

WAC 173-446-500 General requirements for ecology offset

credits and registry offset credits. (1) In order to ensure an offset credit can be used as a compliance instrument under this chapter, an offset project operator or authorized project designee must demonstrate that the ecology offset credits and/or registry offset credits generated by its offset project meet the following requirements. A registry offset credit must:

(a) Represent a GHG emission reduction or GHG removal enhancement that is real, quantifiable, permanent, verifiable, enforceable, and additional to GHG reductions or removals otherwise required by law and other GHG reductions or removals that would otherwise occur;

(b) Result from the use of a compliance offset protocol that meets the requirements of WAC 173-446-505;

(c) Result from an offset project that is listed in accordance with WAC 173-446-520;

(d) Result from an offset project that complies with the monitoring, reporting and record retention requirements of WAC 173-446-525;

(e) Result from an offset project that is verified pursuant to the requirements of WAC 173-446-530;

(f) Result from an offset project that will not produce significant adverse environmental impacts after mitigation. When analysis under Washington's State Environmental Policy Act (SEPA) is required for an offset project, a project-level SEPA analysis finding no significant adverse environmental impact after mitigation fulfills this requirement; and

(g) Be issued by an offset project registry approved pursuant to the requirements of WAC 173-446-590.

(2) An ecology offset credit must meet the requirements of subsection (1) of this section and:

(a) Be issued pursuant to WAC 173-446-555;

(b) Be registered pursuant to WAC 173-446-565;

(c) Provide direct environmental benefits to the state pursuant to WAC 173-446-595; and

(d) When used for compliance be subject to the quantitative usage limits set forth in WAC 173-446-600(6).

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-500, filed 9/29/22, effective 10/30/22.]

WAC 173-446-505 Requirements for compliance offset

protocols. (1) In order for ecology to adopt an offset protocol as a compliance offset protocol the offset protocol must:

(a) Accurately determine the extent to which GHG emission reductions and GHG removal enhancements are achieved by the offset project type;

(b) Establish data collection and monitoring procedures relevant to the type of GHG emissions sources, GHG sinks, and GHG reservoirs for that offset project type;

(c) Establish a project baseline that reflects an estimate of business-as-usual performance or practices for comparison against the GHG emission reductions and/or GHG removal enhancements to be achieved by the offset project type;

(d) Account for activity-shifting leakage and market-shifting leakage for the offset project type, unless the offset protocol stipulates eligibility conditions limiting the use of the offset protocol that eliminate the risk of activity-shifting and/or market-shifting leakage;

(e) Account for any uncertainty in quantification factors for the offset project type;

(f) Ensure GHG emission reductions and GHG removal enhancements are permanent;

(g) Include a mechanism to ensure permanence of GHG removal enhancements for sequestration offset project types;

(h) Establish the length of the crediting period for the offset project type;

(i) Establish the eligibility and additionality of the offset project type and quantify GHG emission reductions and GHG removal enhancements using standardized baseline assumptions, emission factors, and monitoring methods; and

(j) Specify the geographic area(s) where the protocol is applicable.

(2) Crediting period. The crediting period for an offset project that does not involve sequestration must be no less than seven years and no greater than 10 years, unless specified otherwise in a compliance offset protocol that has been adopted by ecology under subsection (3) of this section. The crediting period for an offset project that involves sequestration must be no less than 10 years and no greater than 30 years.

(3) An ecology offset credit must result from the use of one of the following compliance offset protocols:

(a) The California Air Resources Board, Compliance Offset Protocol Livestock Projects, October 20, 2011, and Compliance Offset Protocol Livestock Projects, November 14, 2014, are adopted. All new offset projects with a commencement date after September 30, 2022, must use the most recent version of the adopted protocol. Exceptions are listed in this subsection:

(i) Exceptions to adopting the Livestock Projects Compliance Offset Protocol, November 14, 2014, by reference:

(A) Every use of the word "regulation" in the Livestock Compliance Offset Protocol, November 14, 2014, is amended to refer to chapter 173-446 WAC.

(B) Every reference to subarticle 13 is amended to WAC 173-446-500 through 173-446-595.

(C) Every reference to ARB is amended to ecology except in Table 6.1.

(D) Every reference to section 95973 of the regulation is amended to WAC 173-446-510.

(E) Every reference to section 95975 of the regulation is amended to WAC 173-446-520.

(F) Every reference to section 95976 of the regulation is amended to WAC 173-446-525.

(G) Every reference to section 95977 of the regulation is amended to WAC 173-446-530.

(H) Every reference to section 95986 of the regulation is amended to WAC 173-446-585.

(I) Every reference to section 95102 of the regulation is amended to WAC 173-446-020.

(J) Section 1.2(a)(8) is amended to: "Cap and trade regulation" or "regulation" means ecology's regulation establishing the Climate Commitment Act Program, chapter 173-446 WAC.

(K) Section 1.2(a)(24) is not adopted.

(L) Section 1.2(a)(29) is amended to: "Registry offset credit" means a credit issued by an offset project registry for a GHG reduction or GHG removal enhancement of one metric ton of CO₂e.

(M) Section 3.2(b) is not adopted and is replaced with: "If any portion of the offset project is located on land over which the state of Washington does not have jurisdiction, the offset project operator must demonstrate that the landowner(s) consent(s) to regulation pursuant to WAC 173-446-520 (3) (d) or has entered into an agreement with ecology pursuant to WAC 173-446-520 (3) (e) ."

(N) Section 5(c) is amended to: GHG emissions reductions must be quantified over an entire reporting period. The initial reporting period may consist of six to 24 consecutive months, and all subsequent reporting periods consist of 12 consecutive months and must meet the reporting requirements referred to in WAC 173-446-525.

(O) Section 5(e) is amended to: Global warming potential values must be determined consistent with the definition of carbon dioxide equivalent in WAC 176-441-040 Table A-1.

(ii) Exceptions to adopting the Compliance Offset Protocol Livestock Projects, October 20, 2011, by reference:

(A) Every reference to ARB is amended to ecology except Table 6.1.

(B) Section 1, Paragraph 4 is not adopted.

(C) Section 3.1 is not adopted and is replaced with: "If any portion of the offset project is located on land over which the state of Washington does not have jurisdiction, the offset project operator must demonstrate that the landowner(s) consent(s) to regulation pursuant to WAC 173-446-520 (3) (d) or has entered into an agreement with ecology pursuant to WAC 173-446-520 (3) (e)."

(b) The California Air Resources Board, Compliance Offset Protocol U.S. Forest Projects, October 20, 2011, Compliance Offset Protocol U.S. Forest Projects, November 14, 2014, and Compliance Offset Protocol U.S. Forest Projects, June 25, 2015, are adopted. All new offset projects with a commencement date after September 30, 2022, must use the most recent version of the adopted protocol. Exceptions are listed in this subsection:

(i) Exceptions to adopting the U.S. Forest Projects Compliance Offset Protocol, June 25, 2015:

(A) Every use of the word "regulation" in the U.S. Forest Projects Compliance Offset Protocol, June 25, 2015, is amended to refer to chapter 173-446 WAC.

(B) Every reference to subarticle 13 is amended to WAC 173-446-500 through 173-446-595.

(C) Every reference to ARB is amended to ecology except in section 2.1.(c.) (4), section 2.2.(b.) (6), section 2.3.(c.) (7), Table 3.1, 3.1.(a.) (2), section 3.2(b.), section 5.2.1.(c.), section 7.1.1.(26.), Table A.1, Appendix A (f.), Appendix A (g.), Appendix A (h.), Equation C.3., Appendix B(g.), Appendix C (a.) (3.) (A.) (2.), Appendix C (a.) (4.) (A.) (2.), Equation C.12., Appendix C (b.) (3.) (A.) (2.), Appendix C (b.) (4.) (A.) (2.), Appendix E.(b.) (2.), Appendix E.(b.) (3.), Appendix F.(a.), Appendix F.(b.), Appendix F.(d.), Appendix F.(g.).

(D) Every reference to section 95973 of the regulation is amended to WAC 173-446-510.

(E) Every reference to section 95974 of the regulation is amended to WAC 173-446-515.

(F) Every reference to section 95975 of the regulation is amended to WAC 173-446-520.

(G) Every reference to section 95976 of the regulation is amended to WAC 173-446-525.

(H) Every reference to section 95977 of the regulation is amended to WAC 173-446-530.

(I) Every reference to section 95983 of the regulation is amended to WAC 173-446-570.

(J) Every reference to section 95985 of the regulation is amended to WAC 173-446-580.

(K) Every reference to section 95986 of the regulation is amended to WAC 173-446-585.

(L) Section 1.1.(b.) is not adopted.

(M) Section 1.2(a.) (14) is amended to: "Cap and trade regulation" or "regulation" means ecology's regulation establishing the Climate Commitment Act Program, chapter 173-446 WAC.

(N) Section 3.2(f.) is not adopted and is replaced with: "If any portion of the offset project is located on land over which the state of Washington does not have jurisdiction, the offset project operator must demonstrate that the landowner(s) consent(s) to regulation pursuant to WAC 173-446-520 (3) (d) or has entered into an agreement with ecology pursuant to WAC 173-446-520 (3) (e)."

(O) Section 3.5.3.(b) (2) is amended to: For an improved forest management project, a quantity of compliance instruments equal to the total number of ARB offset credits issued to the project over all preceding reporting periods, multiplied by the appropriate compensation rate indicated in Table 3.2, must be retired.

(P) Section 3.6.(a) (2) (C) (1) is not adopted.

(ii) Exceptions to adopting the U.S. Forest Projects Compliance Offset Protocol, November 14, 2014:

(A) Every use of the word "regulation" in the U.S. Forest Projects Compliance Offset Protocol, November 14, 2014, is amended to refer to chapter 173-446 WAC.

(B) Every reference to subarticle 13 is amended to WAC 173-446-500 through 173-446-595.

(C) Every reference to ARB is amended to ecology except in section 3.8.2 Paragraph 3, Table 3.2, Section 6.2.1 Paragraph 3, Appendix A A.3, Appendix C C.1, Appendix C C.2, Appendix F.

(D) Every reference to section 95974 of the regulation is amended to WAC 173-446-515.

(E) Every reference to section 95975 of the regulation is amended to WAC 173-446-520.

(F) Every reference to section 95977 of the regulation is amended to WAC 173-446-530.

(G) Every reference to section 95983 of the regulation is amended to WAC 173-446-570.

(H) Section 1. Paragraph 3 is not adopted.

(I) Section 3.4. text stating "and where applicable, all Early Action Offset Credits issued pursuant to section 95990(i) of the Regulation" is not adopted.

(J) Section 3.5. Paragraph 3 text stating "The recordation of a conservation easement may be used to denote the commencement date of pre-existing projects between December 31, 2006, and December 31, 2010." is not adopted.

(K) Section 3.6. Paragraph 3 is not adopted and is replaced with: "If any portion of the offset project is located on land over which the state of Washington does not have jurisdiction, the offset project operator must demonstrate that the landowner(s) consent(s) to regulation pursuant to WAC 173-446-

520 (3) (d) or has entered into an agreement with ecology pursuant to WAC 173-446-520 (3) (e)."

(iii) Exceptions to adopting the U.S. Forest Projects Compliance Offset Protocol, October 20, 2011:

(A) Every use of the word "regulation" in the U.S. Forest Projects Compliance Offset Protocol, October 20, 2011, is amended to refer to chapter 173-446 WAC.

(B) Every reference to subarticle 13 is amended to WAC 173-446-500 through 173-446-595.

(C) Every reference to ARB is amended to ecology except in section 3.8.2 Paragraph 3, Table 3.2, Section 6.2.1 Paragraph 3, Appendix A. A.3, Appendix C. C.2, Appendix C. C.3, Appendix E, Appendix F.

(D) Every reference to section 95973 of the regulation is amended to WAC 173-446-510.

(E) Every reference to section 95974 of the regulation is amended to WAC 173-446-515.

(F) Every reference to section 95975 of the regulation is amended to WAC 173-446-520.

(G) Every reference to section 95976 of the regulation is amended to WAC 173-446-525.

(H) Every reference to section 95977 of the regulation is amended to WAC 173-446-530.

(I) Every reference to section 95983 of the regulation is amended to WAC 173-446-570.

(J) Every reference to section 95985 of the regulation is amended to WAC 173-446-580.

(K) Every reference to section 95986 of the regulation is amended to WAC 173-446-585.

(L) Section 1. Paragraph 3 is not adopted.

(M) Section 3.4. text stating "and where applicable, all Early Action Offset Credits issued pursuant to section 95990(i) of the Regulation" is not adopted.

(N) Section 3.5. Paragraph 3 text stating "The recordation of a conservation easement may be used to denote the commencement date of pre-existing projects between December 31, 2006, and December 31, 2010." is not adopted.

(O) Section 3.6. Paragraph 3 is not adopted and is replaced with: "If any portion of the offset project is located on land

over which the state of Washington does not have jurisdiction, the offset project operator must demonstrate that the landowner(s) consent(s) to regulation pursuant to WAC 173-446-520 (3) (d) or has entered into an agreement with ecology pursuant to WAC 173-446-520 (3) (e)."

(P) Section 11, "Forest Buffer Account" definition is amended to: Forest buffer account is defined in the regulation as a holding account for forest project compliance offset credits administered by ecology. It is used as a general insurance mechanism against unintentional reversals for all forest offset projects listed under a compliance offset protocol.

(Q) Section 11, "Listed" definition is amended to: A forest project is considered "listed" when the offset project operator or authorized project designee is registered with ecology or an approved offset project registry, submits all required documentation for project listing in the regulation and this protocol, and the project has been approved by ecology or an approved offset project registry for listing.

(c) The California Air Resources Board, Compliance Offset Protocol Ozone Depleting Substances Projects, October 20, 2011, ~~and~~ Compliance Offset Protocol Ozone Depleting Substances, November 14, 2014, and the Ecology Compliance Offset Protocol Ozone Depleting Substances Projects, version 1.0 are adopted. All new offset projects with a commencement date after ~~[rule adoption date]~~ September 30, 2022, must use the Ecology Compliance Offsets Protocol Ozone Depleting Substances Projects, version 1.0, unless use of a prior protocol is approved by the Department. ~~most recent version of the adopted protocol.~~

Exceptions are listed in this subsection:

(i) Exceptions to adopting the Ozone Depleting Substances Compliance Offset Protocol, November 14, 2014, by reference:

(A) Every use of the word "regulation" in the Ozone Depleting Substances Compliance Offset Protocol, November 14, 2014, is amended to refer to chapter 173-446 WAC.

(B) Every reference to subarticle 13 is amended to refer to WAC 173-446-500 through 173-446-595.

(C) Every reference to ARB is amended to ecology.

(D) Every reference to section 95973 of the regulation is amended to WAC 173-446-510.

(E) Every reference to section 95975 of the regulation is amended to WAC 173-446-520.

(F) Every reference to section 95976 of the regulation is amended to WAC 173-446-525.

(G) Every reference to section 95977 of the regulation is amended to WAC 173-446-530.

(H) Section 1.1.(b.) is not adopted.

(I) Section 1.2 (a) (2) is amended to: "Cap and trade regulation" or "regulation" means ecology's regulation establishing the Climate Commitment Act Program, chapter 173-446 WAC.

(J) Section 1.2(a) (19) is amended to: "Registry offset credit" means a credit issued by an offset project registry for a GHG reduction or GHG removal enhancement of one metric ton of CO₂e.

(K) Section 3.2(d.) is not adopted and is replaced with: "If any portion of the offset project is located on land over which the state of Washington does not have jurisdiction, the

offset project operator must demonstrate that the landowner(s) consent(s) to regulation pursuant to WAC 173-446-520 (3) (d) or has entered into an agreement with ecology pursuant to WAC 173-446-520 (3) (e)."

(L) Section 3.5.(c.) is not adopted.

(ii) Exceptions to adopting the Ozone Depleting Substances Compliance Offset Protocol, October 20, 2011, by reference:

(A) Every use of the word "Regulation" in the Ozone Depleting Substances Compliance Offset Protocol, October 20, 2011, is amended to refer to chapter 173-446 WAC.

(B) Every reference to ARB is amended to ecology.

(C) Every reference to section 95975 of the regulation is amended to WAC 173-446-520.

(D) Every reference to section 95976 of the regulation is amended to WAC 173-446-525.

(E) Section 1. Paragraph 4 is not adopted.

(F) Section 3.1 is not adopted and is replaced with: "If any portion of the offset project is located on land over which the state of Washington does not have jurisdiction, the offset project operator must demonstrate that the landowner(s)

consent(s) to regulation pursuant to WAC 173-446-520 (3) (d) or has entered into an agreement with ecology pursuant to WAC 173-446-520 (3) (e)."

(d) The California Air Resources Board, Compliance Offset Protocol Urban Forest Projects October 20, 2011, is adopted. All new offset projects with a commencement date after September 30, 2022, must use the most recent version of the adopted protocol. Exceptions are listed in this subsection:

Exceptions to adopting the California Air Resources Board, Compliance Offset Protocol Urban Forest Projects, October 20, 2011:

(A) Every use of the word "regulation" in the Urban Forest Projects Compliance Offset Protocol, October 20, 2011, is amended to refer to chapter 173-446 WAC.

(B) Every reference to ARB is amended to ecology.

(C) Every reference to section 95975 of the regulation is amended to WAC 173-446-520.

(D) Section 1. Paragraph 5 is not adopted.

(E) Section 3.1 is not adopted and is replaced with: "If any portion of the offset project is located on land over which

the state of Washington does not have jurisdiction, the offset project operator must demonstrate that the landowner(s) consent(s) to regulation pursuant to WAC 173-446-520 (3) (d) or has entered into an agreement with ecology pursuant to WAC 173-446-520 (3) (e)."

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-505, filed 9/29/22, effective 10/30/22.]

WAC 173-446-510 Requirements for offset projects using ecology compliance offset protocols. (1) General requirements for offset projects. In order to ensure that offset credits generated by an offset project can be used as compliance instruments under this chapter, an offset project operator or authorized project designee must ensure that the offset project:

(a) Meets all of the requirements set forth in the applicable compliance offset protocol;

(b) Any offset credits used must have been issued for reporting periods wholly after July 25, 2021, or within two years prior to July 25, 2021;

(c) Provides direct environmental benefits in the state of Washington, pursuant to WAC 173-446-595; and

(d) Meets the following additionality requirements, regardless of whether such requirements are set forth in the applicable compliance offset protocol, as of the date of offset project commencement:

(i) The activities that result in GHG emission reductions and GHG removal enhancements are not required by law, regulation, or any other legally binding mandate applicable in jurisdiction in which the offset project is located, and would not otherwise occur in a conservative business-as-usual scenario; and

(ii) The GHG emission reductions and GHG removal enhancements resulting from the offset project must exceed the project baseline calculated pursuant to the applicable version of the compliance offset protocol under which the offset project has been listed, or under which the offset project has been transitioned for that offset project type, as set forth in WAC 173-446-505(3).

(iii) The offset project operator or authorized project designee may transition an offset project to the most recently

adopted version of the compliance offset protocol by updating the listing information in an offset project data report.

(A) An offset project may only be transitioned to the most recently adopted version of the compliance offset protocol through an offset project data report submitted to ecology or the offset project registry prior to the site visit.

(B) To properly transition to the most recently adopted version of the compliance offset protocol, the offset project data report for the transitioning offset project must specify the most recently adopted compliance offset protocol as the version under which the offset project is reporting. Offset projects may only transition to the most recently adopted version of the compliance offset protocol during a reporting period that is subject to a full offset verification.

(C) For projects using a U.S. Forest Projects protocol issued by the California Air Resources Board, the first offset verification after transitioning to the most recently adopted version of the compliance offset protocol must meet all the requirements of WAC 173-446-535.

(D) An offset project will be considered to have completed the transition to being listed under the most recently adopted version of the compliance offset protocol upon ecology's approval of a positive or qualified positive offset verification statement for the applicable reporting period.

(E) An offset project that transitions to being listed under a newly adopted version of the compliance offset protocol during a crediting period will continue in the same crediting period and not start a new crediting period.

(e) For purposes of subsection (1) (a) of this section, "the applicable compliance offset protocol" is the version of a compliance offset protocol under which the offset project has been listed or transitioned as described in (d) (iii) of this subsection, except as follows.

