

**Exh. JDW-31  
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, June 2024*

**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 #6 June 2024**  
**Summary Report**

Issued on June 12, 2024

**Background**

Ecology held an auction of allowances on June 5, 2024. The auction included a current auction of 2023 and 2024 vintage allowances, and an advance auction of 2027 vintage allowances. Auction #6 included current vintage allowances that were consigned by entities.

Prior to today's certification of Auction #6, 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 June 2024 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 July 3, 2024, in the Auction Public Proceeds Report, providing the final amount of proceeds generated from Auction #6.

**Auction Results**

All current vintage allowances offered for sale by Ecology were sold at a settlement price of \$29.92 per allowance. 1,317,000 future vintage allowances were sold in the advance auction at a settlement price of \$24.02 per allowance. The unsold future vintage allowances from Auction #6 will next be offered for sale as current vintage allowances in 2027.

**Table 1: Qualified Bid Statistics for Auction #6 June 2024**

Auction Statistics	Current Auction	Advance Auction
Auction Floor Price	\$24.02	\$24.02
Settlement Price	\$29.92	\$24.02

**Table 2: Allowances offered for sale in Auction #6 June 2024**

Description of Allowances	Current Auction Vintage (2023 and 2024) total	Advance Auction Vintage 2027 total
Allowances offered by Washington entity consignment	2,542,337	None <sup>1</sup>
Allowances offered by Ecology	5,260,000	2,200,000
<b>Total allowances offered for sale</b>	<b>7,802,337</b>	<b>2,200,000</b>

<sup>1</sup>No allowances are consigned by Washington consigning entities to the Advance Auction

**Table 3: Allowances sold in Auction #6 June 2024**

Description of Allowances	Current Auction Vintage (2023 and 2024) total	Advance Auction Vintage 2027 total
Allowances sold for Washington entity consignment	2,542,337	None
Allowances sold by Ecology	5,260,000	1,317,000
<b>Total allowances sold at auction</b>	<b>7,802,337</b>	<b>1,317,000</b>

Vintage 2023 and 2024 will be allocated to winning bidders by the ratio of each vintage multiplied by the total allowances awarded. For this auction 5.3% of the available allowances are vintage 2023. An award of one lot (1,000 allowances) will be transferred roughly  $5.3\% * 1,000 = 53$  vintage 2023 allowances.

**Table 4: Auction Data for Auction #6 June 2024**

Auction Data	Current Auction	Advance Auction
Total qualified bids divided by total allowances available for sale	1.25	0.60
Proportion of allowances purchased by compliance entities	89.41%	56.04%
Herfindahl-Hirschman Index*	697	991

\*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 #6 June 2024

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 41 qualified bidders.

CITSS Entity ID	Entity Legal Name
WA3686	ASET WA Carbon, L.L.C.
WA3591	Avista Corporation
WA3446	BP PRODUCTS NORTH AMERICA INC.
WA3556	Braeswood Climate Partners, LP
WA3542	Brookdale Receivables LLC
WA3681	CECO, Inc.
WA3549	CenTrio Energy Seattle, LLC
WA3545	CHEVRON U.S.A. INC.
WA3621	CHS Inc.
WA3351	City of Ellensburg
WA3568	City of Enumclaw
WA3468	CP Energy Marketing (US) Inc
WA3744	DRW Investments LLC
WA3685	DTE Energy Trading, Inc.
WA3558	Elbow River Marketing Ltd.
WA3437	Environmental Commodity Partners Holdings
WA3479	GAS TRANSMISSION NORTHWEST LLC
WA3843	Gelber Group LLC
WA3698	Global Carbon Opportunity (SPV) LLC
WA3457	Grays Harbor Energy LLC
WA3519	HF Sinclair Puget Sound Refining LLC
WA3563	Kcarbon Holdings LLC
WA3833	LMR Multi-Strategy Master Fund Limited
WA3579	Macquarie Energy LLC
WA3435	MARATHON PETROLEUM COMPANY LP
WA3472	Musket Corporation
WA3818	NGL Energy Partners, LP
WA3496	NORTHWEST PIPELINE LLC
WA3502	NW Natural Gas Co.
WA3683	Pacific Summit Energy LLC
WA3481	Par Petroleum, LLC
WA3424	Phillips 66 Company
WA3475	Powerex Corp.
WA3438	Puget Sound Energy, Inc.
WA3662	SeaPort Sound Terminal, LLC
WA3474	Shell Energy North America (US), L.P.

CITSS Entity ID	Entity Legal Name
WA3583	Uniper Global Commodities North America LLC
WA3531	University of Washington
WA3509	Vitol Inc.
WA3527	Washington State University
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: [cca.wa.gov/auctions-and-trading](http://cca.wa.gov/auctions-and-trading)

Email: [RegistrarCCA@ecy.wa.gov](mailto: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 Leah Baird at [leah.baird@ecy.wa.gov](mailto:leah.baird@ecy.wa.gov), or visit <https://ecology.wa.gov/accessibility>. For Relay Service or TTY call 711 or 877- 833 - 6341.