



# Air Resources Board



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## **Auction Notice** **California Cap-and-Trade Program Greenhouse Gas Allowance** **Auction on February 19, 2013** **Issued on December 21, 2012**

### **Auction Summary**

This document, *Auction Notice for the California Cap-and-Trade Program Greenhouse Gas Allowance Auction on February 19, 2013* (“Auction Notice”), is the official notification for the February 19, 2013, greenhouse gas (GHG) allowance auction. California’s February 19, 2013, GHG allowance auction (“February 2013 auction”) will offer year 2013 current vintage allowances and year 2016 future vintage allowances for sale.

**The February 2013 auction is scheduled to take place from 10:00 AM Pacific Time (PT) until 1:00 PM PT. The *Auction Notice* provides information about eligibility, auction format, and GHG allowances to be auctioned.**

The number of GHG allowances that will be available for sale during the February 2013 auction is provided in Table 1 below.

**Table 1: GHG Allowances Offered for Sale in the February 2013 Auction**

<b>Auction</b>	<b>Number of GHG Allowances</b>
Current Auction (2013 vintage)	12,924,822
Advance Auction (2016 vintage)	9,560,000

The number of allowances listed for the Current Auction is the final number of allowances offered for sale and includes State-owned allowances and allowances consigned by the electricity distribution utilities.

### **Administrative Requirements to Participate in Auction**

California covered entities, opt-in covered entities, and voluntarily associated entities are eligible to participate in the February 2013 GHG allowance auction. Prior to participating in an auction, the Primary Account Representative and Alternate Account Representative must be approved as users in the Compliance Instrument Tracking System Service (CITSS), and the entity must have an entity account in the CITSS. Voluntary associated entities that are participating in the auction as individuals will be required to submit additional documentation to the Financial Services Administrator as

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.*

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contained in Appendix A of the Regulation. Additional information about administrative requirements and auction participation is provided in Attachment A of this Notice.

### **Procedures for Conducting the Auction**

The February 2013 auction will be conducted using an electronic, internet-based Auction Platform that bidders use to submit their bid in a single-round, sealed-bid auction format. Bid quantities can only be submitted in multiples of 1,000 California GHG allowances.

Beginning with the highest bid and proceeding to successively lower bids, entities submitting bids at each price will be awarded allowances. The settlement price for all allowances will be the lowest price at which the entire supply of allowances is exhausted or the reserve price, whichever is reached first. Current and future vintage allowances will be sold in separate auctions. Bids for both auctions will be accepted during the same 3-hour bidding window. The settlement price for the current vintage auction will be determined first, followed by the determination of the future vintage auction. Examples of how auctions are settled are provided in Attachment B of this Notice.

### **Form and Manner for Submitting Bids**

The February 2013 auction includes the opening of the 3-hour bidding window in the Auction Platform at 10:00 AM PT and the closing of the window at 1:00 PM PT. A countdown clock in the Auction Platform will indicate the amount of time until the start of the bidding window and then the amount of time left in the bidding window. Participants will be able to submit bids manually and upload bid schedules in a pre-defined Excel template in the Auction Platform during the 3-hour bidding window.

### **Contact Information**

For further information about participation in the February 2013 auction, please contact:

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