If, during an offset project's crediting period, any new law, regulation, or other legally binding mandate requiring GHG emission reductions or GHG removal enhancements goes into effect in Washington, in a linked jurisdiction, or in another jurisdiction in which the offset project is located, during an offset project's crediting period, then the offset project is

eligible to continue to receive offset credits for those GHG emission reductions and GHG removal enhancements for the remainder of the offset project's crediting period, but the offset project may not renew that crediting period. If an offset project has not been listed under a compliance offset protocol prior to the effective date of the new law, regulation, or other legally binding mandate, or if the new law, regulation, or other legally binding mandate goes into effect before the offset project's crediting period renews, then only those GHG emission reductions or GHG removal enhancements that are in excess of what is required to comply with the new law, regulation, and/or other legally binding mandate are eligible for offset credits.

(2) Local, regional, state, and national regulatory compliance and environmental impact assessment requirements. In order to ensure that offset credits generated by an offset project can be used as compliance instruments under this chapter, an offset project operator or authorized project designee must comply with all local, regional, state, and national requirements for environmental impact assessments that apply in the jurisdiction where the offset project is located.

In addition, an offset project must comply with all local, regional, state, and national requirements related to environmental and health and safety that apply in the jurisdiction where the offset project is located as well as those that directly apply to the offset project, including those specified in the applicable compliance offset protocol.

(a) An offset project may be considered out of regulatory compliance for purposes of this subsection if the project activities have been subject to formal enforcement action by a regulatory oversight body during the reporting period. Whether the project activities have been subject to such enforcement action is not the only consideration ecology may use in determining whether an offset project is out of regulatory compliance.

(b) An offset project listed under a compliance offset protocol other than urban forest projects and that is out of regulatory compliance is not eligible to receive ecology offset credits or registry offset credits for GHG emission reductions or GHG removal enhancements that occurred during the period of time during which the offset project is out of regulatory

compliance. The offset project operator or authorized project designee must provide documentation indicating the beginning and end of the time period that the offset project was out of regulatory compliance as well as documentation confirming to the satisfaction of ecology that the offset project has returned to regulator compliance.

(i) The time period that the offset project was out of regulatory compliance begins on the date that the activity(ies) which led to the enforcement action actually began, regardless of the date that the regulatory oversight body first became aware of the noncompliance. To determine the initial date of the offset project being out of regulatory compliance, the offset project operator or authorized project designee must provide one or more of the following to ecology:

(A) Documentation from the local, regional, state, or national regulatory oversight body that initiated the enforcement action, which expressly identifies the precise initial date of the offset project being out of regulatory compliance. Such documentation must include corroborating evidence of the initial date such as CEMS or other monitoring

data, engineering estimates, satellite imagery, witness statements, or other reasonable methods to aid in the identification of the precise initial date; or

(B) Documentation of the most recent inspection by the local, regional, state, or national regulatory oversight body that initiated the enforcement action, which did not indicate the offset project was out of regulatory compliance for the activity(ies) in question. The offset project will be considered out of regulatory compliance beginning the day after such inspection.

(C) If the most recent inspection described in (b) (i) (B) of this subsection was prior to the beginning of the reporting period or if documentation regarding the initial date the project was out of regulatory compliance is not provided as set forth above to the satisfaction of ecology, then the time period that the offset project is out of regulatory compliance, for purposes of the reporting period, commences at the beginning of the reporting period.

(ii) The date when the offset project is deemed to have returned to regulatory compliance is the date that the local,

regional, state, or national regulatory oversight body determines that the project activity(ies) returned to regulatory compliance. This date is not necessarily the date that the noncompliant activity(ies) ended or the device was repaired, and may include time for the payment of fines or completion of any additional requirements placed on the offset project by the applicable regulatory oversight body, as determined by the regulatory oversight body. To determine the end date when the offset project returned to regulatory compliance, the offset project operator or authorized project designee must provide documentation from the local, regional, state, or national regulatory oversight body attesting that the offset project is currently in regulatory compliance and identifying the date on which the offset project activity(ies) returned to compliance.

(A) If the regulatory oversight body does not provide written documentation regarding the date on which the project returned to regulatory compliance to the satisfaction of ecology, the offset project operator or authorized project designee may provide documentation to ecology from the regulatory oversight body clearly identifying the date the

offset project returned to regulatory compliance. Such documentation must be official dated correspondence from the applicable regulatory oversight body such as an inspection report, an enforcement legal document such as a consent decree, or other such documentation identifying that the project has adequately remedied the condition(s) that rendered it out of regulatory compliance.

(B) If the regulatory oversight body does not provide written documentation regarding the date on which the project returned to regulatory compliance to the satisfaction of ecology, and the offset project operator or authorized project designee is unable to provide documentation clearly identifying the date the offset project returned to regulatory compliance to the satisfaction of ecology, then for purposes of the applicable reporting period, the offset project operator or authorized project designee must use the end of the reporting period for the date when the offset project returned to regulatory compliance.

(C) For purposes of this subsection, ecology may also take into consideration information pertaining to the date(s) the

offset project activity(ies) subject to enforcement action occurred; whether the offset project operator, authorized project designee, or forest owner has acknowledged responsibility for the noncompliant activity(ies); and the status of any ongoing enforcement proceedings with the local, regional, state, or national regulatory oversight body.

(D) Nothing in this section precludes the invalidation of ecology offset credits issued for previous or subsequent reporting periods if ecology determines that the offset project was out of regulatory compliance in previous or subsequent reporting periods. The offset project will continue to be deemed out of regulatory compliance in subsequent reporting periods until the offset project operator or authorized project designee provides adequate documentation demonstrating regulatory compliance to ecology.

(E) Ecology's written determination and any supporting documents from the regulatory oversight body relating to the offset project being out of regulatory compliance and the time frame identified for removal from the reporting period will be made public.

(c) To determine the GHG emission reductions or GHG removal enhancements for the reporting period as modified to reflect any period the offset project was out of regulatory compliance, the offset project operator or authorized project designee must remove the days on which the offset project was out of regulatory compliance from the reporting period using the following methods:

(i) For projects using the livestock projects protocol, each calendar day during which any portion of the offset project was not in regulatory compliance must be removed from the modeled or measured project baseline;

(ii) For projects using an ozone depleting substances projects protocol, the entire destruction(s) under a certificate of destruction that contains any day the offset project is out of regulatory compliance must be removed. For projects that consist of a single destruction under a certificate of destruction that contains any day the offset project is out of regulatory compliance, the entire offset project will be ineligible for ecology offset credits or registry offset credits;

(iii) For projects using a U.S. Forest Projects protocol, each calendar day during which any portion of the offset project was not in regulatory compliance must be removed by dividing the total calculated emissions reductions for the 12 month period from the end of the previous reporting period, by the total number of days in the previous 12 months, either 365 days or 366 days, to calculate daily emissions reductions. The daily emissions reductions will be multiplied by the number of days on which the project was not in regulatory compliance and this number will be added to the project baseline for the end of the reporting period and the emissions reductions for the reporting period, excluding the days on which the project was out of regulatory compliance, will be calculated.

(d) An offset project using an urban forest projects protocol is not eligible to receive ecology offset credits or registry offset credits for GHG emission reductions or GHG removal enhancements for the entire reporting period if the offset project is not in compliance with regulatory requirements directly applicable to the offset project during the reporting period.

(3) Only a primary account representative or alternate account representative on the offset project operator's tracking system account may sign any documents or attestations submitted to ecology or an offset project registry on behalf of the offset project operator for an offset project.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-510, filed 9/29/22, effective 10/30/22.]

WAC 173-446-515 Authorized project designee. (1) General requirements for designation of authorized project designee. An offset project operator may designate a party as an authorized project designee at the time of offset project listing or any time after offset project listing as long as the offset project operator meets the requirements of this section.

(a) The offset project operator may assign ownership rights of ecology offset credits or registry offset credits to any of the following parties at the time of issuance of a registry offset credit or ecology offset credit:

(i) Authorized project designee; or

(ii) Any other third party not otherwise prohibited from acquiring an ownership interest in compliance instruments under this chapter.

(b) The director or officer of the offset project operator, as identified pursuant to WAC 173-446-055 (3) (a) (ii) may delegate responsibility to the authorized project designee for performing or complying with all the requirements of WAC 173-446-520, 173-446-525, 173-446-530, 173-446-550, and 173-446-555, where the authorized project designee is specifically identified; and the requirements set forth in WAC 173-446-580 (8) (a) (iii) (B), (b) (ii) (B), and (c), for which the authorized project designee may act on behalf of the offset project operator.

(i) If an authorized project designee is designated pursuant to this subsection, the authorized project designee will be responsible for performing all activities needed to meet the requirements set forth in this chapter and will be the main point of contact with regard to the offset project for the offset project registry and ecology. The offset project operator, however, ultimately remains responsible for ensuring

compliance with the requirements of this chapter and the applicable compliance offset protocol. In addition, the offset project operator retains the authority to perform any activities required under this chapter, including signing documents and attestations.

(ii) If an authorized project designee is designated pursuant to this subsection, the offset project operator must also designate an individual employed by the authorized project designee as a primary account representative or alternate account representative on the offset project operator's tracking system account before the authorized project designee may act on behalf of the offset project operator or submit any documentation to the offset project registry and ecology.

(iii) Consultants. An offset project operator or authorized project designee may use a consultant to prepare documents or attestations for submittal by the offset project operator or authorized project designee to the offset project registry or ecology. However, a consultant may not sign any such documents or attestations on behalf of the offset project operator or authorized project designee. A consultant may only communicate

with ecology or the offset project registry to the extent authorized by the offset project operator or authorized project designee, and the offset project operator or authorized project designee must be included in all communications regarding the offset project, whether written or otherwise, between the consultant and ecology or the offset project registry.

(2) Modifications to authorized project designee and activities. An offset project operator may modify or change its designation of an authorized project designee once within each calendar year after the offset project has been listed by ecology or an offset project registry by submitting a written request to ecology or the offset project registry.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-515, filed 9/29/22, effective 10/30/22.]

WAC 173-446-520 Listing of offset projects using ecology compliance offset protocols. (1) Registration requirements for offset project operators or authorized project designees who are submitting an offset project for listing. Before an offset project can be listed by ecology or an offset project registry, the party with legal authority to implement the offset project

must be registered with ecology as an offset project operator under WAC 173-446-055. To register as a general market participant, the registered offset project operator or its authorized project designee must:

(a) Submit the information required by WAC 173-446-055

(3) (a); and

(b) Not be subject to any holding account restrictions.

(2) If an offset project is not listed by ecology, it must be listed by an approved offset project registry before the offset project operator for that offset project may receive offset credits under this chapter.

(3) General requirements for offset project listing. For offset projects being listed by ecology or an offset project registry in an initial or renewed crediting period, the offset project operator and its authorized project designee(s) must:

(a) Disclose all GHG emission reductions and GHG removal enhancements that are attributable to the offset project being listed and for which offset credits have been issued by any voluntary or mandatory program(s) or which have been used to satisfy any other GHG mitigation requirement; and

(b) Attest, in writing, to ecology as follows:

(i) "I certify under penalty of perjury under the laws of the state of Washington the GHG emission reductions and/or GHG removal enhancements for (project) from (date) to (date) will be measured in accordance with the (applicable Compliance Offset Protocol) and all information required to be submitted to ecology is true, accurate, and complete."; and

(ii) "I understand that the offset project activity(ies) and implementation of the offset project must be in accordance with all applicable local, regional, state, and national environmental and health and safety laws and regulations that apply in the jurisdiction in which the offset project is located. I understand that offset projects that are not in compliance with the requirements of this chapter are not eligible to receive Ecology offset credits or registry offset credits for GHG emission reductions and GHG removal enhancements."; and

(iii) Except as provided in (b)(iv) of this subsection: "I understand I am voluntarily participating in this program and by doing so, I am now subject to all regulatory requirements and

enforcement mechanisms of this program and subject myself to the jurisdiction of Washington as the exclusive venue to resolve any and all disputes arising from the enforcement of provisions in this chapter."; and

(iv) For federally recognized tribes who elect to participate as offset project operators pursuant to RCW 70A.65.090(5), the following attestation may be submitted in lieu of the attestation required by (b)(iii) of this subsection: "I understand I am voluntarily participating in this program. The tribal government on whose behalf I am authorized to make this submission has entered into a written agreement, negotiated on an individual basis between ecology and the tribal government, that establishes a dispute resolution process and/or other compliance mechanisms in order to ensure the enforceability of all program requirements applicable to the tribe in its role as an offset project operator."

(c) Provide all documentation required to ecology or an offset project registry.

(d) Except as provided in (e) of this subsection, if any portion of the offset project is located on land over which the

state of Washington does not have jurisdiction, the offset project operator must demonstrate that the landowner(s) consent(s) to regulation by ecology and the jurisdiction of the courts and administrative tribunals of the state of Washington with respect to any judicial or administrative enforcement action commenced by ecology to ensure compliance with the requirements of chapter 70A.65 RCW and this chapter.

(e) For offset projects located on tribal land, land that is owned by a tribe, or land that is subject to an ownership or possessory interest of a tribe, the offset project operator must demonstrate that the tribe has entered into a written agreement, negotiated on an individual basis between ecology and the tribal government, that establishes a dispute resolution process and/or other compliance mechanisms in order to ensure the enforceability of all program requirements applicable to the tribe in its role as the owner of land on which an offset project is located.

(4) The attestations required by subsection (3)(b) of this section must be provided to an offset project registry with the listing information, if the offset project is being listed with

an offset project registry, or to ecology if the offset project is being listed with ecology.

(5) Offset project listing information requirements. Before an offset project can be publicly listed for an initial or renewed crediting period, the offset project operator or authorized project designee must provide the listing information in the most recently adopted version of the applicable compliance offset protocol for that offset project type as set forth in WAC 173-446-505(3).

(6) Review of offset project listing information. Ecology and/or the offset project registry, as applicable, will review the offset project listing information submitted pursuant to subsection (5) of this section for completeness.

(a) Notice of completeness for offset project listing information. Within 30 calendar days of receiving complete and accurate listing information as required by subsection (5) of this section, ecology or the offset project registry, as applicable, will notify the offset project operator or authorized project designee that the offset project may be listed.

(b) If ecology or the offset project registry, as applicable, determines that the information submitted is incomplete, inaccurate, or that rejection of the listing information is otherwise required, ecology or the offset project registry will notify the offset project operator or authorized project designee of this determination within 30 calendar days of receiving the listing information from the offset project operator or authorized project designee. The offset project operator or authorized project designee may resubmit offset project listing information.

(7) Timing for offset project listing in an initial crediting period. The offset project operator or authorized project designee must submit the information required by subsection (5) of this section to ecology or an offset project registry, as applicable, according to the following deadlines:

(a) No later than the date on which the offset project operator or authorized project designee submits its required offset project data report for its first reporting period under a compliance offset protocol to ecology or an offset project registry; and

(b) No later than one year after offset project commencement, or no later than one year after meeting all of the requirements of this section, whichever is later. If the offset project operator or authorized project designee does not submit the listing information for the offset project to ecology or an offset project registry within one year of offset project commencement, or within one year of meeting the requirements of this section, whichever is later, the offset project will be ineligible to be listed under a compliance offset protocol and will not be issued registry offset credits or ecology offset credits.

(8) Listing status of offset projects in an initial crediting period. After the offset project operator or authorized project designee submits the offset project for listing in an initial crediting period and all required documentation, and ecology or the offset project registry has reviewed the offset project listing information for completeness, the offset project listing status will be labeled "Proposed Project." If the offset project is not ultimately accepted for listing by an offset project registry, the offset

project operator or authorized project designee may request that ecology make a final determination as to whether the offset project meets the requirements to be listed for an initial crediting period by the offset project registry. Ecology may consult with the offset project registry before making such a determination.

(9) Timing for offset project listing in a renewed crediting period. The offset project operator or authorized project designee must submit the information required by subsection (5) of this section for purposes of listing the offset project for a renewed crediting period to ecology or an offset project registry, as applicable, no earlier than 18 months and no later than nine months before conclusion of the initial crediting period or a previous renewed crediting period.

(10) Listing status of offset projects in a renewed crediting period. After the offset project operator or authorized project designee submits the offset project for listing in a renewed crediting period and all required documentation, and ecology or the offset project registry has reviewed the offset project listing information for

completeness, the offset project listing status will be labeled "Proposed Renewal." The verification body must assess that the offset project meets the additionality requirements set forth in WAC 173-446-510 (1) (c) and in the applicable compliance offset protocol as of the date of the commencement of the renewed crediting period when conducting offset verification services for the first reporting period of a renewed crediting period. If the offset project is not ultimately accepted for listing by an offset project registry, the offset project operator or authorized project designee may request that ecology make a final determination as to whether the project meets the requirements of this section to be listed for a renewed crediting period by the offset project registry. Ecology may consult with the offset project registry before making such a determination.

(11) Once ecology or an offset project registry approves an offset project for listing, the listing information is considered final, and may not be changed unless the offset project operator changes during the crediting period. If the offset project operator changes during the crediting period, the

new offset project operator or its authorized project designee must submit updated listing information for the information that pertains to the offset project operator and authorized project designee, if applicable, to ecology within 30 calendar days of the change.

(12) Limitations for crediting period renewals. A crediting period may be renewed if the offset project meets the requirements for additionality set forth in WAC 173-446-510 (1) (c) and in the applicable compliance offset protocol.

(a) The crediting period for offset projects that do not involve sequestration may be renewed twice for the length of time identified by the applicable compliance offset protocol.

(b) Offset projects that involve sequestration are not subject to any renewal limits.

(13) Transferring an offset project. If the offset project operator or authorized project designee transfers an offset project listed with ecology to an offset project registry, or transfers a project listed with an offset project registry to ecology or another offset project registry:

(a) Ecology or the offset project registry that originally listed the offset project must change the offset project listing status on its registry system to "transferred project."

(i) If the only action taken by the offset project operator or the authorized project designee was to have the listing documentation for the offset project approved by ecology or the original offset project registry, ecology or the original offset project registry, as applicable, must retain the information related to the offset project on its website for the duration of one year before it can be removed from the registry system.

(ii) If the listing documentation was only submitted by the offset project operator or authorized project designee, but not approved by ecology or the original offset project registry, ecology or the original offset project registry, as applicable, does not need to retain the submitted listing documentation on its website.

(iii) If a verification body submitted an offset verification statement for the offset project being transferred, ecology or the original offset project registry, as applicable,

must retain the information related to the offset project on its website for the duration of the offset project life.

(iv) Ecology or the new offset project registry, as applicable, must retain the listing date and all listing information as approved by ecology or the original offset project registry. If the offset project has not undergone initial verification, the offset project commencement date may change as a result of verification activities only.

(b) The offset project operator or authorized project designee must submit the original listing documentation reviewed and accepted by ecology or the original offset project registry, as applicable, pursuant to this section to ecology or the new offset project registry, as applicable. The offset project operator or authorized project designee may only make changes to the listing documentation if the offset project operator changes during the crediting period pursuant to subsection (11) of this section.

(c) The offset project operator or authorized project designee may not transfer an offset project to ecology or another offset project registry once a notice of offset

verification services has been submitted for a reporting period(s) or during the course of offset verification services for a reporting period(s). Once a notice of offset verification services has been submitted, the offset verification services must be completed for the applicable reporting period(s) before the offset project operator or authorized project designee may transfer the offset project to ecology or another offset project registry. Once the offset verification services are completed for the applicable reporting period(s), the offset project operator or authorized project designee may transfer the offset project to ecology or another offset project registry.

(14) Limitations for listing forest offset projects. Once a forest offset project has been issued registry offset credits or ecology offset credits, no other offset project may be listed within the offset project boundary of the previous offset project unless the previous offset project was terminated due to an unintentional reversal or otherwise specified in the applicable compliance offset protocol.

(15) Modification or waiver of requirements for purposes of aggregation. Ecology may elect to waive or modify listing

requirements in this section for offset projects that are grouped together for the purposes of aggregation. Any proposed modifications or changes to the procedures noted in this section must be approved in advance by ecology and be documented in writing in a manner and format specified by ecology.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-520, filed 9/29/22, effective 10/30/22.]

