

WAC 173-446-585 Approval requirements for offset project registries. (1) The approval requirements specified in this section apply to all offset project registries that will operate to provide offset registry services under this chapter.

(2) Ecology may approve offset project registries that meet and maintain compliance with the requirements specified in this section.

(a) Offset project registry approval application. To apply for approval as an offset project registry, the applicant shall submit the following information to ecology, in a manner specified by ecology:

- (i) Name of applicant;
- (ii) Name of president or chief executive officer;
- (iii) List of all board members, if applicable;
- (iv) Addresses of all offices located in the United States;
- (v) Documentation that the applicant carries at least \$5,000,000 U.S. dollars of active professional liability insurance; and
- (vi) List of any judicial proceedings and administrative actions filed against the applicant within the previous five years, with a detailed explanation as to the nature and outcome of the proceedings.

(b) In addition to the information required under (a) of this subsection, the applicant must submit, in writing, its procedures to screen and address internal conflicts of interest. The applicant must provide the following information to ecology:

(i) A staff, management, and board member conflict of interest policy where there are clear criteria for what constitutes a conflict of interest. The policy must:

(A) Identify specific activities and limits on monetary and non-monetary gifts that staff, management, and board members must not conduct or accept to meet the offset project registry's internal policies regarding conflicts of interest, or alternatively provide a comprehensive policy on the applicant's requirements for the reporting of any and all conflicts of interest based on internal policies that guard against conflicts of interest; and

(B) Documentation that the applicant has an internal requirement for annual disclosure by each staff, management, and board member of any items or instances that are covered by the applicant's conflict of interest policy on an ongoing basis or for the previous calendar year.

(C) Documentation that the applicant has appropriate conflict of interest and confidentiality requirements in place for any of its contractors;

- (ii) List of all service types provided by the applicant;
- (iii) List of the industrial sectors the applicant serves;
- (iv) Locations where services are provided; and
- (v) A detailed organizational chart that includes the applicant and any parent, subsidiary, and affiliate companies.

(vi) If the applicant is going to designate a subdivision of its organization to provide registry services, then the prohibition on serving as an offset project consultant shall apply at the subdivision level and the applicant must provide the following general information for its self:

- (A) General types of services; and
- (B) General locations where services are provided.

(c) The applicant must have the following capabilities for registration and tracking of registry offset credits issued under this chapter:

(i) A comprehensive registration requirement for all registry participants;

(ii) A system for tracking ownership and transactions of all registry offset credits it issues at all times; and

(iii) A permanent repository of ownership information on all transactions involving all registry offset credits it issues under this chapter from the time they are issued to the time they are retired, invalidated, or canceled.

(3) The applicant's primary business must be operating an offset project registry for voluntary or regulatory purposes and the applicant must meet the following business requirements:

(a) Once approved as an offset project registry, the applicant may not act as an offset project operator, authorized project designee, or offset project consultant for offset projects registered or listed on its own offset project registry and developed using a compliance offset protocol. The applicant must annually disclose to ecology any nonoffset project related consulting services it provides to an offset project operator or authorized project designee who lists a project using a compliance offset project with the applicant as part of the information included in the annual report;

(b) The applicant may not act as an offset verification body or provide offset verification services once approved as an offset project registry;

(c) If the applicant designates a subdivision of its organization to provide registry services, the applicant may not be an offset project operator or authorized project designee for offset projects listed at the subdivision's registry, act as a verification body, or be a covered entity or opt-in entity;

(d) The applicant must demonstrate experience in the continuous operation of a registry serving an environmentally focused market that includes the trading of carbon emissions-based commodities for a minimum of two years in a mandatory and/or voluntary market; and

(e) The applicant's primary incorporation or other business formation and primary place of business, or the primary place of business of the designated subdivision, if the applicant designates a subdivision to provide registry services pursuant to this section, must be in the United States of America.

(4) The offset project registry must continue to maintain the professional liability insurance required by subsection (2)(a)(v) of this section while it provides registry services to offset project operators or authorized project designees who are implementing offset projects using compliance offset protocols.

