

**RCW 70A.65.320 Federal power marketing administration—Voluntary participation in program—Registration—Transfer of allowances.**

**(Contingent effective date.)** (1) A federal power marketing administration may elect to voluntarily participate in the program by registering as an opt-in entity pursuant to the requirements of this section.

(2) In registering as an opt-in entity under this section, a federal power marketing administration may assume the compliance obligations associated with either:

(a) All electricity marketed in the state by the federal power marketing administration; or

(b) Only the electricity marketed by the federal power marketing administration in the state through a centralized electricity market.

(3) A federal power marketing administration that voluntarily elects to comply with the program must register with the department as an opt-in entity at least 90 days prior to January 1st of the calendar year in which the federal power marketing administration would assume the compliance obligations associated with federally marketed electricity in the state, in accordance with the requirements of this section.

(4) If a federal power marketing administration registers as an opt-in entity under this section, then beginning January 1st of the calendar year in which the federal power marketing administration would assume the compliance obligations associated with federally marketed electricity in the state, a covered or opt-in entity must not include in its covered emissions the emissions associated with federally marketed electricity in the state for which the federal power marketing administration has assumed the compliance obligation.

(5) After consulting with a federal power marketing administration, the department must determine the appropriate registration requirements for that federal power marketing administration.

(6) (a) An electric utility may voluntarily elect to transfer all or a designated number of the utility's allowances allocated at no cost to a federal power marketing administration registered as an opt-in entity under this section to be used for direct compliance. An electric utility wishing to transfer allowances allocated at no cost from the utility's holding account to a holding account of a federal power marketing administration to be used for direct compliance may submit a request to the department requesting the transfer and providing the following information:

(i) The electric utility's holding account number;

(ii) The holding account number of the federal power marketing administration;

(iii) The number and vintage of no cost allowances to be transferred; and

(iv) The relationship between the electric utility and the federal power marketing administration.

(b) The department may transfer the allowances only if:

(i) The electric utility has an agreement to purchase electricity from the federal power marketing administration, or a power purchase agreement, including a custom product contract, with the federal power marketing administration; and

(ii) The transfer does not violate the federal power marketing administration's holding limit.

(7) (a) In addition to the manual transfer request process provided under subsection (6) of this section, the department must also provide for an optional process by which an electric utility may approve the automatic distribution of all or a designated number of the utility's allowances allocated at no cost directly into a holding account of a federal power marketing administration to be used for direct compliance, without first being distributed to the utility's holding account.

(b) An electric utility receiving an allocation of allowances at no cost must inform the department by September 1st of each year of the accounts into which the allocation or a portion of the allocation is to be automatically distributed under this subsection. If an electric utility fails to submit its distribution preference by September 1st, the department must automatically place all directly allocated allowances for the following calendar year into the electric utility's holding account. Nothing in this subsection (7) (b) precludes an electric utility from requesting a manual transfer of allowances under subsection (6) of this section after September 1st of each year. [2024 c 352 s 11.]

**Contingent effective date—2024 c 352:** See note following RCW 70A.65.010.