WAC 173-446-525 Monitoring, reporting, and record retention requirements for offset projects. (1) General requirements for monitoring equipment for offset projects. The offset project operator or authorized project designee must employ the procedures set forth in the applicable compliance offset protocol for monitoring measurements and project performance for offset projects. All required monitoring equipment must be maintained and calibrated in a manner and at a frequency required by the equipment manufacturer, unless otherwise specified in the applicable compliance offset protocol. All modeling, monitoring, sampling, and testing procedures must be conducted in a manner consistent with the applicable compliance offset protocol.

(2) The offset project operator or authorized project designee must use the missing data methods as provided in the applicable compliance offset protocol for that offset project type, if provided and applicable.

(3) An offset project operator or authorized project designee must install and operate all monitoring equipment and mechanisms required by the applicable compliance offset protocol for that offset project type as set forth in WAC 173-446-505(3).

(4) Offset project reporting requirements. An offset project operator or authorized project designee shall submit an offset project data report to ecology or the offset project registry, as applicable, for each reporting period.

(a) Each offset project data report must cover a single reporting period. Reporting periods must be contiguous, and there must be no gaps in reporting once the first reporting period has commenced.

(b) The offset project operator or authorized project designee must submit an offset project data report to ecology or the offset project registry, as applicable, within 28 months of listing their offset project and must also meet all other

applicable deadlines pertaining to submittal of the offset project data report.

(i) An offset project data report may be submitted after the deadline identified in this subsection, but before the end of the next reporting period, to maintain continuous reporting for purposes of (a) of this subsection; however, no ecology offset credits will be issued for the GHG emission reductions or removal enhancements quantified and reported in the untimely offset project data report.

(ii) If the offset project operator or authorized project designee does not submit an offset project data report to ecology or an offset project registry within 28 months of listing an offset project, then the offset project operator or authorized project designee must update the listing information in the offset project data report to reflect the most recently adopted version of the applicable compliance offset protocol for that project type in order to remain eligible to be issued ecology offset credits. If an offset project data report that does not meet the 28 month deadline also fails to meet the four month deadline set in this section set forth in subsection (5)

of this section, an offset project data report covering the reporting period must be submitted using the most recently adopted version of the applicable compliance offset protocol; however, no ecology offset credits will be issued for the GHG emission reductions or removal enhancements.

(iii) For forestry offset projects, when an offset project data report is not filed within the deadline specified in this subsection, the values used for $AC_{\text{onsite},y-1}$ and $BC_{\text{onsite},y-1}$ in the offset project data report for the subsequent reporting period will be the $AC_{\text{onsite},y}$ and $BC_{\text{onsite},y}$ values reported in the untimely offset project data report for the preceding reporting period. The offset project data report shall contain the information required by the applicable version of the compliance offset protocol for that offset project type as set forth in WAC 174-446-505(3).

(iv) For ozone depleting substance projects, one offset project data report may be submitted for each offset project and the offset project data report may cover up to a maximum of 12 months of data.

(v) If the offset project operator or authorized project designee fails to submit an offset project data report as required by this subsection, then the offset project will be considered terminated and no longer eligible for ecology offset credits.

(5) An offset project data report must be submitted to ecology or the offset project registry, as applicable, within four months after the conclusion of each reporting period. For a submission to be considered valid, the submitted offset project data report must include all required attestation(s) and must be signed by the offset project operator's primary account representative or alternate account representative.

(a) The primary account representative or alternate account representative on the offset project operator's tracking system account must attest, in writing, as follows: "I certify under penalty of perjury under the laws of the state of Washington the GHG emission reductions and/or GHG removal enhancements for (project) from (date) to (date) are measured in accordance with the (applicable Compliance Offset Protocol) and all information required to be submitted to Ecology or the Offset Project

Registry, as applicable, in the Offset Project Data Report is true, accurate, and complete." This attestation must be provided with each version of the offset project data report to an offset project registry if the offset project is listed with an offset project registry, or to ecology if the offset project is listed with ecology.

(b) If an offset project data report is not submitted to ecology or an offset project registry as required by this subsection by the four-month reporting deadline, the GHG emission reductions and GHG removal enhancements quantified and reported in the untimely offset project data report are not eligible to be issued registry offset credits or ecology offset credits.

(6) Each version of an offset project data report submitted to ecology or an offset project registry must specify the version number and the date submitted.

(7) For any offset project reporting under a different version of the applicable compliance offset protocol than the version under which the project was initially listed, the offset project data report must include reference to both the version

of the applicable compliance offset protocol under which the project was initially listed and the version under which the project is reporting.

(8) Requirements for records retention for offset projects.

An offset project operator or authorized project designee must meet the following requirements:

(a) The offset project operator or authorized project designee must retain records containing the following information:

(i) All information submitted to ecology or an offset project registry as part of the offset project data report;

(ii) Documentation of the offset project boundary, including a list of all GHG emissions sources, GHG sinks, and GHG reservoirs included in the offset project boundary and the project baseline;

(iii) Fuel use and any other underlying measured or sampled data used to calculate project baseline emissions, GHG emission reductions, and GHG removal enhancements for each source, categorized by process and fuel, or material type;

(iv) Documentation of the process for collecting fuel use or any other underlying measured or sampled data for the offset project and its GHG emissions sources, GHG sinks, and GHG reservoirs for quantifying project baseline emissions, project emissions, GHG emission reductions, and GHG removal enhancements;

(v) Documentation of all project baseline emissions, project emissions, GHG emission reductions, and GHG removal enhancements;

(vi) All point of origin and chain of custody documents required by the applicable compliance offset protocol, if any;

(vii) All chemical analyses, results, and testing-related documentation for material and sources used for inputs to calculate project baseline emissions, project emissions, GHG emission reductions, and GHG removal enhancements;

(viii) All model inputs and assumptions used for quantifying project baseline emissions, project emissions, GHG emission reductions, and GHG removal enhancements;

(ix) Any data used to assess the accuracy of project baseline emissions, GHG emission reductions, and GHG removal

enhancements from each offset project GHG emissions source, GHG sink, and GHG reservoir, categorized by process;

(x) Quality assurance and quality control information, including information regarding any measurement gaps, missing data substitution, calibrations or maintenance records for monitoring equipment, or models providing data for calculating project baseline emissions, project emissions, GHG emission reductions, and GHG removal enhancements;

(xi) A detailed technical description of any offset project continuous measurement/monitoring system(s), including documentation of any related findings and approvals by federal, state, or local agencies;

(xii) Raw and aggregated data from any measurement system;

(xiii) Documentation of any changes over time and the log book on tests, down-times, calibrations, servicing, and maintenance for any measurement/monitoring equipment providing data for project baseline calculations, project emissions, GHG emission reductions, and GHG removal enhancements;

(xiv) For sequestration offset projects, documentation of inventory methodologies and sampling procedures, including all

calculation methodologies and equations used, and any data related to plot sampling;

(xv) Any other documents associated with the preparation of an offset project data report; and

(xvi) Any other documentation or data required to be retained by the applicable compliance offset protocol, if any.

(b) All records containing the information set forth in (a) of this subsection shall be retained in paper, electronic, or other useable format for a minimum of 15 years. For documents associated with the preparation of a particular offset project data report, the 15-year timeline begins on the date of issuance of ecology offset credits based on that offset project data report.

(c) The documents retained pursuant to this section must be sufficient to allow for third-party verification of each offset project data report.

(d) Upon request by ecology or an offset project registry, the offset project operator or authorized project designee must provide to ecology or the offset project registry, as applicable, all documents retained pursuant to this subsection,

including data used to develop an offset project data report within 10 calendar days of the request.

(9) General procedure for interim data collection. This section only applies if the applicable compliance offset protocol does not already include methods, or does not include a specific method for the data in question, for collecting or accounting for missing data in the event of an unforeseen breakdown of gas or fuel analytical monitoring equipment or other data collection systems.

(a) In the event of an unforeseen breakdown of offset project data monitoring equipment and gas or fuel flow monitoring devices required for the GHG emission reductions and GHG removal enhancement estimation, ecology may authorize an offset project operator or authorized project designee to use an interim data collection procedure if ecology determines that the offset project operator or authorized project designee has satisfactorily demonstrated that:

(i) The unforeseen breakdown may result in a loss of more than 20 percent of the source's data for the year covered by an offset project data report;

(ii) The data monitoring equipment cannot be promptly repaired or replaced without shutting down a process unit significantly affecting the offset project operations, or that the monitoring equipment must be replaced and replacement equipment is not immediately available;

(iii) The interim procedure will not remain in effect longer than is reasonably necessary for repair or replacement of the malfunctioning data monitoring equipment; and

(iv) The request was submitted within 30 calendar days of the unforeseen breakdown of the data monitoring equipment.

(b) An offset project operator or authorized project designee seeking approval of an interim data collection procedure must, within 30 calendar days of the unforeseen monitoring equipment breakdown, submit a written request to ecology that includes all of the following:

(i) The proposed start date and end date of the interim procedure;

(ii) A detailed description of what data are affected by the breakdown;

(iii) A discussion of the accuracy of data collected during the interim procedure compared with the data collected under the offset project;

(iv) The offset project operator's or authorized project designee's usual equipment-based method; and

(v) A demonstration that no feasible alternative procedure exists that would provide more accurate emissions data.

(c) When approving an interim data collection procedure, ecology shall determine whether the accuracy of data collected under the procedure is reasonably equivalent to data collected from properly functioning monitoring equipment, and if it is not, the relative accuracy to assign for purposes of assessing possible offset material misstatement. Ecology may limit the duration of the interim data collection procedure or include other conditions it deems necessary for approval.

(d) Data collected pursuant to an approved interim data collection procedure shall be considered captured data for purposes of compliance with the applicable compliance offset protocol.

(10) General procedure for approving alternate monitoring and measurement methods pursuant to compliance offset protocols. This subsection applies only to alternate methods for monitoring and measurement that were not in common usage at the time when ecology adopted the applicable compliance offset protocol under which an offset project data report is being submitted. Alternate methods may include remote sensing methods for forestry or other alternate methods that meet the requirements of this subsection.

(a) An offset project operator or authorized project designee seeking approval of an alternate monitoring and measurement method must, at least 30 calendar days prior to the beginning of the reporting period in which the alternate method will be used, submit a written request to ecology that includes all of the following:

(i) The name and identification numbers of the offset project for which the alternate method is proposed;

(ii) The beginning and end dates for the reporting period for which the alternate method is proposed;

(iii) A detailed description of the alternate method. This description must include:

(A) The purpose for which the alternate method is proposed;

(B) A discussion of the accuracy of the alternate method, including any peer-reviewed literature or other information that the offset project operator or authorized project designee believes may aid ecology in making a determination of the accuracy of the method; and

(C) A detailed analysis identifying how the alternate method is consistent with the relevant requirements, and not explicitly prohibited by the applicable compliance offset protocol.

(b) A request for approval of an alternate method may only be submitted for a reporting period for which a project is receiving a full offset verification.

(c) Ecology shall provide written notification to the offset project operator or the authorized project designee of approval or disapproval of the interim alternate method within 30 calendar days of receipt of the request, or within 30

calendar days of receipt of any additional information requested by ecology, whichever is later.

(i) Ecology may approve an alternate method on an interim basis for one reporting period to review the accuracy of the method before approving it for subsequent reporting periods. Approval of an alternate method on an interim basis in and of itself does not provide any presumption of approval on a longer term basis. Ecology may also include other conditions it deems necessary as part of its interim approval.

(ii) Before approving an alternate method, ecology shall determine that the accuracy of the alternate method is at least reasonably equivalent to the accuracy of the method(s) commonly employed when the applicable compliance offset protocol was adopted and that the alternate method is capable of being verified to a reasonable level of assurance.

(iii) Prior to approving any request for approval of an alternate method, ecology may request additional information from the offset project operator or authorized project designee seeking approval.

(d) Data collected pursuant to an approved alternate method shall be considered in compliance with the requirements of the applicable compliance offset protocol.

(e) If information comes to ecology's attention subsequent to approving an alternate method indicating that the alternate method is not at least reasonably equivalent to the accuracy of the method(s) commonly employed when the applicable compliance offset protocol was adopted, or is not capable of being verified to a reasonable level of assurance, ecology may rescind approval of the alternate method at any time.

(f) If after using the alternate method for one reporting period ecology has determined that the alternate method is at least reasonably equivalent to the accuracy of the method(s) commonly employed when the applicable compliance offset protocol was adopted, ecology may approve the alternate method, including any conditions, on a permanent basis.

(g) For the purposes of this section, "common usage" means a method that is demonstrated to be in use by an offset project using the same protocol type (e.g., U.S. forests, livestock,

etc.) on the compliance or voluntary market in the U.S. at the time of adoption of the applicable compliance offset protocol.

(11) Modifications to the reporting period. Modifications to the reporting period are only allowed by notifying ecology in writing or by providing updated listing information with the submittal of the offset project data report, and only if ecology is notified in writing prior to any deadlines being missed.

(a) The first reporting period for an offset project in an initial crediting period may consist of six to 24 consecutive months.

(b) All subsequent reporting periods in an initial crediting period and all reporting periods in any renewed crediting period must consist of 12 consecutive months, except that offset projects that submitted a first reporting period in the initial crediting period that was less than 24 consecutive months may include any months not included in the first reporting period in the final reporting period of the initial crediting period, such that the combined duration of the initial and final reporting periods in the initial crediting period do not exceed 36 months total.

(c) The reporting period may not be longer than 12 months and there is no minimum time frame imposed for the reporting period.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-525, filed 9/29/22, effective 10/30/22.]

WAC 173-446-530 Verification of GHG emission reductions and GHG removal enhancements from offset projects. (1) General requirements. An offset project operator or authorized project designee must obtain the services of an ecology-accredited verification body for the purposes of verifying its offset project data reports.

(2) Schedule for verification of nonsequestration offset projects.

(a) The verification of GHG emission reductions for nonsequestration offset projects that achieve greater than or equal to 25,000 metric tons of GHG emission reductions must be performed on a reporting period basis and cover the reporting period for which the most recent offset project data report was submitted unless otherwise specified in the applicable compliance offset protocol.

(b) For reporting periods in which an offset project data report for a nonsequestration offset project shows that the offset project achieved fewer than 25,000 metric tons of GHG emission reductions in a reporting period, the offset project operator or authorized project designee may choose to perform verification that covers two consecutive reporting periods, even if the offset project produced greater than or equal to 25,000 metric tons of GHG emission reductions for the subsequent reporting period.

(c) If an offset project data report shows the offset project achieved zero GHG emission reductions, the offset project operator or authorized project designee may defer verification until the offset project produces an offset project data report that no longer shows the offset project achieved zero GHG emission reductions.

(3) Schedule for verification of sequestration offset projects.

(a) An initial verification of GHG emission reductions and GHG removal enhancements for all sequestration offset projects

must be performed following the first reporting period and cover one reporting period.

(b) After the first reporting period, verification must be conducted at least once every six years and may cover up to six reporting periods for which offset project data reports were submitted.

(c) After an initial verification with a positive offset verification statement, reforestation offset projects and urban forest offset projects that meet the requirements of the applicable compliance offset protocol may defer the second verification for 12 years, but verification of offset project data reports must be performed at least once every six years thereafter.

(d) For offset projects that do not renew their crediting period, verification must still be conducted at least once every six years for the remainder of the project life. However, after a successful full offset verification of an offset project data report indicating that actual on-site carbon stocks (in MT CO₂e) are at least 10 percent greater than the actual on-site carbon stocks reported in the final offset project data report of the

final crediting period that received a positive offset verification statement, the next full offset verification service may be deferred for 12 years.

(e) An offset project that has deferred verification for 12 years must resume conducting a full verification at least once every six years if it receives an adverse offset verification statement.

(4) Timing for submittal of offset verification statements to ecology or an offset project registry.

(a) The verification body must issue one offset verification statement for each offset project data report that it verifies for the offset project operator or authorized project designee.

(b) Any offset verification statement must be received by ecology or an offset project registry, as applicable, within 11 months after the conclusion of the reporting period for which offset verification services were performed, except for reporting periods for which verification is deferred in accordance with subsection (3) of this section. If the offset verification statement is not submitted to ecology or an offset

project registry by this verification deadline, the GHG emission reductions and GHG removal enhancements quantified and reported in the offset project data report are not eligible to be issued ecology offset credits or registry offset credits.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-530, filed 9/29/22, effective 10/30/22.]

WAC 173-446-535 Requirements for offset verification

services. (1) Rotation of verification bodies. An offset project shall have no more than any six out of nine consecutive reporting periods verified by the same verification body or offset verification team member(s), unless otherwise specified. The rotation requirements in this section are applied between the offset project operator, the authorized project designee, if applicable, any technical consultant(s) used by the offset project operator or authorized project designee, if applicable, and the verification body and offset verification team member(s) on an offset project basis.

(2) Ozone depleting substances offset projects.

(a) Neither a verification body nor an offset verification team member may conduct offset verification services for more

than any six out of nine consecutive offset projects developed by the following:

(i) Any given offset project operator;

(ii) Any authorized project designee on behalf of such an offset project operator; or

(iii) Any technical consultant(s) used by the offset project operator or its authorized project designee(s).

(b) For ozone depleting substances offset projects, the order of consecutive projects is determined by the project commencement dates. For purposes of this provision, an offset project is defined by any activities reported in an offset project data report, and is applied to offset projects listed by the offset project operator and authorized project designee, if applicable.

(3) Reforestation offset projects and urban forest offset projects.

(a) An offset project operator or authorized project designee that has deferred the second verification for six to 12 years pursuant to WAC 173-446-530(3) may have up to 13 offset

project data reports verified by the same verification body and offset verification team member(s).

(b) If an offset project operator or authorized project designee has not deferred the second verification for six or more years, the following requirements for rotation of verification bodies and offset verification team member(s) shall apply.

(i) An offset project operator or authorized project designee may contract with a previously contracted verification body or offset verification team member(s) only if at least three consecutive offset project data reports for the offset project have been verified by a different verification body(ies) and offset verification team member(s) before the previously contracted verification body and offset verification team member(s) can be selected again.

(ii) When rotating verification bodies and offset verification team members under this subsection, the rotation requirements must also apply to any technical consultant(s) used by the offset project operator or authorized project designee, if applicable.

(4) Offset verification services. Offset verification services shall be subject to the following requirements.

(a) Notice of offset verification services for offset projects. Before offset verification services may begin, the offset project operator or authorized project designee must submit the offset project data report to ecology or an offset project registry, as applicable, and the verification body must submit a notice of offset verification services to ecology and an offset project registry, if applicable.

(i) The verification body may begin offset verification services for the offset project operator or authorized project designee 10 calendar days after the notice for offset verification services is received by ecology and the offset project registry, if applicable.

(ii) The verification body may not conduct the site visit until at least 15 calendar days after the notice for offset verification services is received by ecology and the offset project registry, if applicable. If a verification is being audited by ecology or by an offset project registry and if ecology or the offset project registry notify the verification

body of the audit in writing within five business days of receiving the notice for offset verification services, the verification body may not conduct the site visit until at least 40 calendar days after the notice for offset verification services is received by ecology and the offset project registry, if applicable, unless each auditing party approves in writing an earlier site visit date.

(b) The notice of offset verification services must include the following information:

(i) The offset project name and its identification numbers, the version of the applicable compliance offset protocol under which the offset project is reporting, indication of whether a single or multiple reporting periods will receive offset verification services, the reporting period start and end dates, and the crediting period start date;

(ii) A list of staff who will be designated to provide offset verification services as part of an offset verification team, including the names of each designated staff member, the lead verifier, independent reviewer, all subcontractors, and a

description of the roles and responsibilities each team member will have during the offset verification process;

(iii) Documentation that the designated members of the offset verification team have the skills required to provide offset verification services for the offset project operator or authorized project designee, including documentation showing that at least one offset verification team member is accredited by ecology as an offset project specific verifier for an offset project of that type; and

(iv) General information about the offset project operator or authorized project designee, including:

(A) The name of the offset project operator or authorized project designee, and contact information, including mailing address, telephone number, and email address;

(B) The offset project boundary or the portion(s) thereof that will be subject to offset verification services;

(C) The date(s) of on-site visits, with contact information; and

(D) A brief description of expected offset verification services to be performed, including the expected date for

submitting the offset verification statement to ecology or the offset project registry.