(5) If any information submitted pursuant to this section changes after the approval of an offset project registry, the offset project registry must notify ecology within 30 calendar days of the change and provide updated information consistent with that required in this section.

(6) The offset project registry must attest, in writing, to ecology as follows:

(a) "As the authorized representative for this Offset Project Registry, I understand that the Offset Project Registry is voluntarily participating in the program under this chapter and the Offset Project Registry is now subject to all regulatory requirements and enforcement mechanisms of this program.";

(b) "All information generated and submitted to Ecology by the Offset Project Registry related to an offset project that uses a Compliance Offset Protocol will be true, accurate, and complete.";

(c) "All information provided to Ecology as part of an Ecology audit of the Offset Project Registry will be true, accurate, and complete.";

(d) "All registry services provided will be in accordance with the requirements of WAC 173-446-590.";

(e) "The Offset Project Registry is committed to participating in all Ecology training related to Ecology's compliance offset program or Compliance Offset Protocols."; and

(f) The authorized representative of the offset project registry must attest in writing, to ecology: "I certify under penalty of perjury under the laws of the state of Washington I have authority to represent the Offset Project Registry and all information provided as part of this application is true, accurate, and complete."

(7) At least two of the management staff at the offset project registry must take an ecology-approved training on ecology's compliance offset program and pass an ecology-approved examination upon completion of training.

(8) The offset project registry must have staff members who have collectively completed the ecology-provided training described in subsection (7) of this section and passed an examination upon completion of training in all applicable compliance offset protocols.

(9) The offset project registry must have at least two years of demonstrated experience in, and requirements for, direct staff oversight and review of offset projects, project listing, offset verification, and registry offset credit issuance.

(10) Ecology approval.

(a) The applicant may be allowed to submit additional supporting documentation before a decision is made by ecology.

(b) Within 60 calendar days of receiving an application for approval as an offset project registry and completion by all management staff of the training required by subsection (7) of this section, ecology will inform the applicant in writing either that the application is complete or that additional specific information is required to make the application complete.

(c) Within 60 calendar days following completion of the application process, ecology shall approve an offset project registry if evidence of qualification submitted by the applicant has been found to meet the requirements of this section.

(d) Ecology and the applicant may mutually agree, in writing, to longer time periods than those specified in this section.

(e) Ecology approval for an offset project registry is valid for a period of 10 years, whereupon the applicant may reapply. At the time of reapplication, the offset project registry must:

(i) Demonstrate it consistently met all of the requirements in this section;

(ii) Pass a performance review, which, at a minimum shows the offset project registry consistently:

(A) Demonstrates knowledge of the ecology compliance offset program and compliance offset protocols;

(B) Meets all regulatory deadlines; and

(C) Provides registry services in accordance with the requirements of this chapter; and

(iii) Not have been subject to enforcement action under WAC 173-446-610.

(11) Modification, suspension, and revocation of ecology's approval of an offset project registry. Ecology may review, and, for good

cause, modify, suspend, or revoke its prior approval of an offset project registry.

(a) During revocation proceedings, the offset project registry may not continue to provide registry services for ecology.

(b) Within five business days of suspension or revocation of approval, an offset project registry must notify all offset project operators or authorized project designees for whom it is providing registry services, or for whom it has provided registry services within the past 12 months, of its suspension or revocation of approval.

(c) An offset project operator or authorized project designee who has been notified by an offset project registry of a suspended or revoked approval under (b) of this subsection must resubmit its offset project information to a new offset project registry or ecology. An offset project listed by ecology or a new offset project registry will continue to operate under its originally approved crediting period, provided that ecology may extend the crediting period or the relevant deadline for one year if ecology determines that such extension is necessary to provide time for resubmission of information to the new offset project registry or ecology.

(12) If the applicant under this section is going to designate a subdivision of its organization to provide registry services, all the requirements of this section may be applied at the designated subdivision level.

(13) An approved offset project registry must make itself and its personnel available for an ecology audit.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-585, filed 9/29/22, effective 10/30/22.]