, in accordance with the following steps:

(a) Divide the number of allowances bid upon by each registered entity at that bid price by the total number of allowances that were bid upon at that bid price. This is the registered entity's share of the allowances.

(b) Multiply each participant's share determined under (a) of this subsection by the number of allowances remaining, rounding down to the nearest whole number. This is the number of allowances to be distributed to the registered entity.

(c) If any allowances remain after carrying out the steps under (a) and (b) of this subsection, distribute the remaining allowances as follows:

(i) Assign a random number to each registered entity who submitted a bid at the applicable lowest bid price.

(ii) Distribute one allowance at a time to the registered entities in ascending order by the random number assigned, until no more of the allowances available at that bid price remain.

(6) Ecology shall distribute each allowance for which a bid has been accepted. The price to be paid by all bidders for each allowance is the lowest accepted bid price, which is also known as the auction settlement price.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-357, filed 9/29/22, effective 10/30/22.]