(c) If any information submitted pursuant to this subsection changes after the notice for offset verification services is submitted to ecology and the offset project registry, if applicable, the verification body must notify ecology and the offset project registry, as applicable, by submitting an updated notice of offset verification services within 10 business days.

(i) If the verification body has been notified by ecology or the offset project registry of an audit for the relevant verification, then the verification body must notify the auditing party at least two business days prior to a revised start date for offset verification services and at least 15 business days prior to a revised site visit date(s), unless each auditing party approves in writing an earlier date.

(ii) If ecology and the offset project registry, if applicable, request revisions to the notice of offset verification services, the verification body must resubmit the revised notice of offset verification services within 10

business days of such request, or if there is a reason the verification body cannot submit the revisions within 10 business days, the verification body must communicate in writing to ecology and the offset project registry, if applicable, as to the reasons why and get approval from the offset project registry or ecology for an extension.

(d) Offset verification services must include the following:

(i) Offset verification plan. The offset project operator or authorized project designee must submit the following information, which is necessary to develop an offset verification plan, to the offset verification team:

(A) Information to allow the offset verification team to develop a general understanding of offset project boundaries, operations, project baseline emissions, and reporting period GHG emission reductions and GHG removal enhancements;

(B) Information regarding the training or qualifications of personnel involved in developing the offset project data report;

(C) The name and date of the applicable compliance offset protocol used to quantify and report project baselines, GHG

emission reductions, GHG removal enhancements, and other data as required in the applicable compliance offset protocol; and

(D) Information about any data management system, offset project monitoring system, and models used to track project baselines, GHG emission reductions, GHG removal enhancements, and other data required in the applicable compliance offset protocol.

(ii) Timing of offset verification services. The offset verification plan shall also include the following information:

(A) Dates of proposed meetings and interviews with personnel related to the offset project;

(B) Dates of proposed site visits;

(C) Types of proposed document and data reviews; and

(D) Expected date for completing offset verification services.

(iii) Planning meetings with the offset project operator or authorized project designee. The offset verification team must discuss with the offset project operator or authorized project designee the scope of the offset verification services and

request any information and documents needed for initiating offset verification services.

(A) The offset verification team must review the documents submitted and plan and conduct a review of original documents and supporting data for the offset project data report. Information regarding planning meetings may be included in the offset verification plan, but is not required.

(B) Any discussions or meetings to secure an offset verification services contract or to collect preliminary project documents to bid the offset verification services may occur prior to submitting the notice of offset verification services.

(iv) Site visits for offset projects.

(A) For a nonsequestration offset project, at least one accredited offset verifier in the offset verification team, including the offset project specific verifier, must make at least one site visit for each reporting period that an offset project data report is submitted, except for those nonsequestration offset projects for which the offset project data reports qualify for a two-year offset verification period. In this case, at least one offset verifier in the offset

verification team, including the offset project specific verifier, must make a site visit each time offset verification services are performed; offset verification services for nonsequestration offset projects would include one or two reporting periods, depending on whether verification is eligible to be deferred.

(B) For ozone depleting substances and livestock offset projects, if the project is no longer in operation and all destruction devices, metering and monitoring equipment has been removed, the site visit can occur at the offices of the offset project operator, or authorized project designee. Such a site visit cannot be used for reducing the invalidation time frame.

(C) For a forest or urban forest offset project, at least one accredited offset verifier in the offset verification team, including the offset project specific verifier, must make a site visit every year that offset verification services are provided, except for those offset projects approved for less intensive verification, for which a site visit must be performed at least once every six years.

(D) A site visit is also required after the first reporting period of an offset project under a compliance offset protocol and after the first reporting period for each renewed crediting period under a compliance offset protocol. Any site visit performed under this subsection must be conducted after the offset project operator or authorized project designee submits its offset project data report to ecology or an offset project registry, as applicable.

(v) Scope of review. During the required verification, the offset verification team member(s) must conduct the following reviews, and document or explain how each requirement was fulfilled in the detailed verification report:

(A) During the initial verification conducted following the first reporting period of the crediting period, the offset verification team must complete all of the following requirements, either during the required site visit or as part of a desk review:

(I) Review the information submitted for listing and determine if it is complete and accurate;

(II) Assess whether the offset project meets the requirements for additionality set forth in WAC 173-446-510 (1) (d) and that it meets all the requirements set forth in the applicable compliance offset protocol pursuant to WAC 173-446-510 (1) (a);

(III) Assess whether the offset project boundary is appropriately defined;

(IV) Review project baseline calculations and modeling;

(V) Assess the operations, functionality, data control systems, and GHG measurement and monitoring techniques; and

(VI) Assess whether all applicable eligibility criteria to design, measure, establish the chain of custody, and monitor the offset project conforms to the requirements of the applicable compliance offset protocol.

(VII) All criteria pertaining to the eligibility of the offset project must be assessed during the first site visit in the first reporting period of each crediting period. All eligibility criteria must be met and are not subject to sampling. If any of the eligibility criteria are not met, the

project would be ineligible for crediting and receive an adverse offset verification statement.

(B) During the initial verification conducted following the first reporting period of the crediting period and each subsequent verification, the offset verification team must complete all of the following requirements, either during the required site visit or as part of a desk review:

(I) Check that all offset project boundaries, GHG emissions sources, GHG sinks, and GHG reservoirs in the applicable compliance offset protocol are identified appropriately;

(II) Review and understand the data management systems used by the offset project operator or authorized project designee to track, quantify, and report GHG emission reductions, GHG removal enhancements, or other data required in the applicable compliance offset protocol. This includes reviewing data collection processes and procedures, sampling techniques and metering accuracy, quality assurance/quality control processes and procedures, and missing data procedures. The offset verification team member(s) must evaluate the uncertainty and effectiveness of these systems;

(III) Interview key personnel involved in collecting offset project data and preparing the offset project data report;

(IV) Make direct observations of equipment for data sources and equipment supplying data for GHG emission sources in the sampling plan determined to be high risk;

(V) Review all chain of custody documents as required in the applicable compliance offset protocol, if any;

(VI) Review offset project operations to identify applicable GHG emissions sources, project emissions, GHG sinks, and GHG reservoirs required to be included and quantified in the offset project data report as required by the applicable compliance offset protocol. This must include a review of each type of GHG emissions source, GHG sink, and GHG reservoir to ensure that all GHG emissions sources, GHG sinks, and GHG reservoirs required to be reported for the offset project are properly included in the offset project data report;

(VII) Confirm the offset project conforms with all local, regional, state, or national environmental regulatory requirements, including health and safety regulations; and

(VIII) Collect and review any other information that, in the professional judgment of the team, is needed in the offset verification process;

(C) If the offset project is found by the offset verification team to not meet the requirements of this chapter, the offset project is ineligible to receive ecology offset credits or registry offset credits for some or all GHG reductions and GHG removal enhancements quantified and reported in the offset project data report.

(vi) An offset project operator or authorized project designee must make available to the offset verification team all information and documentation used to calculate and report project baseline and project GHG emissions, GHG emission reductions, and GHG removal enhancements and other information required by the applicable compliance offset protocol.

(vii) Sampling plan for offset project data reports. As part of confirming the offset project data report, the offset verification team must develop a sampling plan that meets the following requirements:

(A) The sampling plan must be based on a strategic analysis developed from document reviews and interviews to assess the likely nature, scale, and complexity of the offset verification services for an offset project operator or authorized project designee. The analysis must review the inputs for the development of the submitted offset project data report, the rigor and appropriateness of the GHG data management systems, and the coordination within an offset project operator's or authorized project designee's organization to manage the operation and maintenance of equipment and systems used to develop the offset project data reports;

(B) The sampling plan must include a ranking of GHG emissions sources, GHG sinks, and GHG reservoirs within the offset project boundary by the amount of contribution to total project GHG emissions, GHG emission reductions, and GHG removal enhancements, and a ranking of GHG emissions sources, GHG sinks, or GHG reservoirs with the largest calculation uncertainty; and

(C) The sampling plan must include a qualitative narrative of uncertainty risk assessment in the following areas, as required in the applicable compliance offset protocol:

(I) Data acquisition equipment;

(II) Data sampling and frequency;

(III) Data processing and tracking;

(IV) Calculations of project baseline, project GHG emissions, GHG emission reductions, and GHG removal enhancements;

(V) Data reporting; and

(VI) Management policies or practices in developing offset project data reports.

(viii) After completing the analysis described in (d)(v) of this subsection, the offset verification team must include in the sampling plan a list that includes the following:

(A) GHG emissions sources, GHG sinks, and GHG reservoirs that will be targeted for document reviews to ensure conformance with the applicable compliance offset protocol and data checks as specified, and an explanation of why they were chosen;

(B) Methods used to conduct data checks for each GHG emissions source, GHG sink, and GHG reservoir; and

(C) A summary of the information analyzed in the data checks and document reviews conducted for each GHG emissions source, GHG sink, and GHG reservoir.

(ix) The sampling plan list must be updated and finalized prior to the completion of offset verification services. The final sampling plan must describe in detail how the GHG emissions sources, GHG sinks, and GHG reservoirs with identified risk, subject to data checks, were reviewed for accuracy.

The offset verification team must revise the sampling plan to describe tasks completed or needed to be completed by the offset verification team as relevant information becomes available and potential issues emerge of offset material misstatement or nonconformance with the requirements of the applicable compliance offset protocol and this chapter.

(x) Records retention.

(A) The verification body must retain the final sampling plan in paper, electronic, or other useable format for a period of not less than 15 years following the submission of each offset verification statement. The sampling plan must be made available at any time during offset verification services to

ecology or the offset project registry, as applicable, within 10 calendar days of a request.

(B) The verification body must retain all materials received, reviewed, or generated to render an offset verification statement for an offset project operator or authorized project designee for 15 years following the submittal of each offset verification statement. The documentation must allow for a transparent review of how a verification body reached its conclusion in the detailed verification report and offset verification statement.

(xi) Data checks for offset project data reports. To determine the reliability of the submitted offset project data report, the offset verification team must use data checks. Such data checks must focus first on the largest and most uncertain estimates of project baseline GHG emissions, project emissions, GHG emission reductions, and GHG removal enhancements. Specifically, the offset verification team must:

(A) Use data checks to ensure that the appropriate methodologies and GHG emission factors have been applied in calculating the project baseline and reporting period GHG

emissions, project emissions, GHG emission reductions, and GHG removal enhancements as required by the applicable compliance offset protocol.

(B) Select GHG emissions sources, project emissions, GHG sinks, and GHG reservoirs for data checks based on their relative sizes and risks of offset material misstatement or nonconformance as indicated in the sampling plan;

(C) Use professional judgment in the number of data checks required for the offset verification team to conclude with reasonable assurance whether the offset project operator's or authorized project designee's total reported GHG emission reductions and GHG removal enhancements are free of offset material misstatement and the offset project data report otherwise conforms to the requirements of the applicable compliance offset protocol and this chapter. At a minimum, a data check must include the following:

(I) Tracing data in the offset project data report to its origin;

(II) Looking at the process for data compilation and collection;

(III) Reviewing all GHG inventory designs for GHG sources, GHG sinks, and GHG reservoirs, and sampling procedures, if applicable;

(IV) Recalculating baseline GHG emissions, project emissions, GHG emission reductions, and GHG removal enhancements estimates to check original calculations;

(V) Reviewing calculation methodologies used by the offset project operator or authorized project designee for conformance with the applicable compliance offset protocol and this chapter;

(VI) Reviewing meter and fuel analytical instrumentation calibration, if applicable; and

(VII) Reviewing the quantification from models approved for use in the applicable compliance offset protocol, if any; and

(D) Compare its own calculated results for the data checks conducted with the reported offset project data in order to confirm the extent and impact of any omissions and errors.

(I) Any discrepancies must be identified in the issues log.

(II) The comparison of data checks must also include a narrative to indicate which GHG emissions sources, GHG sinks, and GHG reservoirs were checked, the types and quantity of data

that were evaluated for each GHG emissions source, GHG sink, and GHG reservoir, how the data checks were conducted including calculations, and any discrepancies that were identified.

(xii) Offset project data report modifications. Following the review by the offset verification team and prior to completion of an offset verification statement, the offset project operator or authorized project designee must make any possible improvements and fix correctable errors that affect GHG emissions reductions or GHG removal enhancements in the submitted offset project data report, and a revised offset project data report must be submitted to ecology or the offset project registry, as applicable.

(A) The offset verification team shall use professional judgment in the identification of correctable errors, including whether differences are not errors but result from truncation or rounding. The offset verification team must document in the issues log the source of any difference identified, including whether the difference results in a correctable error.

(B) Correctable errors that, when summed, result in less than a three percent overstatement of the GHG emissions

reductions or GHG removal enhancements do not need to be fixed. However, correctable errors subject to the three percent exception that are attributable to the offset project operator or authorized designee providing false or misleading facts, or withholding material information that could influence a decision by ecology still constitute violations for which the offset project operator and authorized project designee, if applicable, are subject to enforcement under WAC 173-446-610(4).

(C) The revised offset project data report must include all components required in WAC 173-446-525.

(D) The verification body must issue an adverse offset verification statement if the offset project operator or authorized project designee does not make all possible improvements and fix any correctable errors to the offset project data report, except as provided in (d)(xii)(B) of this subsection the verification body must issue an adverse offset verification statement.

(E) Documentation for all revised offset project data report submittals must be retained by the offset project

operator or authorized project designee for 15 years following the submittal.

(xiii) To verify that the offset project data report is free of offset material misstatement, the offset verification team must make its own determination of GHG emission reductions or GHG removal enhancements relative to the project baseline using the data check(s) conducted pursuant to (d)(xi) of this subsection, and must determine whether there is reasonable assurance that the offset project data report does not contain an offset material misstatement, on a CO₂e basis. To assess conformance with this chapter and the applicable compliance offset protocol, the offset verification team must review the methods and factors used to develop the offset project data report for adherence to the requirements of this chapter and the applicable compliance offset protocol and ensure that all other requirements of this chapter are met.

(xiv) Issues log. The offset verification team must keep a log of any issues identified in the course of offset verification services that may affect determinations of offset material misstatement and nonconformance.

(A) The issues log must identify the section(s) of this chapter or the applicable compliance offset protocol related to the nonconformance, if applicable, and indicate whether the identified issues were corrected by the offset project operator or authorized project designee prior to completing the offset verification services.

(B) Any other concerns that the offset verification team has with the preparation of the offset project data report must be documented in the issues log. The issues log must indicate whether the identified issues could have any bearing on offset material misstatement or conformance.

(xv) Offset material misstatements.

(A) The offset verification team must conduct an assessment of offset material misstatement(s) related to net GHG emission reductions and GHG removal enhancements achieved in a given reporting period relative to the project baseline in that reporting period in metric tons of CO₂e.

(B) The offset verification team must determine whether the GHG emission reductions and GHG removal enhancements quantified

and reported in the offset project data report contain an offset material misstatement using the following equation:

$$\text{Percent error} = \frac{[\sum \text{Discrepancies} + \sum \text{Omissions} + \sum \text{Misreporting}] \times 100\%}{\text{Total Reported GHG Emission Reductions and GHG Removal Enhancements}}$$

Where:

"Discrepancies" means any differences between the reported value(s) for GHG sources, GHG sinks, and GHG reservoirs for the project baseline or project GHG emissions, and the verifier-calculated value(s) for a data source subject to data checks conducted by the offset verification team pursuant to subsection (4)(d)(xi) of this section. Any discrepancies so identified by the offset verification team must include a description of the positive or negative impact of the GHG source, GHG sink, or GHG reservoir on the total reported GHG emission reductions and GHG removal enhancements when input into the offset material misstatement equation.

"Omissions" means any GHG emission reductions or GHG removal enhancements associated with required GHG sources, GHG sinks, and GHG reservoirs for the project baseline or project GHG emissions, that the offset verification team concludes are required to be part of the offset project data report, but were not included by the offset project operator or authorized project designee in the offset project data report. Any omissions so identified by the offset verification team must include a description of the positive or negative impact of the omission on the total reported GHG emission reductions and GHG removal enhancements when input into the offset material misstatement equation.

"Misreporting" means any duplicative, incomplete, or otherwise inappropriate GHG emission reductions or GHG removal enhancements for required GHG sources, GHG sinks, and GHG reservoirs in the project baseline or project GHG emissions, that the offset verification team concludes should, or should not, be part of the offset project data report. Any misreporting so identified by the offset verification team must include a description of the positive or negative impact of the misreporting on the total reported GHG emission reductions and GHG removal enhancements when input into the offset material misstatement equation.

"Total reported GHG emission reductions and GHG removal enhancements" means the total net GHG emission reductions and GHG removal enhancements reported by the offset project operator or authorized project designee for an offset project data report relative to the project baseline for that offset project data report, in metric tons CO₂e.

(e) Offset verification services are not complete until ecology offset credits are issued for the GHG emission reductions and GHG removal enhancements reported in the offset

project data report for which such verification services were provided. Offset verification services must include:

(i) Offset verification statement. Prior to completion of the offset verification services, the verification body must complete an offset verification statement for each offset project data report for which offset verification services were provided and submit the offset verification statement to the offset project operator or authorized project designee as well as ecology or the offset project registry, as applicable, by the verification deadline.

(ii) Independent review. Before the offset verification statement is submitted pursuant to (e)(i) of this subsection, the verification body must ensure its offset verification services and the findings of the offset verification team are independently reviewed within the verification body by an independent reviewer who was not involved in providing offset verification services for that offset project data report.

(A) The independent reviewer must concur with the findings of the offset verification team before the offset verification statement can be issued.

(B) The independent reviewer may not be the offset project specific verifier, and may not accompany the offset verification team on any of their site visits. The independent reviewer may conduct a separate site visit, if necessary.

(C) The independent reviewer shall serve as the final check of the offset verification team's work to identify any significant concerns, including:

(I) Errors in planning;

(II) Errors in data sampling; and

(III) Errors in judgment by the offset verification team that are related to the draft offset verification statement.

(D) The independent reviewer must maintain independence from the offset verification services and may not make specific recommendations about how the offset verification services should be conducted, except as necessary to identify significant concerns pursuant to (e) (ii) (B) of this subsection.

(E) The independent reviewer will review documents applicable to the offset verification services provided by the verification team and identify any failure(s) to comply with the requirements of this chapter, the applicable compliance offset

protocol, or the verification body's internal policies and procedures for providing offset verification services.

(iii) Document submissions. After the offset verification team completes its findings and the independent reviewer concurs with those findings, the verification body must submit final documentation as follows:

(A) Detailed verification report. The verification body must provide to the offset project operator or authorized project designee a detailed verification report for each offset project data report for which offset verification services were conducted. The verification body must make the detailed verification report available to ecology within 10 calendar days upon request. The detailed verification report must at a minimum include the following:

(I) The offset verification plan required by (d)(i) of this subsection;

(II) The detailed comparison of the data checks conducted during offset verification services, including the required narrative, as required by (d)(xi) of this subsection;

(III) The issues log documenting all issues identified in the course of offset verification activities and the issue resolutions, as required by (d) (xiv) of this subsection;

(IV) The calculations performed pursuant to (d) (xv) of this subsection, with enough detail to enable a third-party reviewer to understand the relationship(s) between the data checks and the offset material misstatement evaluation; and

(V) Any qualifying comments made regarding the findings of the offset verification team during the independent review of offset verification services required by (e) (ii) of this subsection.

(B) Offset verification statement. If the offset verification statement is being submitted to an offset project registry, then the verification body must submit the detailed verification report required by (e) (iii) (A) of this subsection to the offset project registry together with the offset verification statement. The detailed verification report must be submitted to the offset project operator or authorized project designee at the same time or before the offset verification

statement is submitted to ecology or the offset project registry.

(I) The verification body must provide the offset verification statement to the offset project operator or authorized project designee as well as ecology or the offset project registry, as applicable, attesting whether the verification body has found the submitted offset project data report to be free of offset material misstatement, and whether the offset project data report is in conformance with the requirements of this chapter and the applicable compliance offset protocol.

(II) A compliance offset protocol may restrict the use of a qualified positive offset verification statement for certain project types, in which case the verification body must submit either a positive offset verification statement or an adverse offset verification statement. In the case of a qualified positive offset verification statement, when not restricted by the applicable compliance offset protocol, the verification body will qualify the offset verification statement to indicate any nonconformances allowed for a qualified positive offset

verification statement contained within the offset project data report and attest that these nonconformances do not result in an offset material misstatement.

