



Air Resources Board



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Auction Notice

California Cap-and-Trade Program Greenhouse Gas Allowance Auction on November 14, 2012

Issued on September 14, 2012

Updated on November 8, 2012

Auction Summary

This document, *Auction Notice for the California Cap-and-Trade Program Greenhouse Gas Allowance Auction on November 14, 2012* (“Auction Notice”), is the official notification for the November 14, 2012, greenhouse gas (GHG) allowance auction. California’s November 14, 2012, GHG allowance auction (“November 2012 auction”) will offer year 2013 current vintage allowances and year 2015 future vintage allowances for sale.

The November 2012 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 ~~minimum~~ number of GHG allowances that will be available for sale during the November 2012 auction is provided in Table 1 below.

Table 1: GHG Allowances Offered for Sale in the November 2012 Auction

Auction	Number of GHG Allowances
Current Auction (2013 vintage)	23,126,110 21,804,539
Advance Auction (2015 vintage)	39,450,000

The number of allowances listed for the Current Auction is a ~~minimum~~ the final number and may increase as a result of which includes the additional consignments of allowances. ~~Potential bidders will be notified of any change to the total number of allowances offered for sale, and any change will be reflected in the Auction Platform during the bidding window of the auction.~~

Administrative Requirements to Participate in Auction

California covered entities, opt-in covered entities, and voluntarily associated entities are eligible to participate in the November 2012 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 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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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 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 November 2012 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, with the current vintage auction taking place first. Examples of how auctions are settled are provided in Attachment B of this Notice.

Form and Manner for Submitting Bids

The November 2012 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 November 2012 auction, please contact:

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