

WAC 173-424-200 Designation of fuel reporting entities for liquid fuels. (1) **Applicability.** The purpose of this section is to identify the first fuel reporting entities, any subsequent fuel reporting entities, and the credit or deficit generator for liquid fuels. The first reporting entity is responsible for initiating reporting for a given amount of fuel within the online reporting system according to WAC 173-424-400 and, by default, holds the status as the initial credit or deficit generator. This section so prescribes the transfer of fuel reporting, and credit and deficit generating status.

(2) **Designation.**

(a) Designation of first fuel reporting entities for liquid fuels.

(i) The first fuel reporting entity for liquid fossil fuels is the producer or importer of the liquid fossil fuel.

(ii) For liquid fuels that are a blend of liquid alternative fuel components and a fossil fuel component, the first fuel reporting entity is the following:

(A) The producer or importer of alternative fuels for the alternative fuel component; and

(B) The producer or importer of liquid fossil fuels for the fossil fuel component.

(iii) Conventional jet fuel is not subject to the CFP and need not be reported.

(b) Designation of fuel reporting entities in case of transfer of liquid fuel ownership. An entity transferring ownership of fuel is the "transferor," and an entity acquiring ownership of fuel is the "recipient."

(i) Transferring status as credit or deficit generator.

(A) An entity can voluntarily transfer its status as a credit or deficit generator for a given amount of liquid fuel simultaneously with the ownership of such fuel if the conditions in (b)(i)(A)(I) through (IV) of this subsection are met:

(I) The two entities agree by written contract that specifies the recipient accepts all the responsibilities of a fuel reporting entity and credit and/or deficit generator;

(II) In case of a deficit generating fuel, the two entities agree by written contract that specifies which party is responsible for accounting for the deficit in the annual credits and deficits balance calculation;

(III) The transferor provides the recipient a product transfer document that specifies the recipient is the credit or deficit generator; and

(IV) Transfer of credit or deficit generator status is not the result of a downstream entity acquiring ownership of liquid fuel below the rack. The downstream entity is required to report on WFRS-CBTS, if exports the fuel.

(B) Upon transfer, the recipient also becomes the fuel reporting entity for the fuel, while the transferor remains still subject to reporting requirements and to any other requirement applicable to a fuel reporting entity.

(ii) Retaining status as credit or deficit generator.

(A) An entity can retain its status as a credit or deficit generator for a given amount of liquid fuel, while transferring ownership of that fuel, if the following conditions are met at the time ownership of fuel is transferred:

(I) The two entities agree by written contract that specifies the recipient accepts all the responsibilities of a fuel reporting entity,

and the transferor retains the responsibilities as a fuel reporting entity and credit or deficit generator;

(II) In case of a deficit generating fuel, the two entities agree by written contract that specifies which party is responsible for accounting for the deficit in the annual credits and deficits balance calculation; and

(III) The transferor must provide the recipient a product transfer document that specifies the transferor is the credit or deficit generator according to WAC 173-424-400.

(B) Upon transfer according to (b)(ii)(A) of this subsection, the recipient also becomes a fuel reporting entity for the fuel while the transferor is still subject to reporting requirements and any other requirements applicable to a fuel reporting entity under this chapter.

(iii) Transfer period.

(A) For all liquid fuels, the maximum period in which credit or deficit generator status can be transferred to another entity, for a given amount of fuel, is limited to three calendar quarters starting from and including the quarter in which the entity received the title. After this period is over, the credit and deficit generator status for that amount of fuel cannot be transferred.

(B) After this period is over, the credit and deficit generator status for that amount of fuel cannot be transferred.

(iv) Designation of fuel exporter. Entities responsible for reporting exports of fuel that has been previously reported in the WFRS are identified below:

(A) When the fuel is sold or delivered above the rack for export, the entity holding the ownership title to the fuel as it crosses the Washington border on its way toward the first point of sale/delivery out-of-state is responsible for reporting the export.

(B) When the fuel is sold across the rack for export, the entity holding title to the fuel as the fuel crosses the rack is responsible for reporting.

(C) When the fuel is diverted out-of-state below the rack, the entity holding title to the fuel, as it crosses the Washington border, is responsible for reporting the export.

[Statutory Authority: Chapter 70A.535 RCW. WSR 22-24-004 (Order 21-04), § 173-424-200, filed 11/28/22, effective 12/29/22.]