(III) The offset verification team must have a final discussion with the offset project operator or authorized project designee explaining the offset verification team's findings and notifying the offset project operator or authorized project designee of any unresolved issues noted in the issues log before the offset verification statement is finalized and submitted to ecology or the offset project registry, as applicable.

(IV) The lead verifier in the offset verification team must attest to ecology or the offset project registry, as applicable, in the offset verification statement that the offset verification team has carried out all offset verification services as required by this section.

(V) The independent reviewer who conducted the review of offset verification services and findings pursuant to (e)(ii) of this subsection must attest to his or her independent review on behalf of the verification body and his or her concurrence with

the offset verification team's findings. In particular, the independent reviewer must attest in writing to ecology or the offset project registry, as applicable, in the offset verification statement, as follows: "I certify under penalty of perjury under the laws of the state of Washington that the offset verification team has carried out all offset verification services as required by the applicable Compliance Offset Protocol and this chapter, and the findings are true, accurate, and complete and have been independently reviewed by an independent reviewer."

(C) Prior to the verification body providing an adverse offset verification statement to ecology or the offset project registry, as applicable, the offset project operator or authorized project designee must be provided at least 10 business days to modify the offset project data report to correct any offset material misstatement(s) or nonconformance(s) identified by the offset verification team. The modified offset project data report and offset verification statement must be submitted to ecology or the offset project registry, as applicable, by the verification deadline, unless the offset

project operator or authorized project designee obtains an extension of the deadline from ecology.

(D) If the offset project operator or authorized project designee and the verification body cannot reach agreement on modifications to the offset project data report that result in a positive offset or qualified positive offset verification statement due to a disagreement about the requirements of this chapter or the applicable compliance offset protocol, the offset project operator or authorized project designee may petition ecology to make a decision as to the verifiability of the submitted offset project data report.

(E) If ecology determines that the offset project data report does not meet the standards and requirements specified in this chapter or in the applicable compliance offset protocol, the offset project operator or authorized project designee must provide all necessary additional information within 30 calendar days of ecology's determination. Ecology will review the additional information and notify the offset project operator or authorized project designee and verification body of its final determination. In reverifying a revised offset project data

report, the verification body and offset verification team shall be subject to the requirements of subsection (2) (c) (xviii) (A) through (D) of this section and must submit the revised offset verification statement to ecology or the offset project registry, as applicable, within 15 calendar days.

(iv) If ecology or the offset project registry, as applicable, determines that the detailed verification report submitted pursuant to (e) (iii) (A) of this subsection does not contain sufficient information to substantiate the attestations in the offset verification statement, then the verification body must submit a revised detailed verification report and a revised offset verification statement to ecology or the offset project registry, as applicable, within 15 calendar days of such a determination.

(v) Upon submission of the offset verification statement to ecology or the offset project registry, as applicable, the offset project data report must be considered final and no further changes may be made by the offset project operator or authorized project designee unless the offset project registry or ecology requests any changes as part of their review. Once

ecology offset credits are issued for the offset project data report, all offset verification requirements of this chapter shall be considered complete for the applicable offset project data report.

(vi) If ecology finds that a of conflict of interest existed between a verification body and an offset project operator or authorized project designee to which the verification body provided its services, or if an offset project data report that received a positive offset or qualified positive offset verification statement subsequently fails an ecology audit, ecology may set aside the positive offset or qualified positive offset verification statement submitted by the verification body and require the offset project operator or authorized project designee to have the offset project data report reverified by a different verification body within 90 calendar days of such a finding. Upon request by ecology or the offset project registry, as applicable, the offset project operator or authorized project designee must provide the data used to generate an offset project data report, including all data available to the offset verification team in the conduct of

offset verification services, within 10 business days of the request.

(vii) Upon request by ecology or the offset project registry, as applicable, the verification body must provide the detailed verification report given to the offset project operator or authorized project designee, as well as the sampling plan, contracts for offset verification services, and any other supporting documentation. All documentation must be provided by the verification body to ecology or the offset project registry, as applicable, within 10 business days of the request.

(viii) Upon written notification by ecology the verification body and its staff must be available for an offset verification services audit regarding the offset verification services it provided for an offset project listed with ecology or an offset project registry using a compliance offset protocol.

(5) In addition to meeting the offset verification requirements described in this section, offset project operators or authorized project designees must ensure the GHG emission reductions and GHG removal enhancements resulting from an offset

project meet any additional verification requirements set forth in the applicable compliance offset protocol, if any, for an offset project of that type.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-535, filed 9/29/22, effective 10/30/22.]

WAC 173-446-540 Offset verifier and verification body

accreditation. Accreditation of offset verification bodies and offset verifiers for the purpose of verifying offset project data reports under WAC 173-446-535 must be achieved separately from accreditation for the purpose of verifying reports submitted under chapter 173-441 WAC.

(1) An offset verifier or verification body must meet the following accreditation requirements to provide offset verification services to verify GHG emission reductions and GHG removal enhancements for offset projects listed pursuant to this chapter:

(a) Registration as a third-party verifier with ecology. Registration is required for both the offset verification body and all individuals performing verification services for the verification body.

(b) Demonstration to ecology's satisfaction that the offset verification body has sufficient knowledge of the relevant methods and protocols in this chapter. Certification may be limited to certain types or sources of emissions.

(c) Active accreditation or recognition as a third-party verifier under California ARB's offset verification program or another offset verification standard approved by ecology.

(2) Ecology may modify, suspend, or revoke the accreditation of an offset verification body or a member of the offset verification team based on the accuracy of their signed verification statements, conformance with conflict of interest provisions, or compliance with other requirements of this section.

(3) Accreditation of offset verification bodies and offset verifiers for the purpose of verifying offset project data reports under WAC 173-446-535 must be achieved separately from accreditation for the purpose of verifying reports submitted under chapter 173-441 WAC.

(4) An ecology-accredited offset verification body must make itself and its personnel available for an offset verification services audit by ecology.

(5) An ecology-accredited offset verification body may employ or contract with technical experts who are not accredited by ecology to assist with offset verification services, subject to the following requirements:

(a) All technical experts must be listed on the notice of offset verification services and must be included in the evaluation for conflicts of interest required by WAC 173-446-545.

(b) All technical experts must be under the direct supervision of an ecology-accredited offset verifier while performing verification activities.

(c) Technical experts may assist in underlying offset verification tasks, but may not be responsible for completing any offset verification service(s).

(6) "Direct supervision," for purposes of this section, means daily, on-site, close contact with an ecology-accredited verifier acting as a supervisor to a technical expert during a

site visit, who is able to respond to the needs of the technical expert in real time. During a site visit, the supervisor must be physically present, or within four hours travel time and available to respond to the needs of the technical expert.

(7) "Technical expert," for purposes of this section, means a natural person, who is not an ecology-accredited verifier, and who has demonstrated expertise in a particular technical area for which the natural person was hired by the verification body to assist with underlying offset verification task(s) that require a particular expertise. A technical expert may be an employee of the verification body working to get the required experience to become an ecology-accredited verifier.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-540, filed 9/29/22, effective 10/30/22.]

WAC 173-446-545 Conflict of interest requirements for verification bodies and offset verifiers for verification of offset project data reports. (1) The conflict of interest provisions of this section shall apply to verification bodies, lead verifiers, and offset verifiers accredited by ecology to perform offset verification services for offset project

operators, and authorized project designees, if applicable, as well as any other member(s) of the offset verification team and any technical expert(s) used by the offset project operator or authorized project designee, if applicable.

(a) "Member," for the purposes of this section, means any officer, employee, contractor, or subcontractor of the verification body or related parties of the verification body. "Member" also includes any individual who has a majority equity share in the verification body or its related parties.

(b) "Related party," for the purposes of this section, means any direct parent company, direct subsidiary, or sister company.

(c) "Nonoffset verification services," for purposes of this section, do not include independent, third-party certification or verification services which have been provided for ecology or any other voluntary or mandatory program; such certification and verification services may be counted as offset verification services for the purposes of this section.

(2) The potential for a conflict of interest must be deemed to be high where:

(a) The verification body and the offset project operator, including its authorized project designee, if applicable, and its technical consultant(s), share any senior management staff or board of directors membership; or

(b) Any of the senior management staff of the offset project operator, including its authorized project designee, if applicable, and its technical consultant(s), have been employed by the verification body, or vice versa, within the previous three years; or

(c) Within the previous five years, any member of the verification body or any related party, including any member of the offset verification team, has provided to the offset project operator, its authorized project designee, if applicable, or its technical consultant(s) any of the following nonoffset verification services:

(i) Designing, developing, implementing, reviewing, or maintaining an inventory or offset project information or data management system for air emissions, unless such services were part of providing offset verification services; or

(ii) Developing a forest management plan or timber harvest plan, unless such development was part of providing offset verification services;

(iii) Developing GHG emission factors or other GHG-related engineering analysis, including developing or reviewing a Washington State Environmental Policy Act (SEPA) GHG analysis that includes offset project specific information;

(iv) Designing energy efficiency, renewable power, or other projects which explicitly identify GHG emission reductions and/or GHG removal enhancements as a benefit;

(v) Designing, developing, implementing, internally auditing, consulting, or maintaining an offset project resulting in GHG emission reductions and/or GHG removal enhancements;

(vi) Owning, buying, selling, trading, or retiring shares, stocks, or ecology offset credits or registry offset credits from the offset project;

(vii) Dealing in or being a promoter of ecology offset credits or registry offset credits on behalf of an offset project operator, its authorized project designee, if applicable, or its technical consultant(s);

(viii) Preparing or producing GHG-related manuals, handbooks, or procedures specifically for the offset project operator, its authorized project designee, if applicable, or its technical consultant(s);

(ix) Appraisal services of carbon or GHG liabilities or assets;

(x) Brokering in, advising on, or assisting in any way in carbon or GHG-related markets;

(xi) Developing any health, environment or safety policies for the offset project operator, its authorized project designee, if applicable, or its technical consultant(s);

(xii) Bookkeeping or other services related to accounting records or financial statements;

(xiii) Any services related to information systems, including International Organization for Standardization 14001 Certification for Environmental Management (ISO 14001 Certification), unless those systems will not be reviewed as part of the offset verification process;

(xiv) Appraisal and valuation services, both tangible and intangible;

(xv) Fairness opinions and contribution-in-kind reports in which the verification body has provided its opinion on the adequacy of consideration in a transaction, unless the information reviewed in formulating the offset verification statement will not be reviewed as part of the offset verification services;

(xvi) Any actuarially oriented advisory services involving the determination of amounts recorded in financial statements and related accounts;

(xvii) Any internal audit service that has been outsourced by the offset project operator, its authorized project designee, if applicable, or its technical consultant(s) that relates to the offset project operator's, authorized project designee's, if applicable, and their technical consultant(s)' internal accounting controls, financial systems, or financial statements, unless the systems and data reviewed during those services, as well as the result of those services will not be part of the offset verification process;

(xviii) Any services related to internal accounting controls, financial systems, or financial statements, unless the

systems and data reviewed during those services, as well as the result of those services will not be part of the offset verification process;

(xix) Acting as a broker-dealer (registered or unregistered), promoter, or underwriter on behalf of the offset project operator, its authorized project designee, if applicable, or its technical consultant(s);

(xx) Any legal services; and

(xxi) Expert services provided to the offset project operator, its authorized project designee, if applicable, or its technical consultant(s) or a legal representative for the purpose of advocating for the interests of the offset project operator, its authorized project designee's, if applicable, or its technical consultant(s) in litigation or in a regulatory or administrative proceeding or investigation, unless solely providing factual testimony; and

(d) Within the previous three years, any staff member of the verification body or any related entity or any member of the offset verification team has provided to an ozone depleting substances destruction facility a third-party certification to

meet the requirements set forth by the United Nations Environment Programme Ozone Secretariat's Technology and Assessment Panel (TEAP) for ozone depleting substances destruction;

(e) Any member of the verification body provides any type of incentive to an offset project operator, its authorized project designee, if applicable, or its technical consultant(s) to secure an offset verification services contract.

(f) Any member of the verification body has previously provided offset verification services for the offset project operator, its authorized project designee, if applicable, or its technical consultant(s), except within the time periods in which the offset project operator, its authorized project designee, if applicable, and its technical consultant(s) are allowed to use the same verification body pursuant to WAC 173-446-535 (1) through (3).

(3) The potential for a conflict of interest must be deemed to be low where:

(a) No potential for a conflict of interest is identified;
and

(b) Any nonoffset verification services provided by any member of the verification body to the offset project operator, its authorized project designee, if applicable, or its technical consultant(s) within the last five years are valued at less than 20 percent of the fee for the proposed offset verification services, except where a medium conflict of interest based on personal, employment, or familial relationships is identified under subsection (4) (b) of this section.

(4) The potential for a conflict of interest must be deemed to be medium where:

(a) The potential for a conflict of interest is not deemed to be either high or low; or

(b) There are any instances of personal, employment, or familial relationships between a member of the verification body and a member of the offset project operator, its authorized project designee, if applicable, or its technical consultant(s). For purposes of this section only, "employment" means the condition of having been paid for work as documented in a W-2 form.

(5) Conflict of interest submittal requirements for accredited verification bodies.

(a) Mitigation plan. If a verification body identifies a medium potential for conflict of interest pursuant to subsection (4) of this section and intends to provide offset verification services for the offset project operator, its authorized project designee, if applicable, or its technical consultant(s), the verification body must submit, in addition to the self-evaluation specified in (b) of this subsection, a plan to avoid, neutralize, or mitigate the potential conflict of interest. At a minimum, the conflict of interest mitigation plan must include:

(i) A demonstration that any members of the verification body with potential conflicts of interest have been removed and insulated from the offset verification team that will be providing verification services for the offset project;

(ii) An explanation of any changes to the organizational structure of the verification body that were made to remove the potential conflict(s) of interest.

(iii) A demonstration that any organizational unit with potential conflicts of interest has been divested or moved into an independent party; and

(iv) Any other circumstance that specifically addresses other sources for potential conflicts of interest.

(b) Self-evaluation. Before providing any offset verification services under this chapter, a verification body must submit to the offset project operator, its authorized project designee, if applicable, ecology, and the offset project registry, a self-evaluation of the potential for any conflicts of interest that the verification body, its members, or any subcontractors performing offset verification services may have with the offset project operator, its authorized project designee, if applicable, or its technical consultant(s) for which it will perform offset verification services. Offset verification services shall not commence prior to approval of the conflict of interest self-evaluation by ecology or the offset project registry, as applicable. The self-evaluation must include the following:

(i) Identification of whether the potential for conflict of interest is high, low, or medium based on factors specified in this section;

(ii) Identification of whether any member of the offset verification team has previously provided offset verification services for the offset project operator, its authorized project designee, if applicable, or its technical consultant(s), and, if so, the years in which such offset verification services were provided;

(iii) Identification of whether any member of the offset verification team or related party has engaged in any nonoffset verification services of any nature with the offset project operator, its authorized project designee, if applicable, or its technical consultant(s), either within or outside the state of Washington during the previous five years. If such nonoffset verification services have been provided during the previous five years, the following information must also be submitted:

(A) Identification of the nature and location of the work performed for the offset project operator, its authorized project designee, if applicable, or its technical consultant(s)

and whether the work is similar to the type of work to be performed during offset verification; and

(B) The nature of past, present, or future relationship(s) with the offset project operator, its authorized project designee, if applicable, or its technical consultant(s), including:

(I) Instances when any member of the offset verification team has performed or intends to perform work for the offset project operator, its authorized project designee, if applicable, or its technical consultant(s);

(II) Identification of whether work is currently being performed for the offset project operator, its authorized project designee, if applicable, or its technical consultant(s), and if so, the nature of the work;

(III) The value of the work performed for the offset project operator, its authorized project designee, if applicable, or its technical consultant(s) in the last five years, in dollars;

(IV) Whether any member of the offset verification team has any contracts or other arrangements to perform work for the

offset project operator, its authorized project designee, if applicable, or its technical consultant(s) or a related party;
and

(V) The value of the work related to GHG emission reductions and GHG removal enhancements the offset verification team or a member thereof has performed for the offset project operator, its authorized project designee, if applicable, or its technical consultant(s) or related parties in the last five years, in dollars;

(iv) Explanation of how the amount and nature of work previously performed is such that the credibility and lack of bias of any member of the offset verification team should not be under question;

(v) A list of names of the staff that would perform offset verification services for the offset project operator and authorized project designee, if applicable, and a description of any instances of personal, employment, or familial relationships identified under subsection (4) (b) of this section that potentially represent a conflict of interest;

(vi) Identification of any other circumstances known to the verification body, or to the offset project operator, its authorized project designee, if applicable, or its technical consultant(s) that could result in a conflict of interest; and

(vii) Attestation, in writing, to ecology as follows: "I certify under penalty of perjury of the laws of the state of Washington the information provided in the Conflict of Interest self-evaluation is true, accurate, and complete."

(6) Approval of conflict of interest submittals. Ecology or the offset project registry, as applicable, must review the self-evaluation submitted by the verification body pursuant to subsection (5) (b) of this section and determine whether the verification body is authorized to perform the offset verification services for the offset project operator and authorized project designee, if applicable.

(a) Ecology or the offset project registry, as applicable, has 30 calendar days after submission of the self-evaluation to make a determination on whether to accept or deny the conflict of interest submittal and to notify the verification body as to whether it may proceed with the offset verification services for

the offset project operator and authorized project designee, if applicable.

(i) If ecology or an offset project registry requests revisions to the conflict of interest self-evaluation prior to approval, the verification body must resubmit the revised conflict of interest self-evaluation within 10 business days of such request, or if there is a reason the verification body cannot submit the revisions within 10 business days, the verification body must communicate in writing to ecology or the offset project registry, as applicable, the reasons why and get approval from ecology or the offset project registry for an extension.

(ii) If ecology or the offset project registry finds that the verification body or any member of the offset verification team meets any of the criteria set forth in subsection (2) of this section, ecology or the offset project registry, as applicable, shall determine that there is a high potential for conflict of interest, and the proposed offset verification services may not proceed.

(iii) If ecology or the offset project registry determines that there is a low potential for conflict of interest pursuant to subsection (3) of this section, the proposed offset verification services may proceed.

(iv) If ecology or the offset project registry determines that the verification body or any member of the offset verification team have a medium potential for conflict of interest pursuant to subsection (4) of this section, ecology or the offset project registry, as applicable, shall evaluate the conflict of interest mitigation plan submitted by the verification body pursuant to subsection (5) (a) of this section, and may request additional information from the verification body to complete the determination of whether the proposed offset verification services may proceed.

(v) In determining whether the proposed offset verification services may proceed, ecology or the offset project registry, as applicable, may consider factors including, but not limited to, the nature of previous work performed, the current and past relationship(s) between the verification body, related parties, and its subcontractors with the offset project operator and

authorized project designee, if applicable, and any technical consultant(s) used by the offset project operator or authorized project designee, and related parties, and the cost of the offset verification services to be performed. If ecology or the offset project registry determines that these factors when considered in combination demonstrate an acceptable level of potential for conflict of interest, ecology or the offset project registry, as applicable, will authorize the verification body to proceed with the proposed offset verification services.

(b) If the offset project was listed with an offset project registry, the conflict of interest self-evaluation acceptance or denial notification will be provided by the offset project registry. Within 15 calendar days of approving a conflict of interest self-evaluation, the offset project registry must notify ecology in writing of the date on which it approved the self-evaluation.

(c) When a conflict of interest self-evaluation is updated before or during offset verification services to add a verification team member, ecology or the offset project registry, as applicable, must approve the updated self-

evaluation before any new team member may participate in offset verification services. If the offset project was listed with an offset project registry, within 15 calendar days of approving an updated self-evaluation, the offset project registry must notify ecology in writing of the date on which it approved the updated self-evaluation.

(7) Monitoring conflict of interest situations.

(a) After commencement of offset verification services, the verification body must monitor and immediately make full disclosure, in writing, to ecology or the offset project registry, as applicable, regarding any potential for a conflict of interest that arises for an offset project using a compliance offset protocol. This disclosure must include a description of the actions that the verification body has taken or proposes to take to avoid, neutralize, or mitigate the potential for a conflict of interest.

