

Exh. JDW-29
Dockets UE-240006/UG-240007
Witness: John D. Wilson

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

AVISTA CORPORATION,

Respondent.

**DOCKETS UE-240006 & UG-240007
(Consolidated)**

EXHIBIT TO
CROSS-ANSWERING TESTIMONY OF
JOHN D. WILSON
ON BEHALF OF STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Ecology Auction, December 2023

August 16, 2024



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY
PO Box 47600, Olympia, WA 98504-7600 • 360-407-6000

Washington Cap-and-Invest Program

Auction #4 December 2023

Summary Report

Issued on December 13, 2023

Background

Ecology held an auction of allowances on December 6, 2023. The auction included the sale of year 2023 current vintage and year 2026 future vintage allowances. Auction #4 included allowances that were consigned by entities.

Prior to today's certification of Auction #4, Ecology staff and the independent market monitor evaluated bids and determined that the auction process and procedures complied with the requirements of the Washington Regulation. The Market Monitor made the following determination:

The Market Monitor found that the auction was cleared consistent with the auction clearing rules in the regulation and appropriate economic logic. The Market Monitor confirmed the clearing price and clearing quantities by qualified bidder. The auction algorithm correctly applied requirements of the regulation covering the bid guarantee. The Market Monitor did not observe any breaches of communication protocols.

The Market Monitor recommends Ecology approve the December 2023 Auction results.

The Financial Services Administrator will distribute auction proceeds to the State of Washington and to consigning entities after all qualified bidder payments are received. Ecology will release information on January 4, 2024, in the Auction Public Proceeds Report, providing the final amount of proceeds generated from Auction #4.

Auction Results

All allowances offered for sale by Ecology were sold. The settlement price for current vintage allowances was \$51.89 per allowance. The settlement price for future vintage allowances was \$45.00 per allowance.

Table 1: Qualified Bid Statistics for Auction #4 December 2023

Auction Statistics	Current Auction	Advance Auction
Auction Floor Price	\$22.20	\$22.20
Settlement Price	\$51.89	\$45.00

Table 2: Allowances offered for sale in Auction #4 December 2023

Description of Allowances	Current Auction Vintage 2023 total	Advance Auction Vintage 2026 total
Allowances offered by Washington entity consignment	3,699,891	None
Allowances offered by Ecology	3,442,255	2,449,760
Total allowances offered for sale	7,142,146	2,449,760

Table 3: Allowances sold in Auction #4 December 2023

Description of Allowances	Current Auction Vintage 2023 Total	Advance Auction Vintage 2026 total
Allowances sold for Washington entity consignment	3,699,891	None
Allowances sold by Ecology	3,442,255	2,449,760
Total allowances sold at auction	7,142,146	2,449,760

Table 4: Auction Data for Auction #4 December 2023

Auction Data	Current Auction	Advance Auction
Total qualified bids divided by total allowances available for sale	1.48	1.66
Proportion of allowances purchased by compliance entities	87.0%	69.2%
Herfindahl-Hirschman Index*	592	692

*Herfindahl-Hirschman Index (HHI) is a measure of market concentration and competitiveness, the values of which range from 0 to 10,000. A lower HHI value indicates a higher level of competition. A higher HHI value indicates greater market concentration among fewer entities.

List of qualified bidders for Auction #4 December 2023

A qualified bidder is an entity that completed an auction application, submitted a bid guarantee that was accepted by the Financial Services Administrator, and was approved by Ecology to participate in the auction. Qualified bidders may or may not have participated in the auction.

This list includes 55 qualified bidders.

CITSS Entity ID	Entity Legal Name
WA3591	Avista Corporation
WA3446	BP PRODUCTS NORTH AMERICA INC.
WA3556	Braeswood Climate Partners, LP
WA3462	Cardinal Glass Industries
WA3530	Cascade Natural Gas Corporation
WA3549	CenTrio Energy Seattle, LLC
WA3545	CHEVRON U.S.A. INC.
WA3621	CHS Inc.
WA3568	City of Enumclaw
WA3636	CityServiceValcon, LLC
WA3544	Coleman Oil Company, LLC
WA3626	Colvin Oil I LLC
WA3557	Constellation Energy Generation, LLC
WA3468	CP Energy Marketing (US) Inc
WA3744	DRW Investments LLC
WA3685	DTE Energy Trading, Inc.
WA3528	East Coast Environmental, LLC
WA3558	Elbow River Marketing Ltd.
WA3479	GAS TRANSMISSION NORTHWEST LLC
WA3669	General Petroleum
WA3457	Grays Harbor Energy LLC
WA3519	HF Sinclair Puget Sound Refining LLC
WA3760	HP Carbon, LLC
WA3488	Idemitsu Apollo Corporation
WA3569	J.Aron & Company LLC
WA3579	Macquarie Energy LLC
WA3435	MARATHON PETROLEUM COMPANY LP
WA3590	Midstream Energy Partners (USA), LLC
WA3536	Morgan Stanley Capital Group Inc.
WA3472	Musket Corporation
WA3442	MV Global Carbon Fund LP
WA3565	NGL Supply Co. Ltd.
WA3496	NORTHWEST PIPELINE LLC
WA3477	Nucor Steel Seattle, Inc.
WA3502	NW Natural Gas Co.
WA3470	Oregon Carbon Holdings, LLC

CITSS Entity ID	Entity Legal Name
WA3683	Pacific Summit Energy LLC
WA3487	PacifiCorp
WA3600	Petrogas, Inc.
WA3424	Phillips 66 Company
WA3575	Portland General Electric Company
WA3475	Powerex Corp.
WA3438	Puget Sound Energy, Inc.
WA3662	SeaPort Sound Terminal, LLC
WA3474	Shell Energy North America (US), L.P.
WA3416	Trafigura Trading LLC
WA3483	Trailstone Commodity Trading US, LLC
WA3570	TRANSALTA ENERGY MARKETING (U.S.) INC.
WA3417	Triolith Energy Fund, LP
WA3469	Tyson Foods, Inc.
WA3481	U.S. OIL & REFINING CO.
WA3509	Vitol Inc.
WA3527	Washington State University
WA3706	West Coast Environmental, LLC
WA3454	Wilson Oil Inc

How does Ecology decide what information to share?

Ecology shares information about the outcome of each quarterly auction as required by the Washington regulation and to support the successful implementation of the program. Ecology does not share information that could potentially enable market manipulation or other unfair practices by market participants.

Contact Information

If you have questions about the information in this auction summary, please contact:

Website: ecology.wa.gov/auctions-and-market

Email: RegistrarCCA@ecy.wa.gov

Ecology CCA Help Desk: 360-407-6296

ADA Accessibility

The Department of Ecology is committed to providing people with disabilities access to information and services by meeting or exceeding the requirements of the Americans with Disabilities Act (ADA), Section 504 and 508 of the Rehabilitation Act, and Washington State Policy #188. To request an ADA accommodation, contact Ecology by phone at 360-407-6800 or email Emily Powers at emily.powers@ecy.wa.gov, or visit <https://ecology.wa.gov/accessibility>. For Relay Service or TTY call 711 or 877- 833 - 6341.