

WAC 173-446-110 Disclosure of corporate associations—Types of disclosures required. (1) Registered entities and registration applicants must disclose all direct and indirect corporate associations with other entities registered in the cap and invest program or in another external GHG ETS to which Washington has linked.

(2) Disclosure of parent companies. Registered entities and registration applicants must disclose all direct corporate associations with other parties not registered in the cap and invest program or in another external GHG ETS to which Washington has linked, if those parties have the degree of ownership interest in or control over the registered entity or registration applicant to meet the requirements of having a direct corporate association.

(3) A registered entity or registration applicant that has a direct or indirect corporate association with another entity registered in the program must disclose the identity of all parties involved in the line of direct or indirect corporate associations between the registered entity and the registration applicant or between the two registered entities, even if such parties are not registered entities.

(4) Registered entities and registration applicants that have direct corporate associations with unregistered parties in the United States or Canada that are otherwise not required to be disclosed must disclose those associations within 30 calendar days of a request by ecology. The disclosing party may elect to disclose only those directly associated parties located in the United States or Canada that participate in a market related to the cap and invest program.

(a) Parties participating in a market related to the cap and invest program include only those parties that purchase or sell GHG compliance instruments, natural gas, oil, or electricity; or parties that conduct exchange trades involving derivatives or swaps based on GHG compliance instruments, natural gas, oil, or electricity.

(b) The disclosure of parties in related markets may be accomplished through the submission of the most recent information submitted to another government agency in the United States using one or more of the following official governmental forms or documentation as needed to meet the disclosure requirements: (i) Exhibit 21 of the Form 10-K submitted to the Securities and Exchange Commission by the registrant or an affiliate of the registrant; (ii) the application for market-based rate authority, or update to such application, submitted by the registrant or an affiliate of the registrant to the Federal Energy Regulatory Commission pursuant to 18 C.F.R. Part 35 and Order 697; (iii) the application for registration with the National Futures Association, or update to such application, submitted by the registrant or an affiliate of the registrant as required by the Commodity Futures Trading Commission pursuant to the Commodity Exchange Act, 7 U.S.C. 1; (iv) Form 40 or Form 40S filed by the registrant or an affiliate of the registrant in accordance with the Commodity Futures Trading Commission's reporting rules (17 C.F.R. section 18.04); and/or (v) Part 1A of a Form ADV filed with the Securities and Exchange Commission by a registered investment advisor responsible for managing the registrant.

(5) Registered entities and registration applicants that have direct corporate associations with other parties outside the United States and Canada that participate in a market related to the cap and invest program that are not otherwise required to be disclosed must disclose those associations within 30 calendar days of a request for disclosure by ecology.

(a) Parties participating in a market related to the cap and invest program include only those parties that purchase or sell GHG compliance instruments, natural gas, electricity, or oil; or parties that conduct exchange trades involving derivatives or swaps based on GHG compliance instruments, natural gas, oil, or electricity.

(b) Registered entities and registration applicants may disclose these associations using the documentation options listed in subsection (4)(b) of this section.

(6) The following registered entities or registration applicants are exempt from the disclosure requirements of this chapter:

(a) If a registered entity or registration applicant can demonstrate to ecology's satisfaction that the registered entity or registration applicant is subject to affiliate compliance rules promulgated by state or federal agencies, the registered entity or registration applicant shall not be required to take any action or make any disclosures that would violate those rules.

(b) An offset project operator registering as a general market participant solely to hold offset credits is not required to disclose any direct or indirect corporate associations.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-110, filed 9/29/22, effective 10/30/22.]