(b) The verification body must continue to monitor arrangements or relationships that may present the potential for a conflict of interest for a period of at least one year after

the completion of offset verification services for an offset project using a compliance offset protocol.

(i) During that one-year period, if the verification body or any verification team member enters into any contract with the offset project operator or its authorized project designee, if applicable, related to an offset project for which the verification body has previously provided offset verification services, the verification body must notify ecology or the offset project registry, as applicable, of the contract and the nature of the work to be performed within 30 calendar days of entering into such contract.

(ii) Within 30 business days after receipt of such notification, ecology or the offset project registry, as applicable, will evaluate the level of potential for conflict of interest using the criteria set forth in subsections (2) through (4) of this section, and will determine whether the offset project operator and its authorized project designee, if applicable, must reverify their offset project data report, and whether accreditation revocation is warranted.

(c) The verification body must notify ecology or the offset project registry, as applicable, within 30 calendar days of any emerging potential for conflicts of interest during the time offset verification services are being provided for an offset project using a compliance offset protocol.

(i) If ecology or the offset project registry determines that an emerging potential for conflict of interest disclosed by the verification body is low, or that it is medium but can be adequately mitigated, then the verification body meets the conflict of interest requirements to continue to provide offset verification services for the offset project operator and its authorized project designee, if applicable, and will not be subject to suspension or revocation of accreditation on the basis of conflict of interest.

(ii) If ecology or the offset project registry determines that an emerging potential for conflict of interest disclosed by the verification body is medium or high, and that this risk cannot be adequately mitigated, then the verification body will not be able to continue to provide offset verification services for the offset project operator or its authorized project

designee, if applicable, and may be subject to the suspension or revocation of accreditation by ecology on the basis of conflict of interest.

(d) The verification body must report to ecology or the offset project registry, as applicable, any changes in its organizational structure, including mergers, acquisitions, or divestitures, for one year after completion of offset verification services.

(e) Ecology may void a positive offset or qualified positive offset verification statement if it discovers a potential for conflict of interest has arisen for any member of the offset verification team. In such a case, the offset project operator and its authorized project designee, if applicable, shall be provided 90 calendar days to complete reverification.

(f) If the verification body or its subcontractor(s) are found to have violated the conflict of interest requirements of this chapter, ecology may rescind accreditation of the body, its verifier staff, or its subcontractor(s) for any appropriate period of time.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-545, filed 9/29/22, effective 10/30/22.]

WAC 173-446-550 Issuance of registry offset credits. (1)

One registry offset credit, which represents one metric ton of CO₂e for a direct GHG emission reduction or direct GHG removal enhancement, will be issued pursuant to this section only if:

(a) An offset project registry has listed the offset project;

(b) The GHG emission reductions or GHG removal enhancements were issued a positive offset or qualified positive offset verification statement; and

(c) An offset project registry has received a positive offset or qualified positive offset verification statement issued and attested to by an ecology-accredited verification body for the offset project data report for which registry offset credits would be issued.

(2) Within 45 calendar days of receiving a positive offset or qualified positive offset verification statement, the offset project registry will determine whether the information submitted is complete, whether the GHG emission reductions and

GHG removal enhancements meet the requirements of this chapter and the applicable compliance offset protocol, and whether the positive offset or qualified positive offset verification statement meets the requirements WAC 173-446-535.

(3) Determination for timing and duration of initial crediting periods for offset projects submitted through an offset project registry.

(a) The initial crediting period will begin with the date that the first verified GHG emission reductions and GHG removal enhancements occur, according to the first positive offset or qualified positive offset verification statement that is received by an offset project registry, unless otherwise specified in the applicable compliance offset protocol.

(b) An early action offset project that transitioned pursuant to the program for recognition of early action offset credits is considered to have begun its initial crediting period on the date that the first verified GHG emission reductions and GHG removal enhancements under the applicable compliance offset protocol took place according to the first positive offset or

qualified positive offset verification statement that was received by the offset project registry.

(4) Determination for timing and duration of renewed crediting for offset projects submitted through an offset project registry. A renewed crediting period will begin the day after the conclusion of the prior crediting period.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-550, filed 9/29/22, effective 10/30/22.]

WAC 173-446-555 Issuance of ecology offset credits. (1)

One ecology offset credit, which represents one metric ton of CO₂e for a direct GHG emission reduction or direct GHG removal enhancement, will be issued only for a GHG emission reduction or GHG removal enhancement that occurs during a reporting period. One ecology offset credit will be issued for each metric ton of CO₂e only if:

(a) Ecology or an offset project registry has listed the offset project;

(b) The GHG emission reductions and GHG removal enhancements were issued a positive offset or qualified positive offset verification statement;

(c) Ecology or an offset project registry has received a positive offset or qualified positive offset verification statement issued and attested to by an ecology accredited verification body for the offset project data report for which registry offset credits were issued if the offset project was submitted for listing with an offset project registry, or for which ecology offset credits would be issued; and

(d) The issued ecology offset credits would not immediately be subject to invalidation.

(2) Requirements for offset projects submitted through an offset project registry seeking issuance of ecology offset credits. The offset project operator or its authorized project designee, if applicable, must submit a request for issuance of ecology offset credits to ecology for each offset project data report for which they are seeking issuance of ecology offset credits. Such a request must identify which holding account(s) the ecology offset credits should be placed into and how many ecology offset credits will be placed into each holding account, if applicable. The offset project operator or authorized project designee may request that ecology offset credits be placed into

the holding account of any party not prohibited from holding compliance instruments under this chapter.

(a) An offset project operator or authorized project designee may request that only a portion of the eligible GHG emission reductions and GHG removal enhancements for the applicable reporting period be issued ecology offset credits in the request for issuance.

(b) If the offset project was listed by an offset project registry, the request for issuance of ecology offset credits may not be provided to ecology until the offset project registry has issued registry offset credits for the applicable offset project data report(s).

(3) Within 45 calendar days of receiving a positive offset or qualified positive offset verification statement, ecology will determine whether the information submitted is complete, whether GHG emission reductions and GHG removal enhancements meet the requirements of this chapter and the applicable compliance offset protocol, and whether the positive offset or qualified positive offset verification statement meets the requirements of WAC 173-446-535.

(4) Before ecology issues an ecology offset credit for GHG emission reductions and GHG removal enhancements achieved by an offset project in a reporting period, the primary account representative or alternate account representative must attest, in writing, to ecology as follows:

(a) "I certify under penalty of perjury under the laws of the state of Washington the GHG emission reductions or GHG removal enhancements for (project) from (date) to (date) have been measured in accordance with the (applicable Compliance Offset Protocol) and all information required to be submitted to Ecology is true, accurate, and complete.";

(b) "I understand that the offset project activity(ies) and implementation of the offset project must be in accordance with all applicable local, regional, state, and national environmental and health and safety regulations that apply in the jurisdiction in which the offset project is located. I understand that offset projects are not eligible to receive Ecology or registry offset credits for GHG emission reductions and GHG removal enhancements that are not in compliance with the requirements of this chapter.";

(c) "I certify under penalty of perjury under the laws of the state of Washington that all information provided to Ecology in support of issuance of Ecology offset credits is true, accurate, and complete."; and

(d) "I certify under penalty of perjury under the laws of the state of Washington that the GHG emission reductions and GHG removal enhancements for which I am seeking Ecology Offset Credits have not been issued any offset credits or been used for any GHG mitigation requirements in any other voluntary or mandatory program, except, if applicable, an Offset Project Registry pursuant to this chapter."

(e) Except as provided in (f) of this subsection: "I understand I am voluntarily participating in the Washington cap and invest program, and by doing so, I am now subject to all regulatory requirements and enforcement mechanisms of this program and subject myself to the jurisdiction of Washington as the exclusive venue to resolve any and all disputes arising from the enforcement of provisions in this chapter.";

(f) For federally recognized tribes who elect to participate as offset project operators pursuant to RCW

70A.65.090(5), the following attestation may be submitted in lieu of the attestation required by (e) of this subsection: "I understand I am voluntarily participating in this program. The tribal government on whose behalf I am authorized to make this submission has entered into a written agreement, negotiated on an individual basis between ecology and the tribal government, that establishes a dispute resolution process and/or other compliance mechanisms in order to ensure the enforceability of all program requirements applicable to the tribe in its role as an offset project operator."

(5) Determination for timing and duration of initial crediting periods for offset projects submitted through ecology. The initial crediting period will begin with the date that the first verified GHG emission reductions and GHG removal enhancements occur, according to the first positive offset or qualified positive offset verification statement that is received by ecology, unless otherwise specified in the applicable compliance offset protocol.

(6) Determination for timing and duration of renewed crediting for offset projects submitted through ecology. A

renewed crediting period will begin the day after the conclusion of the prior crediting period.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-555, filed 9/29/22, effective 10/30/22.]

WAC 173-446-560 Process for issuance of ecology offset

credits. (1) Ecology will issue ecology offset credits for GHG emission reductions and GHG removal enhancements achieved in a reporting period by an offset project that meets the requirements of WAC 173-446-555 (1) and (2) to the ecology issuance account, no later than 15 calendar days after ecology makes a determination pursuant to WAC 173-446-555(3) provided that all required attestations set forth in WAC 173-446-555(4) have been received by ecology prior to its determination.

(2) Change of listing status at ecology. When ecology issues an ecology offset credit for GHG emission reductions and GHG removal enhancements achieved by an offset project, the listing status for that offset project will be changed from "active registry project" to "active ecology project," or from "active registry renewal" to "active ecology renewal," at the offset project registry and ecology.

(3) Notice of issuance of ecology offset credits. Not later than five calendar days after ecology issues an ecology offset credit, ecology will notify the offset project operator or authorized project designee of the issuance of ecology offset credits.

(4) Requests for additional information. Ecology may request additional information about offset projects that are listed by an offset project registry and seeking issuance of ecology offset credits.

(a) If ecology determines the information submitted by the offset project operator or authorized project designee is incomplete, ecology will notify the offset project operator or authorized project designee within 15 calendar days of its determination of incompleteness and specify the additional information needed.

(b) Ecology may request any of the required additional information as specified under (a) of this subsection from the offset project operator, authorized project designee, offset project registry, or verification body before issuing ecology offset credits. The offset project operator, authorized project

designee, offset project registry, or verification body, as applicable, must submit the requested information to ecology within 10 calendar days of ecology's request.

(c) If ecology determines the information submitted by the offset project operator or authorized project designee does not meet the requirements for issuance of ecology offset credits, then ecology may deny issuance of ecology offset credits. The offset project operator or authorized project designee may petition ecology within 10 calendar days of such denial for a review of additional information. Such a petition may also respond to any issues that would prevent the issuance of ecology offset credits.

(d) Ecology must make a final determination within 30 calendar days of receiving a request under (c) of this subsection and may request additional information from the offset project operator, authorized project designee, verification body, or offset project registry in support of its review.

(5) A registry offset credit issued by an offset project registry must be removed or canceled by the offset project

registry within one year after ecology issues an ecology offset credit for that offset project pursuant to this section, such that the registry offset credit is no longer available for use in transactions on the offset project registry system.

(a) Within five business days of the removal or cancellation of such registry offset credits, the offset project registry must provide proof to ecology that the registry offset credits have been permanently removed or canceled from the offset project registry system.

(b) If registry offset credits are not canceled within one year, ecology will cancel the ecology offset credits. Ecology offset credits that are canceled pursuant to this subsection may not be reissued.

(c) Ecology will transfer ecology offset credits into the holding account(s) of the offset project operator, authorized project designee, or any other third party designated by the offset project operator or authorized project designee to receive such ecology offset credits, within 15 business days of the offset project registry providing proof to ecology that the

registry offset credits have been permanently removed or canceled from the offset project registry system.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-560, filed 9/29/22, effective 10/30/22.]

WAC 173-446-565 Registration of ecology offset credits.

Ecology will register an ecology offset credit by:

(1) Creating a unique ecology serial number and assigning it to the ecology offset credit; and

(2) Transferring the ecology offset credit to the holding account(s) of the listed offset project operator, authorized project designee, or another third party as requested by the offset project operator or authorized project designee to receive ecology offset credits, unless otherwise required by a forestry offset reversal under WAC 173-446-570.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-565, filed 9/29/22, effective 10/30/22.]

WAC 173-446-570 Forestry offset reversals. (1) For forest sequestration projects, a portion of ecology offset credits issued to the offset project operator will be placed by ecology into the forest buffer account.

(a) The number of ecology offset credits that must be placed in the forest buffer account shall be determined as set forth in the applicable version of the compliance offset protocol.

(b) Ecology offset credits will be transferred to the forest buffer account by ecology at the time of ecology offset credit registration under WAC 173-446-565.

(c) If a forest offset project is originally listed by an offset project registry, an equal number of registry offset credits must be removed or canceled by the offset project registry, such that those registry offset credits are no longer available for use in transactions on the offset project registry system, and issued by ecology for placement in the forest buffer account.

(d) The ecology offset credits placed into the forest buffer account must correspond to the reporting period for which the ecology offset credits are issued.

(2) Unintentional reversals. If there has been an unintentional reversal, the offset project operator or authorized project designee must provide written notification of

the reversal to ecology or the offset project registry, as applicable, and provide an explanation of the nature of the unintentional reversal within 30 calendar days of its discovery.

(a) In the event of an unintentional reversal, the offset project operator or authorized project designee shall provide in writing to ecology or the offset project registry, as applicable, a completed verified estimate of current carbon stocks within the offset project boundary within 23 months of the discovery of the unintentional reversal.

To determine the verified estimate of current carbon stocks, a full offset verification must be conducted, including a site visit. The verified estimate may be submitted as a separate offset verification service, or incorporated into a chapter of the detailed verification report prepared under WAC 173-446-535 (4) (e) (iii) when offset verification services are conducted for an offset project data report.

(b) After an unintentional reversal, the offset project operator or authorized project designee does not need to submit an offset project data report until the required verified

estimate of current carbon stocks within the offset project boundary is completed.

(c) If ecology determines that there has been an unintentional reversal, and ecology offset credits have been issued to the offset project, ecology will retire a number of those ecology offset credits from the forest buffer account. Ecology will retire the number of ecology offset credits equal to the number of metric tons CO₂e reversed for all reporting periods.

(3) Intentional reversals. Requirements for intentional reversals are as follows:

(a) If an intentional reversal occurs, the offset project operator or authorized project designee shall, within 30 calendar days of the intentional reversal:

(i) Provide notice, in writing, to ecology or the offset project registry, as applicable, of the intentional reversal; and

(ii) Provide a written description and explanation of the nature of the intentional reversal to ecology or the offset project registry, as applicable.

(b) Within one year of the occurrence of an intentional reversal, the offset project operator or authorized project designee shall submit to ecology or the offset project registry, as applicable, a completed verified estimate of current carbon stocks within the offset project boundary.

To determine the verified estimate of current carbon stocks, a full offset verification must be conducted, including a site visit. The verified estimate may be submitted as a separate offset verification services, or incorporated into a chapter of the detailed verification report prepared under WAC 173-446-535 (4) (e) (iii) when offset verification services are conducted for an offset project data report.

(c) If an intentional reversal occurs from a forest offset project, and ecology offset credits have been issued to the offset project, the current or most recent (in the case of an offset project after the final crediting period) forest owner(s) must submit to ecology for placement in the retirement account a number of valid ecology offset credits or other approved compliance instruments within six months of notification by ecology. The forest owner(s) must turn in the number of such

valid compliance instruments equal to the number of metric tons CO₂e reversed for all reporting periods.

(d) Notification by ecology of the requirement to submit compliance instruments under (c) of this subsection will occur after the verified estimate of carbon stocks has been submitted to ecology, or after one year has elapsed since the occurrence of the reversal if the offset project operator or authorized project designee fails to submit the verified estimate of carbon stocks.

(e) If the forest owner(s) fails to submit the required number of valid ecology offset credits or other approved compliance instruments to ecology within six months of notification by ecology under (d) of this subsection, ecology will retire a number of ecology offset credits equal to the difference between the number of metric tons of CO₂e determined pursuant to this section and the number of retired approved compliance instruments from the forest buffer account, and the forest owner(s) will be subject to enforcement action under WAC 173-446-610. Each ecology offset credit retired from the forest

buffer account pursuant to this subsection will constitute a separate violation.

(f) Early project terminations. If a project termination, as defined in the applicable compliance offset protocol, occurs to a forest offset project, and ecology offset credits have been issued to the offset project, the current or most recent (in the case of an offset project after the final crediting period), forest owner(s) must submit to ecology for placement in the retirement account the number of valid ecology offset credits or other approved compliance instruments equal to the number of ecology offset credits issued to the offset project for each reporting period, except for improved forest management forest offset projects. If the project is an improved forest management forest offset project, the number of metric tons CO₂e reversed must be multiplied by the compensation rate in the applicable compliance offset protocol.

(i) Ecology will notify the forest owner(s) of how many ecology offset credits must be replaced with valid compliance instruments.

(ii) The forest owner(s) must submit to ecology for placement in the retirement account a valid ecology offset credit or another approved compliance instrument for each ecology offset credit required to be replaced within six months of ecology's retirement.

(iii) If the forest owner(s) fails to submit the required number of valid ecology offset credits or other approved compliance instruments to ecology within six months of ecology's notification, ecology will retire the number of ecology offset credits equal to the difference between the number of metric tons of CO₂e determined pursuant to this section and the number of retired approved compliance instruments from the forest buffer account, and the forest owner(s) will be subject to enforcement action under WAC 173-446-610. Each ecology offset credit retired from the forest buffer account pursuant to this subsection will constitute a separate violation.

(4) Disposition of forest sequestration projects after a reversal. If an unintentional or intentional reversal lowers the forest offset project's actual standing live carbon stocks below its project baseline standing live carbon stocks, the forest

offset project will be terminated by ecology or the offset project registry, as applicable.

(a) If the forest offset project is terminated due to an unintentional reversal, ecology will retire from the forest buffer account the number of ecology offset credits equal to the total number of ecology offset credits issued pursuant to WAC 173-446-555.

(b) If the forest offset project is terminated due to an unintentional reversal, another offset project may be subsequently initiated and submitted to ecology or an offset project registry for listing within the same offset project boundary.

(c) If the forest offset project has experienced an unintentional reversal and its actual standing live carbon stocks are still above the approved baseline levels, it may continue without termination as long as the unintentional reversal has been compensated by the forest buffer account pursuant to subsection (2) (b) of this section. The offset project operator or authorized project designee must continue contributing to the forest buffer account in future years.

(d) If the forest offset project is terminated due to any reason except an unintentional reversal, new offset projects may not be initiated within the same offset project boundary, unless otherwise specified in the applicable compliance offset protocol.

(5) Change of forest owner or offset project operator. When a forest owner or offset project operator changes, whether by merger, acquisition, or any other means, the successor forest owner or offset project operator, after the change in ownership, as applicable, is expressly liable for all obligations of the predecessor forest owner or offset project operator to submit compliance instruments under this chapter. For the avoidance of doubt, this obligation of the successor forest owner or offset project operator, as applicable, consists of the difference between the number of metric tons of CO₂e determined pursuant to this section and the number of valid ecology offset credits or other approved compliance instruments submitted by the predecessor forest owner.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-570, filed 9/29/22, effective 10/30/22.]

WAC 173-446-575 Transferability of ecology offset credits.

(1) An ecology offset credit may be sold, traded, or transferred, unless:

(a) It has been retired, used for compliance, or used to meet any GHG mitigation requirements in any voluntary or regulatory program;

(b) It resides in the forest buffer account; or

(c) It has been invalidated pursuant to WAC 173-446-580.

(2) An ecology offset credit may only be used:

(a) To meet a compliance obligation under this chapter, except if used by a covered entity in a program approved for linkage; or

(b) By a general market participant for purposes of voluntary retirement.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-575, filed 9/29/22, effective 10/30/22.]

WAC 173-446-580 Invalidation of ecology offset credits.

(1) An ecology offset credit issued under this chapter will remain valid unless invalidated pursuant to this section.

(2) Time frame for invalidation. If a determination is made pursuant to subsection (6) of this section, ecology may invalidate an ecology offset credit pursuant to this section within the following time frame:

(a) Within eight years of issuance of an ecology offset credit, as that corresponds to the end of the reporting period for which the ecology offset credit is issued, if the ecology offset credit is issued pursuant to WAC 173-446-555, except as provided in (b) and (c) of this subsection.

