

**WAC 173-360A-1064 Mechanism—Letter of credit.** (1) **Applicability of mechanism.** An owner or operator may satisfy the requirements of WAC 173-360A-1015 by obtaining an irrevocable standby letter of credit that conforms to the requirements of this section.

(2) **Eligibility of issuing institution.** The issuing institution must be an entity that has the authority to issue letters of credit in Washington state and whose letter-of-credit operations are regulated and examined by a federal or state agency.

(3) **Content of letter of credit.** The letter of credit must be worded as set forth in WAC 173-360A-1085, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted.

(4) **Term of letter of credit.** The letter of credit must be irrevocable with a term specified by the issuing institution. The letter of credit must provide that credit be automatically renewed for the same term as the original term, unless, at least one hundred twenty days before the current expiration date, the issuing institution notifies the owner or operator by certified mail of its decision not to renew the letter of credit. Under the terms of the letter of credit, the one hundred twenty days will begin on the date when the owner or operator receives the notice, as evidenced by the return receipt.

(5) **Standby trust.** An owner or operator who uses a letter of credit to satisfy the requirements of WAC 173-360A-1015 must also establish a standby trust fund when the letter of credit is acquired. Under the terms of the letter of credit, all amounts paid pursuant to a draft by the department will be deposited by the issuing institution directly into the standby trust fund in accordance with instructions from the department under WAC 173-360A-1050. This standby trust fund must meet the requirements specified in WAC 173-360A-1066.

[Statutory Authority: Chapter 90.76 RCW. WSR 18-15-083 (Order 16-02), § 173-360A-1064, filed 7/18/18, effective 10/1/18.]