

**WAC 173-446-260 Allowance distribution dates.** (1) Ecology will distribute vintage 2023 no cost allowances to mass-based EITE facilities, natural gas utilities, and electric utilities that have authorized accounts by the following dates:

(a) For mass-based EITE facilities: By September 1, 2023.

(b) For natural gas utilities:

(i) By July 1, 2023, a total of 35 percent of vintage 2023 no cost allowances will be allocated, based on ecology's best estimate of the final total as of this date.

(ii) By September 1, 2023, the remaining vintage 2023 no cost allowances will be allocated, taking into account the quantity of no cost allowances already allocated.

(c) For investor-owned electric utilities, within 60 days of the utilities and transportation commission approval of the forecasts of supply and demand to be used for the purposes of WAC 173-446-230, or by July 1, 2023, if the utilities and transportation commission takes no action.

(d) For consumer-owned electric utilities, within 60 days of the governing board of the consumer-owned utility approval of the forecasts of supply and demand to be used for the purposes of WAC 173-446-230, or no later than July 1, 2023, if the governing board takes no action.

(2) By September 1, 2023, ecology will make a preliminary distribution of vintage 2023 no cost allowances to intensity-based EITE facilities that have authorized accounts in the electronic compliance instrument tracking system. Distributions to intensity-based EITE facilities shall be based on 2021 production data reported to ecology and verified in 2022.

(3) By October 24th of 2023, and by October 24th of each year thereafter, ecology will distribute no cost allowances to mass-based EITE facilities, natural gas utilities, and electric utilities. The allowances distributed will be of the vintage of the year following the year in which they are distributed.

(4) By October 24th of 2023, and by October 24th of each year thereafter, ecology will make an initial distribution of no cost allowances to intensity-based EITE facilities. These distributions shall be based on production data from one year prior to the distribution year. The allowances distributed will be of the vintage of the year following the year in which they are distributed.

(5) By October 24th of 2024, and by October 24th of each year thereafter, ecology will conduct the final reconciliation of no cost allowances for intensity-based EITE facilities for the prior year based on production data from the prior year as reported to ecology and verified during the distribution year.

(a) If the initial allocation of allowances for a given year is lower than the actual number of allowances required as shown by the verified production data, ecology shall distribute additional allowances to the EITE facility to make up the difference. These allowances will come from the next year's vintage of allowances. Ecology shall accept these future vintage allowances for meeting compliance obligations for emissions from the year prior to the distribution year.

(b) If the initial allocation of allowances for a given year is higher than the actual number of allowances required as shown by the verified production data, ecology shall make up the difference by reducing the number of allowances allocated to the facility in the initial distribution of allowances for the next year. If the difference cannot be made up through reductions in the next year's initial dis-

tribution, the remaining reductions in allowances shall be carried forward to subsequent years until the deficit is resolved.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-260, filed 9/29/22, effective 10/30/22.]