(b) The eight-year time frame set forth in (a) of this subsection does not apply if one of the following requirements is met:

(i) The offset project operator or authorized project designee for an offset project developed under the applicable compliance offset protocol does all of the following:

(A) Engages a different verification body that has not verified the offset project data report for the issuance of ecology offset credits, and meets the requirements for conflict of interest in WAC 173-446-545 and rotation of verification services in WAC 173-446-535 (1) through (3), to conduct a second

independent offset verification, except for offset project data report modifications, for the same offset project data report. Although the requirements for offset project data report modifications do not need to be met under this subsection, any misreporting, discrepancies, or omissions identified during the independent offset verification must be included in the offset material misstatement calculation prepared under WAC 173-446-535 (4) (d) (xv). If minor correctable errors that do not result in an offset material misstatement are identified during the independent offset verification and the verification body does not identify any other nonconformance that would result in an adverse offset verification statement, the verification body must issue a qualified positive offset verification statement and identify the correctable errors on the offset verification statement;

(B) The second independent offset verification must be completed within three years of ecology's issuance of the ecology offset credits through the submittal of an offset verification statement, and the offset project operator or authorized project designee must receive a positive or qualified

positive offset verification statement from the new verification body for the same offset project data report.

(I) If the offset project is listed with an offset project registry, the verification body must submit the detailed verification report and offset verification statement from the second independent offset verification to the offset project registry and ecology.

(II) The offset project registry must review the offset verification documents and submit a report to ecology that includes the details and findings of the offset project registry's review. During its review, the offset project registry may request additional information from the verification body and offset project operator or authorized project designee, if applicable, and may request clarifications and revisions to the materials, if necessary.

(III) The offset project registry has 45 calendar days to review the offset verification information once complete and accurate verification documents are received from the verification body.

(IV) The offset project registry has an additional 15 business days to submit its report to ecology. Ecology will review the offset project registry report and determine based on the report and all the information submitted by the verification body and offset project operator or authorized project designee, if applicable, if the invalidation time frame will be reduced. During its review, ecology may request additional information, clarifications, and revisions to the materials, if necessary.

(C) If the requirements in (b) (i) (A) and (B) of this subsection are met, the ecology offset credits issued under the offset project data report may only be subject to invalidation within three years of the date that corresponds to the end of the reporting period for which the ecology offset credits were issued, if the ecology offset credits were issued pursuant to WAC 173-446-555.

(ii) The offset project operator or authorized project designee for an offset project does all of the following:

(A) Engages a different verification body than the one which conducted the most recent verification, and that meets the requirements for conflict of interest in WAC 173-446-545 and

rotation of verification services in WAC 173-446-535 (1) through (3), to verify a subsequent offset project data report; and

(B) The verification conducted by the new verification body for the subsequent offset project data report under this subsection in order to reduce the invalidation time frame of any ecology offset credits is completed through the submittal of an offset verification statement within, at a maximum, three years from the date that ecology offset credits were issued for the reporting period. The verification of the subsequent offset project data report must result in a positive or qualified positive offset verification statement from the new verification body.

(C) If the requirements in (b) (ii) (A) and (B) of this subsection are met, the ecology offset credits issued for no more than three reporting periods prior to the reporting period for which the subsequent offset project data report was verified by a new verification body may only be subject to invalidation within three years of the date that corresponds to the end of the reporting period for which the ecology offset credits were issued.

(c) If an offset project developed under one of the compliance offset protocols is in the last reporting period of a crediting period, and will not have a renewed crediting period, the invalidation time frame for up to the last three reporting periods may be reduced from eight years to three years if the following requirements are met for the last offset project data report of the crediting period:

(i) The offset project operator or authorized project designee engages a different verification body that has not verified the offset project data reports and that meets the requirements for conflict of interest in WAC 173-446-545 and rotation of verification services in WAC 173-446-535 (1) through (3), to conduct a second independent offset verification, except for offset project data report modifications, for the last offset project data report of the crediting period. Although the requirements for offset project data report modifications do not need to be met under this subsection, any misreporting, discrepancies, and omissions identified during the independent offset verification must be included in the offset material

misstatement calculation prepared under WAC 173-446-535

(4) (d) (xv); and

(ii) The second independent offset verification must be completed within three years of ecology's issuance of the ecology offset credits through the submittal of an offset verification statement, and the offset project operator or authorized project designee must receive a positive or qualified positive offset verification statement from the new verification body for the same last offset project data report.

(iii) If the offset project is listed with an offset project registry, the verification body must submit the detailed verification report and offset verification statement for the second independent offset verification to the offset project registry and ecology.

(iv) The offset project registry must review the offset verification documents and submit a report to ecology that includes the details and findings of the offset project registry's review. During its review, the offset project registry may request additional information from the verification body and the offset project operator or authorized

project designee, if applicable, and may request clarifications and revisions to the materials, if necessary.

(v) The offset project registry has 45 calendar days to review the offset verification information after complete and accurate verification documents are received from the verification body.

(vi) The offset project registry has an additional 15 business days to submit its report to ecology. Ecology will review the offset project registry's report and make a determination based on the report and all the information submitted by the verification body and offset project operator or authorized project designee, if applicable, and may request additional information, clarifications, and revisions to the materials, if necessary.

(3) Grounds for initial determination of invalidation. Ecology may determine that an ecology offset credit is invalid for the following reasons:

(a) The offset project data report contains errors that overstate the amount of GHG emission reductions or GHG removal enhancements by more than five percent;

(i) If ecology finds that there has been an overstatement by more than five percent, ecology shall determine how many GHG emission reductions and GHG removal enhancements were achieved by the offset project for the applicable reporting period. Within 10 calendar days of making this determination, ecology will notify the verification body that performed the offset verification and the offset project operator or authorized project designee.

(A) Within 25 calendar days of receiving a written notification by ecology under this subsection, the verification body shall provide ecology any available offset verification services information or correspondence related to the offset project data report.

(B) Within 25 calendar days of receiving a written notification by ecology under this subsection, the offset project operator or authorized project designee shall provide ecology data that is required to calculate GHG emission reductions and GHG removal enhancements for the offset project according to the requirements of this chapter or the applicable compliance offset protocol, the detailed offset verification

report prepared by the verification body, and any other information requested by ecology. The offset project operator or authorized project designee shall also make available personnel who can assist in ecology's evaluation determination of how many GHG emission reductions and GHG removal enhancements were achieved by the offset project for the applicable reporting period.

(ii) Ecology shall determine how many GHG emission reductions and GHG removal enhancements were achieved by the offset project for the applicable reporting period using the best information available.

(A) Ecology will determine the actual GHG emission reductions and GHG removal enhancements achieved by the offset project for the applicable reporting period based on, at a minimum, the following information:

(I) The GHG sources, GHG sinks, and GHG reservoirs within the offset project boundary for that reporting period; and

(II) Any previous offset project data reports submitted by the offset project operator or authorized project designee, and the offset verification statements rendered for those reports.

(B) In determining how many GHG emission reductions and GHG removal enhancements were achieved by the offset project for the applicable reporting period, ecology may use the following methods, as applicable:

(I) The applicable compliance offset protocol;

(II) In the event of missing data, ecology will rely on the missing data provisions set forth in the applicable compliance offset protocol; and

(III) Any information reported under this chapter for this reporting period and past reporting periods.

(iii) If ecology determines that an overstatement has occurred, ecology shall determine the number of ecology offset credits that correspond to the overstatement using Eq. 580-1, rounded to the nearest whole ton:

$$\begin{array}{ll} \text{If:} & I_{\text{EcologyOC}} > \times 1.05 \\ \text{Then:} & OR = I_{\text{EcologyOC}} - ROPDR \end{array} \quad \text{Eq. 580-1}$$

Where:

"OR" is the amount of overstated GHG emission reductions and GHG removal enhancements for the applicable offset project data report, rounded to the nearest whole ton;

"IEcologyOC" is the number of ecology offset credits issued under the applicable offset project data report;

"ROPDR" is the number of GHG emissions reductions and GHG removal enhancements determined by ecology for the applicable offset project data report;

(b) The offset project activity(ies) or implementation of the offset project was not in accordance with all local, regional, state, and national environmental and health and safety laws and regulations that apply in the jurisdiction in which the offset project is located and that directly apply to the offset project, including as specified in the applicable compliance offset protocol during the reporting period for which the ecology offset credit was issued.

~~(i) For offset projects using the ozone depleting substances (ODS) protocol non-compliance events that do not directly impact ODS handling, destruction, and emissions from ODS processing will not be considered grounds for an initial determination of invalidation.~~

(i) For offset projects using a forestry, ozone depleting substances, or livestock protocol, if ecology finds that the offset project is out of regulatory compliance, then ecology shall determine how many GHG emission reductions and GHG removal enhancements were achieved by the offset project for the applicable reporting period. Within 10 calendar days of making this determination, ecology will notify the verification body

that performed the offset verification and the offset project operator or authorized project designee.

(ii) For offset projects using the ozone depleting substances (ODS) protocol non-compliance events that do not directly impact ODS handling, destruction, and emissions from ODS processing will not be considered grounds for an initial determination of invalidation.

(A) Within 25 calendar days of receiving a written notification by ecology under this subsection, the verification body shall provide ecology any available offset verification services information or correspondence related to the relevant offset project data report(s).

(B) Within 25 calendar days of receiving a written notification by ecology under this subsection, the offset project operator or authorized project designee shall provide ecology data that is required to calculate GHG emission reductions and GHG removal enhancements for the offset project according to the requirements of this chapter or the applicable compliance offset protocol, the detailed offset verification report prepared by the verification body, and any other

information requested by ecology. The offset project operator or authorized project designee shall also make available personnel who can assist in ecology's evaluation of how many GHG emission reductions and GHG removal enhancements were achieved by the offset project for the applicable reporting period.

(ii) Ecology shall determine how many GHG emission reductions and GHG removal enhancements were achieved by the offset project for the applicable reporting period using the best information available.

(A) Ecology will determine the actual GHG emission reductions and GHG removal enhancements achieved by the offset project for the applicable reporting period based on, at a minimum, the following information:

(I) The GHG sources, GHG sinks, and GHG reservoirs within the offset project boundary for that reporting period;

(II) Any previous offset project data reports submitted by the offset project operator or authorized project designee, and the offset verification statements rendered for those reports;
and

(III) Any information relating to the regulatory compliance of the offset project provided by the offset project operator, authorized project designee, or regulatory oversight body.

(B) In determining how many GHG emission reductions and GHG removal enhancements were achieved by the offset project for the applicable reporting period, ecology may use the following methods, as applicable:

(I) The applicable compliance offset protocol;

(II) In the event of missing data, ecology will rely on the missing data provisions set forth in the applicable compliance offset protocol; and

(III) Any information reported under this chapter for this reporting period and past reporting periods.

(iii) If ecology determines that an offset project is out of regulatory compliance then ecology shall determine the number of ecology offset credits, rounded to the nearest whole number, that correspond to the time period that the offset project is determined to be out of regulatory compliance. All offset credits corresponding to this time period shall be deemed

ineligible for crediting, and therefore any offset credits corresponding to this time period are subject to invalidation.

(iv) For offset projects using an urban forestry protocol, if ecology finds that the offset project is out of regulatory compliance, then ecology shall determine that all ecology offset credits issued for the applicable reporting period are subject to invalidation; or

(c) Ecology determines that offset credits have been issued in any other voluntary or mandatory program within the same offset project boundary and for the same reporting period in which ecology offset credits were issued for GHG emission reductions and GHG removal enhancements.

(d) The following circumstances shall not be grounds for invalidation under this section:

(i) A reversal that occurs under a forest offset project. If such a reversal occurs, the provisions in WAC 173-446-570 apply in lieu of this section; and

(ii) An update to a compliance offset protocol will not result in an invalidation of ecology offset credits issued to an

offset project listed or reporting under a previous version of the compliance offset protocol.

(4) Suspension of transfers. When ecology makes an initial determination that one of the invalidation circumstances listed in subsection (3) of this section has occurred, ecology will immediately block any transfers of ecology offset credits for the applicable offset project data report. Once ecology makes a final determination under subsection (6) of this section, the block on transfers for any ecology offset credits not invalidated will be canceled.

(5) Identification of affected parties. If ecology makes an initial determination that one of the invalidation circumstances listed in subsection (3) of this section has occurred, ecology will identify the following parties:

(a) Any registered entities that currently hold any ecology offset credits in their holding and/or compliance accounts from the applicable offset project data report;

(b) The parties for which ecology transferred any ecology offset credits from the applicable offset project data report into the retirement account; and

(c) The current, or most recent (in the case of an offset project after the final crediting period) offset project operator and authorized project designee, and, for forest offset projects the current, or most recent (in the case of an offset project after the final crediting period) forest owner(s).

(6) Final determination and process of invalidation.

(a) Ecology will provide notification of its initial determination to the parties identified under subsection (5) of this section, and provide each party an opportunity to submit additional information to ecology prior to making its final determination, as follows:

(i) Ecology will specify in its notification the reason for its initial determination that one of the invalidation circumstances listed in subsection (3) of this section has occurred.

(ii) The parties identified under subsection (5) of this section will have 25 calendar days after receiving such notification to provide any additional information to ecology.

(iii) Ecology may request any additional information as needed.

(b) Within 30 calendar days after all information is submitted under this subsection, ecology will make a final determination of whether one or more circumstances listed in subsection (3) of this section has occurred and whether to invalidate ecology offset credits.

(i) Ecology will notify the parties identified under subsection (5) of this section of ecology's final determination of invalidation.

(ii) Ecology will notify any approved program for linkage of the invalidation at the time of ecology's final determination.

(7) Removal of invalidated ecology offset credits from holding, compliance, and/or forest buffer accounts. If ecology makes a final determination under subsection (6) of this section that an ecology offset credit is invalid, then:

(a) Ecology offset credits will be removed from any holding, compliance, or forest buffer account, as follows;

(i) If an ecology offset credit is determined to be invalid due to any of the circumstances listed in subsection (3)(a) or

(b)(i) of this section, then:

(A) Ecology will determine which ecology offset credits will be removed from the compliance and/or holding accounts of each party identified under subsection (5) (a) of this section according to Eq. 580-2, truncated to the nearest whole ton:

$$HEcology = \frac{TOTholding}{IEcologyOC} \text{ OR } \text{Eq. 580-2}$$

Where:

"OR" is the number of overstated GHG emission reductions and GHG removal enhancements for the applicable offset project data report;

"IEcologyOC" is the number of ecology offset credits issued under the applicable offset project data report;

"TOTholding" is the total number of ecology offset credits currently being held in a compliance and/or holding account by each party identified under subsection (5)(a) of this section for the applicable offset project data report; and

"HEcology" is the total number of ecology offset credits, rounded to the nearest whole ton, that will be removed from the holding and/or compliance account of each party identified under subsection (5)(a) of this section.

(B) Ecology will determine the number of ecology offset credits issued to each party identified in subsection (5) (a) of this section, under the applicable offset project data report using Eq. 580-2, and remove that number of ecology offset credits from each party's holding and/or compliance account.

(C) Ecology will determine the number of ecology offset credits issued under the applicable offset project data report, for all projects that contribute to the forest buffer account, using Eq. 580-2, multiply that number by the project's reversal

risk rating, and remove the resulting number of ecology offset credits from the forest buffer account.

(ii) If an ecology offset credit is determined to be invalid due to any of the circumstances listed in subsection (3) (b) (ii) or (c) of this section, ecology will remove all ecology offset credits issued under the applicable offset project data report from any holding and/or compliance accounts of the parties identified under subsection (5) (a) of this section, and from the forest buffer account.

(b) The parties identified in subsection (5) of this section will be notified of which ecology offset credits, identified by serial numbers, were removed from any compliance, holding, and/or forest buffer accounts.

(c) Any approved program for linkage will be notified of which ecology offset credits, identified by serial numbers, were removed from any compliance, holding, and/or forest buffer accounts.

(8) Requirements for replacement of ecology offset credits.

(a) If an ecology offset credit that was issued to a nonsequestration offset project or an urban forest offset

project, or that was issued to a U.S. forest offset project, and that has been transferred to the retirement account, is subsequently determined by ecology to be invalid for only the circumstances listed in subsection (3)(a) or (b)(i) of this section, then:

(i) Each party identified under subsection (5)(b) of this section must replace ecology offset credits with the number of valid offset credits or other approved compliance instruments determined for the individual party using Eq. 580-3, truncated to the nearest whole ton:

$$\text{REcologyOC} = (\text{TOTRetired}/\text{IEcologyOC}) * \text{OR} \quad \text{Eq. 580-3}$$

Where:

"REcologyOC" is the calculated total number of retired ecology offset credits for the applicable offset project data report, rounded to the nearest whole ton, that must be replaced by each individual party identified under subsection (5)(b) of this section;

"TOTRetired" is the total number of ecology offset credits from the applicable offset project data report ecology transferred into the retirement account;

"IEcologyOC" is the number of ecology offset credits issued under the applicable offset project data report; and

"OR" is the number of metric tons of overstated GHG emission reductions and GHG removal enhancements calculated for the applicable offset project data report.

(ii) Each party identified under subsection (5)(b) of this section must replace the ecology offset credits with the number of valid ecology offset credits or other approved compliance

instruments calculated using Eq. 580-3, within six months of notification by ecology.

(iii) If each party identified under subsection (5)(b) of this section does not replace the number of invalidated ecology offset credits calculated using Eq. 580-3, within six months of ecology's notice of invalidation, each unreplaced invalidated ecology offset credit will constitute a violation for that party under WAC 173-446-610.

(A) If a party identified under subsection (5)(b) of this section is no longer in business, ecology will require the offset project operator identified under subsection (5)(c) of this section to replace the number of invalidated ecology offset credits calculated for that party using Eq. 580-3 and will notify the offset project operator that they must replace the credits.

(B) If the offset project operator is required to replace ecology offset credits pursuant to (a)(iii)(A) of this subsection, the offset project operator must replace each invalidated ecology offset credit with a valid ecology offset

credit or another approved compliance instrument, within six months of notification by ecology.

(C) If the offset project operator is required to replace ecology offset credits pursuant to (a)(iii)(A) of this subsection, and the offset project operator does not replace each invalid ecology offset credit within six months of notification by ecology, each unreplaced invalidated ecology offset credit will constitute a violation for that offset project operator under WAC 173-446-610.

(iv) Ecology will determine the number of invalid ecology offset credits issued under the applicable offset project data report and invalidate that number of ecology offset credits.

(v) The parties identified under subsection (5) of this section will be notified of the number of ecology offset credits, identified by serial numbers, that were invalidated.

(vi) Any approved program for linkage will be notified of which ecology offset credits, identified by serial numbers, were invalidated.

(b) If an ecology offset credit that was issued to a nonsequestration offset project or an urban forest project, or

that was issued to a U.S. forest offset project, and that has been transferred to the retirement account, is subsequently determined to be invalid due to any of the circumstances listed in subsection (3) (b) (ii) or (c) of this section, then:

(i) The parties identified under subsection (5) (b) of this section must replace each ecology offset credit for the applicable offset project data report that it previously requested ecology transfer into the retirement account with a valid ecology offset credit or another approved compliance instrument within six months of notification by ecology.

(ii) If a party identified under subsection (5) (b) of this section does not replace each invalidated ecology offset credit within six months of ecology's notice of invalidation, each unreplaced invalidated ecology offset credit will constitute a violation for that party under WAC 173-446-610.

(A) If the party identified under subsection (5) (b) of this section is no longer in business, ecology will require the offset project operator identified under subsection (5) (c) of this section to replace the number of invalidated ecology offset

credits calculated for that party using Eq. 580-3 and will notify the offset project operator that they must replace them.

(B) If the offset project operator is required to replace ecology offset credits pursuant to (b)(ii)(A) of this subsection, the offset project operator must replace each invalidated ecology offset credit with a valid ecology offset credit or another approved compliance instrument, within six months of notification by ecology.

(C) If the offset project operator is required to replace ecology offset credits pursuant to (b)(ii)(A) of this subsection and the offset project operator does not replace each invalidated ecology offset credit within six months of notification by ecology, each unreplaced invalidated ecology offset credit will constitute a violation for that offset project operator under WAC 173-446-610.

