

WAC 173-424-140 General requirements. (1) Regulated party.

(a) Regulated fuels producers in Washington, or importers into Washington, must comply with the requirements of this rule.

(b) The regulated parties for regulated fuels are designated under WAC 173-424-200.

(c) The regulated parties for regulated fuels must:

(i) Register under WAC 173-424-300;

(ii) Keep records under WAC 173-424-400;

(iii) Report quarterly under WAC 173-424-410 and annually under WAC 173-424-430; and

(iv) Comply with the clean fuel standard for:

(A) Gasoline and gasoline substitutes in WAC 173-424-900 Table 1;

or

(B) Diesel fuel and diesel fuel substitutes in WAC 173-424-900 Table 2.

(2) Opt-in fuel reporting entity.

(a) An out-of-state producer of ethanol, biodiesel, renewable diesel, alternative jet fuel, renewable natural gas, or renewable propane that is not an importer is not required to participate in the CFP. Any out-of-state producer that is not an importer who chooses voluntarily to participate in the CFP may retain the ability to generate credits or deficits for the specific volumes of their fuel that is imported into Washington, only if it opts in as a first fuel reporting entity and meets the requirements of WAC 173-424-200 and 173-424-210.

(b) Opting in procedure: Opting into the CFP becomes effective when the opt-in entity establishes an account in the WFRS, pursuant to the voluntary participation under subsection (4) of this section. The opt-in entity may not report and generate credits and deficits based on transactions that precede the quarter in which the entity opted in.

(c) A fuel supplier choosing to opt-in to the CFP under WAC 173-424-120 must:

(i) Register as required by WAC 173-424-300;

(ii) Keep records as required under WAC 173-424-400;

(iii) Report quarterly and annually under WAC 173-424-410 and 173-424-430.

(d) Opting out procedure. In order to opt-out of the CFP, an opt-in entity must complete the following:

(i) Provide ecology a 90-day notice of intent to opt-out and a proposed effective opt-out date;

(ii) Submit in the WFRS any outstanding quarterly fuel transactions up to the quarter in which the effective opt-out date falls and a final annual compliance report that covers the year through the opt-out date; and

(iii) Identify in the 90-day notice any actions to be taken to eliminate any remaining deficits by the effective opt-out date.

(3) Credit aggregator requirements.

(a) Aggregators must:

(i) Register according to WAC 173-424-300;

(ii) Keep records as required under WAC 173-424-400;

(iii) Report quarterly as required under WAC 173-424-410; and

(iv) Report annually as required under WAC 173-424-430.

(b) Designation of aggregator.

(i) A regulated party or an eligible credit generator may designate an aggregator to act on its behalf to facilitate credit generation and trade credits by submitting an aggregator designation form to ecology. Aggregators may register under WFRS only if a regulated party or an eligible credit generator has authorized an aggregator to act on

its behalf by submitting a complete and valid aggregator designation form to ecology.

(ii) Aggregator designations may only take effect at the start of the next full calendar quarter after ecology receives such notice.

(iii) A regulated party or credit generator already registered with the program may also serve as an aggregator for others;

(iv) An aggregator must notify ecology when a credit generator or regulated party has withdrawn designation of the aggregator. Aggregator withdrawals may only take effect at the end of the current full calendar quarter when ecology receives such notice.

(4) **Voluntary participation.** Voluntary participation in the CFP shall conclusively establish consent to be subject to the jurisdiction of the state of Washington, its courts, and the administrative authority of ecology to implement the CFP. Failure to consent to such jurisdiction excludes participation in the CFP.

[Statutory Authority: Chapter 70A.535 RCW. WSR 22-24-004 (Order 21-04), § 173-424-140, filed 11/28/22, effective 12/29/22.]