

Energy Resources Cap-and-Invest Update

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Why We're Here

- Update on allowance auctions
- Update on no-cost allowance allocations

Allowance Auctions

- First auction held on 2/28/2023, vintage 2023 allowances cleared at \$48.50/metric ton of CO₂e resulting in ~\$300M in revenue to the State
- Second auction held on 5/31/2023, vintage 2023 allowances cleared at \$56.01 and vintage 2026 allowances at \$31.12 resulting in ~\$550M in revenue to the State
- High allowance prices triggered an out of cycle auction of “reserve” allowances (Allowance Price Containment Reserve) scheduled for 8/9/2023
- Allowances are currently trading at \$63-\$70/metric ton of CO₂ emissions in secondary market

No-Cost Allowance Allocations

- The intent of No cost allowances is to mitigate an entity's compliance cost exposure (“cost burden”) from the program to the entity and its retail customers
- The District received 226,451 vintage 2023 “no cost” allowances on 4/25/2023
- Ecology recently adjusted 2023 allocations for some utilities due to calculation errors, District was not impacted
- There is an opportunity to update load and supply forecasts by July 31, 2023 (may impact allowance allocation)
- GHG reporting deadline moved from June to September

Questions?