(iii) The parties identified under subsection (5) of this section will be notified of which ecology offset credits, identified by serial numbers, were invalidated.

(iv) Any approved program for linkage will be notified of which ecology offset credits, identified by serial numbers, were invalidated.

(c) The offset project operator of an offset project that had ecology offset credits removed from the forest buffer account must replace a percentage of the ecology offset credits removed from the forest buffer account equal to the percentage of ecology offset credits retired from the forest buffer account for unintentional reversals as of the date ecology makes the final determination of invalidation, rounding up to the next whole number, with a valid ecology offset credit or another approved compliance instrument, within six months of notification by ecology. If the offset project operator does not replace the required number of ecology offset credits within six months of notification by ecology, each unreplaced invalidated ecology offset credit will constitute a violation for that offset project operator under WAC 173-446-610.

(9) Change of forest owner or offset project operator. When a forest owner or offset project operator changes, whether by merger, acquisition, or any other means, the successor forest

owner or offset project operator, after the change in ownership, as applicable, is expressly liable for all obligations of the predecessor forest owner or offset project operator to submit compliance instruments. For the avoidance of doubt, this obligation of the successor forest owner or offset project operator, as applicable, consists of the difference between the number of metric tons of CO₂e and the number of valid ecology offset credits or other approved compliance instruments submitted by the predecessor forest owner.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-580, filed 9/29/22, effective 10/30/22.]

WAC 173-446-585 Approval requirements for offset project registries. (1) The approval requirements specified in this section apply to all offset project registries that will operate to provide offset registry services under this chapter.

(2) Ecology may approve offset project registries that meet and maintain compliance with the requirements specified in this section.

(a) Offset project registry approval application. To apply for approval as an offset project registry, the applicant shall

submit the following information to ecology, in a manner specified by ecology:

- (i) Name of applicant;
- (ii) Name of president or chief executive officer;
- (iii) List of all board members, if applicable;
- (iv) Addresses of all offices located in the United States;
- (v) Documentation that the applicant carries at least \$5,000,000 U.S. dollars of active professional liability insurance; and
- (vi) List of any judicial proceedings and administrative actions filed against the applicant within the previous five years, with a detailed explanation as to the nature and outcome of the proceedings.

(b) In addition to the information required under (a) of this subsection, the applicant must submit, in writing, its procedures to screen and address internal conflicts of interest. The applicant must provide the following information to ecology:

- (i) A staff, management, and board member conflict of interest policy where there are clear criteria for what constitutes a conflict of interest. The policy must:

(A) Identify specific activities and limits on monetary and nonmonetary gifts that staff, management, and board members must not conduct or accept to meet the offset project registry's internal policies regarding conflicts of interest, or alternatively provide a comprehensive policy on the applicant's requirements for the reporting of any and all conflicts of interest based on internal policies that guard against conflicts of interest; and

(B) Documentation that the applicant has an internal requirement for annual disclosure by each staff, management, and board member of any items or instances that are covered by the applicant's conflict of interest policy on an ongoing basis or for the previous calendar year.

(C) Documentation that the applicant has appropriate conflict of interest and confidentiality requirements in place for any of its contractors;

(ii) List of all service types provided by the applicant;

(iii) List of the industrial sectors the applicant serves;

(iv) Locations where services are provided; and

(v) A detailed organizational chart that includes the applicant and any parent, subsidiary, and affiliate companies.

(vi) If the applicant is going to designate a subdivision of its organization to provide registry services, then the prohibition on serving as an offset project consultant shall apply at the subdivision level and the applicant must provide the following general information for its self:

(A) General types of services; and

(B) General locations where services are provided.

(c) The applicant must have the following capabilities for registration and tracking of registry offset credits issued under this chapter:

(i) A comprehensive registration requirement for all registry participants;

(ii) A system for tracking ownership and transactions of all registry offset credits it issues at all times; and

(iii) A permanent repository of ownership information on all transactions involving all registry offset credits it issues under this chapter from the time they are issued to the time they are retired, invalidated, or canceled.

(3) The applicant's primary business must be operating an offset project registry for voluntary or regulatory purposes and the applicant must meet the following business requirements:

(a) Once approved as an offset project registry, the applicant may not act as an offset project operator, authorized project designee, or offset project consultant for offset projects registered or listed on its own offset project registry and developed using a compliance offset protocol. The applicant must annually disclose to ecology any nonoffset project related consulting services it provides to an offset project operator or authorized project designee who lists a project using a compliance offset project with the applicant as part of the information included in the annual report;

(b) The applicant may not act as an offset verification body or provide offset verification services once approved as an offset project registry;

(c) If the applicant designates a subdivision of its organization to provide registry services, the applicant may not be an offset project operator or authorized project designee for

offset projects listed at the subdivision's registry, act as a verification body, or be a covered entity or opt-in entity;

(d) The applicant must demonstrate experience in the continuous operation of a registry serving an environmentally focused market that includes the trading of carbon emissions-based commodities for a minimum of two years in a mandatory and/or voluntary market; and

(e) The applicant's primary incorporation or other business formation and primary place of business, or the primary place of business of the designated subdivision, if the applicant designates a subdivision to provide registry services pursuant to this section, must be in the United States of America.

(4) The offset project registry must continue to maintain the professional liability insurance required by subsection (2) (a) (v) of this section while it provides registry services to offset project operators or authorized project designees who are implementing offset projects using compliance offset protocols.

(5) If any information submitted pursuant to this section changes after the approval of an offset project registry, the offset project registry must notify ecology within 30 calendar

days of the change and provide updated information consistent with that required in this section.

(6) The offset project registry must attest, in writing, to ecology as follows:

(a) "As the authorized representative for this Offset Project Registry, I understand that the Offset Project Registry is voluntarily participating in the program under this chapter and the Offset Project Registry is now subject to all regulatory requirements and enforcement mechanisms of this program.";

(b) "All information generated and submitted to Ecology by the Offset Project Registry related to an offset project that uses a Compliance Offset Protocol will be true, accurate, and complete.";

(c) "All information provided to Ecology as part of an Ecology audit of the Offset Project Registry will be true, accurate, and complete.";

(d) "All registry services provided will be in accordance with the requirements of WAC 173-446-590.";

(e) "The Offset Project Registry is committed to participating in all Ecology training related to Ecology's compliance offset program or Compliance Offset Protocols."; and

(f) The authorized representative of the offset project registry must attest in writing, to ecology: "I certify under penalty of perjury under the laws of the state of Washington I have authority to represent the Offset Project Registry and all information provided as part of this application is true, accurate, and complete."

(7) At least two of the management staff at the offset project registry must take an ecology-approved training on ecology's compliance offset program and pass an ecology-approved examination upon completion of training.

(8) The offset project registry must have staff members who have collectively completed the ecology-provided training described in subsection (7) of this section and passed an examination upon completion of training in all applicable compliance offset protocols.

(9) The offset project registry must have at least two years of demonstrated experience in, and requirements for,

direct staff oversight and review of offset projects, project listing, offset verification, and registry offset credit issuance.

(10) Ecology approval.

(a) The applicant may be allowed to submit additional supporting documentation before a decision is made by ecology.

(b) Within 60 calendar days of receiving an application for approval as an offset project registry and completion by all management staff of the training required by subsection (7) of this section, ecology will inform the applicant in writing either that the application is complete or that additional specific information is required to make the application complete.

(c) Within 60 calendar days following completion of the application process, ecology shall approve an offset project registry if evidence of qualification submitted by the applicant has been found to meet the requirements of this section.

(d) Ecology and the applicant may mutually agree, in writing, to longer time periods than those specified in this section.

(e) Ecology approval for an offset project registry is valid for a period of 10 years, whereupon the applicant may reapply. At the time of reapplication, the offset project registry must:

(i) Demonstrate it consistently met all of the requirements in this section;

(ii) Pass a performance review, which, at a minimum shows the offset project registry consistently:

(A) Demonstrates knowledge of the ecology compliance offset program and compliance offset protocols;

(B) Meets all regulatory deadlines; and

(C) Provides registry services in accordance with the requirements of this chapter; and

(iii) Not have been subject to enforcement action under WAC 173-446-610.

(11) Modification, suspension, and revocation of ecology's approval of an offset project registry. Ecology may review, and, for good cause, modify, suspend, or revoke its prior approval of an offset project registry.

(a) During revocation proceedings, the offset project registry may not continue to provide registry services for ecology.

(b) Within five business days of suspension or revocation of approval, an offset project registry must notify all offset project operators or authorized project designees for whom it is providing registry services, or for whom it has provided registry services within the past 12 months, of its suspension or revocation of approval.

(c) An offset project operator or authorized project designee who has been notified by an offset project registry of a suspended or revoked approval under (b) of this subsection must resubmit its offset project information to a new offset project registry or ecology. An offset project listed by ecology or a new offset project registry will continue to operate under its originally approved crediting period, provided that ecology may extend the crediting period or the relevant deadline for one year if ecology determines that such extension is necessary to provide time for resubmission of information to the new offset project registry or ecology.

(12) If the applicant under this section is going to designate a subdivision of its organization to provide registry services, all the requirements of this section may be applied at the designated subdivision level.

(13) An approved offset project registry must make itself and its personnel available for an ecology audit.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-585, filed 9/29/22, effective 10/30/22.]

WAC 173-446-590 Offset project registry requirements. (1)

The offset project registry shall use compliance offset protocols approved pursuant to the requirements of this section to determine whether an offset project may be listed with the offset project registry for issuance of registry offset credits. The offset project registry may list projects under noncompliance offset protocols, but must make it clear that any GHG emission reductions and GHG removal enhancements achieved under those protocols are not eligible to be issued registry offset credits or ecology offset credits.

(2) The offset project registry must make the following information publicly available for each offset project developed under a compliance offset protocol:

(a) Within 10 business days of the offset project listing requirements being deemed complete:

(i) Offset project name;

(ii) Offset project location;

(iii) Offset project operator and, if applicable, the authorized project designee;

(iv) Type of offset project;

(v) Name and date of the compliance offset protocol used by the offset project;

(vi) Date of offset project listing submittal and offset project;

(vii) Commencement date; and

(viii) Identification of whether the offset project is in an initial or renewed crediting period;

(b) Within 10 business days of the offset project registry making a determination of registry offset credit issuance:

(i) reporting period verified project baseline emissions;

(ii) reporting period verified GHG emission reductions and GHG removal enhancements achieved by the offset project;

(iii) The unique serial numbers of registry offset credits issued to the offset project for the applicable offset project data report;

(iv) Total verified GHG emission reductions and GHG removal enhancements for the offset project by reporting period for when an offset project data report was submitted;

(v) The final offset project data report for each reporting period; and

(vi) Offset verification statement for each year the offset project data report was verified; and

(c) Clear identification of which offset projects are listed and submitting offset project data reports using compliance offset protocols. Once an offset project registry has approved a project listing, the offset project registry must continue to list the offset project but may update the project listing status to "inactive" if the project has not been issued any registry offset credits or ecology offset credits or may update the listing status to "terminated" if the project has

been issued any registry offset credits or ecology offset credits. The offset project registry may update the listing status to "inactive" or "terminated" if any of the following circumstances exist:

(i) The offset project has missed the 28-month reporting deadline;

(ii) The offset project has missed the deadline for continuous reporting;

(iii) The offset project terminates; or

(iv) The offset project operator submits a letter to the offset project registry stating that it no longer intends to pursue registry offset credit issuance for this project. The letter must be signed by the offset project operator's primary or alternate account representative and must include the following:

(A) Offset project operator name;

(B) Offset project name and both ecology and offset project registry identification numbers;

(C) Name and date of the compliance offset protocol used by the offset project;

(D) Date on which the offset project registry approved the listing;

(E) Indication that the offset project operator will no longer pursue any registry offset credits for the project;

(F) Request to change the project status to "inactive" or "terminated"; and

(G) Signature, printed name, title, and date signed.

(d) When an offset project registry updates the listing status to "inactive" or "terminated," the offset project registry must make publicly available a copy of the letter or must make publicly available a memo authored by the offset project registry explaining the change of status. The memo must include the following:

(i) Offset project operator name and (offset credit registry) identification number;

(ii) Offset project name and both ecology and offset project registry identification numbers;

(iii) Name and date of the compliance offset protocol used by the offset project;

(iv) Date on which the offset project registry approved the listing;

(v) Indication of the deadline(s) missed; and

(vi) Date on which the offset project registry has updated the status to "inactive" or "terminated."

(e) An offset project registry may update an offset project's listing status to "completed" if:

(i) Ecology offset credits have been issued for the offset project;

(ii) No further ecology offset credits will be issued to the project;

(iii) The project may no longer undergo offset verification services that could reduce the invalidation period for any ecology offset credits from eight years to three years;

(iv) The project is no longer required to monitor, report, and verify the permanence of its GHG emission reductions or GHG removal enhancements; and

(v) The end of the project life has been reached as defined in the compliance offset protocols, if applicable.

(f) An offset project registry may update an offset project's listing status to "monitored" if:

(i) Ecology offset credits have been issued for the offset project;

(ii) No further ecology offset credits will be issued to the project; and

(iii) The project is still required to monitor, report, and verify the permanence of its GHG emission reductions or GHG removal enhancements.

(3) Conflict of interest review by offset project registries. The offset project registry must apply the conflict of interest requirements in WAC 173-466-545 when making a conflict of interest determination for a verification body proposing to conduct offset verification services. The offset project registry must review and make sure the conflict of interest submittal is complete. When an offset project operator or authorized project designee submits its information to ecology, the offset project registry must provide ecology with the information and attestation within 15 calendar days.

(4) The offset project registry may provide guidance to offset project operators, authorized project designees, or offset verifiers for offset projects using a compliance offset protocol, if there is no clear requirement for the topic in the applicable compliance offset protocol, this chapter, or an ecology guidance document, after consulting and coordinating with ecology.

(a) An offset project registry must maintain all correspondence and records of communication with an offset project operator, authorized project designee, or offset verifier when providing clarifications or guidance for an offset project using a compliance offset protocol.

(b) Before providing such guidance, the offset project registry may request ecology to provide clarification on the topic.

(c) Any offset project operator or authorized project designee requests for clarifications or guidance must be documented and the offset project registry response must be submitted on an ongoing monthly basis to ecology beginning with the date of approval as an offset project registry.

(5) The offset project registry must audit at least 10 percent of the annual full offset verifications developed for offset projects using a compliance offset protocol.

(a) The audit must include the following checks:

(i) Attendance with the offset verification team on the offset project site visit;

(ii) In-person or conference call attendance for the first offset verification team and offset project operator or authorized project designee meeting;

(iii) In-person or conference call attendance to the last meeting or discussion between the offset verification team and offset project operator or authorized project designee;

(iv) Documentation of any findings during the audit that cause the offset project registry to provide guidance to, or require corrective action with, the offset verification team, including a list of issues noted during the audit and how those were resolved;

(v) A review of the detailed verification report and sampling plan to ensure that it meets the minimum requirements

and documentation of any discrepancies found during the review;
and

(vi) An investigative review of the conflict of interest assessment provided by the verification body, which includes the following:

(A) Discussions with the lead verifier, the verification body officer or staff person most knowledgeable about the conflict of interest self-evaluation, and the offset project operator or authorized project designee to confirm the information on the conflict of interest self-assessment form is true, accurate, and complete;

(B) An internet-based search to ascertain the existence of any previous relationship between the verification body and the offset project operator or authorized project designee, and if so the nature and extent; and

(C) Any other follow up by the offset project registry to have reasonable assurance that the information provided on the conflict of interest assessment form is true, accurate, and complete.

(b) All information related to audits of offset projects developed using a compliance offset protocol must be provided to ecology within 10 calendar days of an ecology request.

(c) The audits must be selected to provide a representative sampling of geographic locations of all offset projects, representative sampling of verification bodies, representative sampling of lead verifiers, representative sampling of offset project types, and representative sampling of offset projects by size.

(d) The offset project registry must provide an annual report to ecology by January 31st for its previous year's audit program of offset projects developed using compliance offset protocols that includes:

- (i) A list of all offset projects audited;
 - (ii) Locations of all offset projects audited;
 - (iii) Verification bodies associated with each offset project and names of offset verification team members;
 - (iv) Dates of site visits;
 - (v) Offset project registry staff that conducted the audit;
- and

(vi) Audit findings as required in this section.

(6) The offset project registry must review each detailed verification report for completeness and accuracy and to ensure it meets the requirements before accepting the associated offset verification statement for the offset project data report and issuing registry offset credits. The offset project registry must maintain a log of all issues raised during its review of a detailed verification report and the corresponding offset project data report and offset verification statement and how the issues were resolved. Within three business days of issuing registry offset credits, the offset project registry must provide the following to ecology:

(a) The attestations required in this section and any in the applicable compliance offset protocol;

(b) The final offset project data reports submitted to an offset project registry;

(c) The final offset verification statements; and

(d) The offset project registry's log of all issues raised during its review.

(7) The offset project registry must provide all information in its possession, custody, or control related to a listed offset project under a compliance offset protocol within 10 calendar days of request by ecology.

(8) The offset project registry must make its staff and all information related to listed offset projects under compliance offset protocols by the offset project registry available to ecology during any audits or oversight activities initiated by ecology to ensure the requirements of this section are being carried out as required by this chapter.

(9) The offset project registry must remove or cancel any registry offset credits issued for an offset project using a compliance offset protocol, such that the registry offset credits are no longer available for transaction on the offset project registry system, once notified by ecology that the offset project is eligible to be issued ecology offset credits.

(10) The offset project registry must provide an annual report by January 31st of the previous year's offset projects that are listed using a compliance offset protocol. The report must contain the name of the offset project, type of offset

project and applicable compliance offset protocol, name of offset project operator or authorized project designee, location of offset project, status of offset project, associated verification body, crediting period, amount of any registry offset credits issued to date, amount of any registry offset credits retired or canceled for the offset project by the offset project registry to date.

(11) The offset project registry may choose to offer insurance or other products to cover the risk of invalidation of ecology offset credits, but purchase or use of the insurance or other invalidation risk mechanisms will be optional for all parties involved with registry offset credits and ecology offset credit transactions.

(12) Within 10 business days of first receiving an offset project data report to meet the reporting deadline pursuant to WAC 173-446-525 (5) (b), an offset project registry must provide ecology a copy of the offset project data report and confirm the date on which the offset project data report was submitted to the offset project registry.

(13) All information submitted, and correspondence related to, listed offset projects under compliance offset protocols by the offset project registry must be maintained by the offset project registry for a minimum of 15 years.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-590, filed 9/29/22, effective 10/30/22.]

WAC 173-446-595 Direct environmental benefits in the

state. (1) Offset projects that are located within the state of Washington, or that reduce or avoid GHG emissions that would otherwise occur within the state of Washington, are presumed to provide direct environmental benefits in the state.

(2) For any offset project located outside the state of Washington, the offset project operator or authorized project designee may request a determination by ecology of whether the offset project provides direct environmental benefits in the state.

(a) Such a determination must be based on a showing that the offset project or offset project type provides for either:

(i) The reduction or avoidance of emissions of any air pollutant that is not credited pursuant to the applicable compliance offset protocol in the state of Washington; or

(ii) A reduction or avoidance of any pollutant that is not credited pursuant to the applicable compliance offset protocol that could have an adverse impact on waters of the state of Washington.

(b) To support a request for such a determination, the offset project operator or authorized project designee may submit the following information to ecology:

(i) Scientific, peer-reviewed information or reports demonstrating that the offset project or offset project type results in this type of reduction or avoidance of any pollutant in the state of Washington;

(ii) Governmental reports from local, regional, state, or national environmental, health, or energy agencies, or multinational bodies (such as the intergovernmental panel on climate change) demonstrating that the offset project or offset project type results in this type of reduction or avoidance of any pollutant in the state of Washington; or

(iii) Monitoring or other analytical data demonstrating that the offset project or offset project type results in this type of reduction or avoidance of any pollutant in the state of Washington.

(3) New offset projects. In order to be eligible to demonstrate that a new offset project located outside the state of Washington provides direct environmental benefits in the state, the offset project operator or authorized project designee shall submit all relevant materials listed in subsection (2) (b) of this section along with or prior to the first reporting period offset project data report.

[Statutory Authority: RCW 70A.65.220. WSR 22-20-056 (Order 21-06), § 173-446-595, filed 9/29/22, effective 10/30/22.]