

**WAC 173-446-325 Bid guarantee.** (1) Each registered entity must provide a bid guarantee for the purpose of bidding in an auction. The bid guarantee must cover bids for future vintage allowances as well as bids for current and past vintage allowances. The bid guarantee must meet the following criteria:

(a) Be in U.S. dollars;

(b) Be valid for at least 26 calendar days following the day of the auction or sale;

(c) Be one or a combination of the following and must be given in a form and manner approved by ecology:

(i) Cash in the form of a wire transfer;

(ii) An irrevocable letter of credit; or

(iii) A bond.

(d) All bid guarantees must be in a form that may be accepted by the financial services administrator consistent with U.S. banking laws and bank practices;

(i) If the bid guarantee is a wire transfer, it must be deposited in an escrow account of the financial services administrator or of the institution indicated by the financial services administrator.

(ii) If the bid guarantee is an irrevocable letter of credit, it must:

(A) Be made payable to the financial services administrator; and

(B) Be payable within three business days of a payment request.

(e) The bid guarantee must be for an amount that is greater than or equal to the registered entity's proposed maximum bid value, as determined under subsection (2) of this section.

(2) The registered entity's proposed maximum bid value for an auction is determined as follows:

(a) For each bid price proposed by the registered entity, multiply the bid price by the number of allowances that the registered entity proposes to purchase at that bid price or at a higher bid price.

(b) The highest value calculated under (a) of this subsection is the proposed maximum bid value.

(3) When parallel auctions for future allowances are held at the same time as auctions of current and past vintage allowances, the maximum bid value will be calculated first for the current and past vintage allowances. Any amount of the bid guarantee remaining after resolving the auction of current and past vintage allowances will be calculated for any bids for future vintage allowances.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-325, filed 9/29/22, effective 10/30/22.]