

California Air Resources Board  
Reserve Sale Bidders'  
Conference  
and  
Reserve Sale Participant  
Training Webinar

# Bidders' Conference Agenda

- Introduction
- Reserve Sale Summary
- Comparison of Auctions and Reserve Sales
- Reserve Sale Schedule
- Application Process
- Bid Guarantee Requirements
- Holding Limits
- Reserve Sale Bidding
- Bid Limitations
- Purchase Determination - Bid Fulfilment
- Market Monitoring
- Reserve Sales Results and Settlement
- Questions and Answer Session #1
- Reserve Sale Participant Training Session

# Introduction

- AB 32 requires California to reduce greenhouse gas emissions to 1990 levels by 2020.
- The Cap-and-Trade Regulation (“Regulation”) is a key element of California’s climate plan.
- The Regulation is designed to provide covered entities the flexibility to seek out and implement the lowest-cost options to reduce emissions.
- As part of the Cap-and-Trade Program, ARB holds allowance reserve sales to allow market participants to acquire allowances directly from ARB.

# Reserve Sale Summary

- Reserve sale notices are posted approximately 28 days prior to each reserve sale.
- The number of GHG allowances available for sale during each reserve sale is provided in the Reserve Sale Notice posted prior to each event.
- 2013 Reserve Sale Tier Prices:
  - Tier 1     USD \$40.00
  - Tier 2     USD \$45.00
  - Tier 3     USD \$50.00

# Comparison of Auctions and Reserve Sales

## Auctions:

- Open to covered entities and opt-in entities, and voluntarily associated entities.
- Entities can bid on allowances and pay the Settlement Price for each allowance awarded.
- Allowances awarded are deposited into an entity's General Holding Account.
- Application period is 30 days.

## Reserve Sales:

- Open only to covered entities and opt-in entities.
- Entities can purchase allowances at fixed prices from three equal-sized tiers.
- Allowances awarded at a reserve sale are deposited directly into an entity's Compliance Account.
- Allowances purchased at an APCR sale are not associated with a particular vintage year.
- Application period is approximately 14 days.

# General Reserve Sale Schedule

Activities	Time period	Time
Reserve Sale Application window opens in the Auction Platform	No less than 28 days prior to the auction	12:00 (Noon) PT
Reserve Sale Application window closes in the Auction Platform	Approximately 14 days prior to the auction	11:59 PM PT
All bid guarantees due to Financial Service Administrator	12 days prior to the reserve sale	No later than 2:00 PM PT
ARB approves reserve sale participants and participants notified	2 days prior to the reserve sale	No later than 5:00 PM PT
Reserve sale conducted	Date provided in Notice	Bidding window open from 10:00 AM – 1:00 PM PT
Public notice of reserve sale results released	3 business days after the reserve sale	12:00 (Noon) PT

# General Reserve Sale Schedule (cont.)

Activities	Date	Time
Notification of financial settlement invoice sent to reserve sale participants	3 business days after the reserve sale	12:00 (Noon) PT
Financial settlement in cash due to Financial Services Administrator	7 days after notification of the availability of the financial settlement invoice	No later than 2:00 PM PT
Financial settlement complete	3 business days after financial settlement is due	
Transfer of allowances into CITSS Compliance Accounts	6 business days after financial settlement is due	12:00 (Noon) PT
Reserve sale proceeds distributed	6 business days after financial settlement is due	
Earliest Date for Bid Guarantee Expiration	21 days after the reserve sale	

# Administrative Requirements

- **Eligibility**
  - Only covered entities and opt-in covered entities are eligible to participate in the reserve sales. Voluntarily associated entities are not eligible.
- **CITSS**
  - Prior to participating in a reserve sale, the entity must have an approved Compliance Instrument Tracking System Service (CITSS) account with a Primary Account Representative (PAR) and at least one Alternate Account Representative (AAR).
  - PAR and/or AAR(s) are the only individuals that can be authorized to bid on behalf of the entity during the reserve sale.
  - An entity representative must have indicated the entity's interest to participate by selecting the "Auction Participation" box on the Auction Tab in the CITSS.

# Application Process

- Select CITSS “Auction Participation” box
- Activate Auction Platform Account
- Apply to participate in the reserve sale or confirm intent to bid
- Submit bid guarantee
- Receive notification of approval to participate

# CITSS Auction Participation Selection

- To be able to participate in a reserve sale, all entities:
  - Must indicate the entity's intent to participate in upcoming auctions and reserve sales by selecting the Auction Participation box in the CITSS.
  - The steps to select the Auction Participation box in the CITSS are:
    - Log into the CITSS (<https://www.wci-citss.org>)
    - Select the "View" button for your organizations General Account
    - Select the "Account Detail" button for your organization
    - Select the "Auction" tab
    - Select the "Auction Participation" box
  - If box is already selected, no action is needed.

# Auction Platform Account Activation

- Once CITSS account information is transferred to the Auction Administrator to facilitate participation in an auction or reserve sale, representatives that intend to act on an entity's behalf to submit an application or submit bids must have an active Auction Platform account.
  - If the representative previously activated an Auction Platform account that individual can access the Auction Platform using their previously established username and password.
  - If the representative has not previously been designated as the PAR or an AAR for an entity that indicated interest in participating in auctions or reserve sales, they will receive an email inviting them to activate their account and set up a password.

# Apply to Participate

- If an entity has not previously been approved to participate in an auction or reserve sale, one representative must submit an auction or reserve sale application through the Auction Platform.
- If an entity has previously been approved to participate in an auction or reserve sale, one representative must confirm the entity's intent to bid in the Auction Platform.
- For simplicity, the Auction Platform uses the term reserve sale application whether an initial reserve sale application or intent to bid is being submitted.

# Application or Intent To Bid

- Step 1: Apply to participate or confirm intent to bid in the reserve sale (PAR or an AAR)
  - Step 1a: Confirm intent to bid
  - Step 1b: Verify entity and account representative information
  - Step 1c: Provide information on bid guarantee form
  - Step 1d: Complete attestation and submit reserve sale application
- If account representative or entity account information needs to be updated, these updates must be completed in the CITSS prior to completing Step 1.
- A reserve sale application must be submitted or intent to bid confirmed in the Auction Platform by the PAR or an AAR by no later than 11:59 PM PT on the last day of the application period as listed in the Notice.

# Bid Guarantee Requirements

- Financial guarantee instruments for an auction or reserve sale must be in one or a combination of the following forms:
  - Cash in the form of wire transfer or certified funds such as a bank check or cashier's check.
  - An irrevocable letter of credit (LOC) from a financial institution with a U.S. banking license.
  - A bank bond issued by a financial institution with a U.S. banking license.
- All bid guarantees must be sent directly to the Financial Services Administrator by the deadline listed in the Auction Notice or Reserve Sale Notice.

# Determining Bid Guarantee

- Bidders submit a single bid guarantee that is used first to satisfy purchases in the lowest-priced tier. Any remaining bid guarantee is subsequently applied to sales in higher-priced tiers in succession.
- Bid guarantee determination example:

Entity Name	Tier Price	Bid Lots	Number of Allowances	Bid Value
A	\$ 40.00	500	500,000	\$ 20,000,000
A	\$ 45.00	300	300,000	\$ 13,500,000
A	\$ 50.00	100	100,000	\$ 5,000,000

- Recommended bid guarantee for Entity A is \$38,500,000.

# Holding Limits

- The holding limit is the maximum number of California GHG allowances that may be held by an entity or jointly held by a group of entities with a direct corporate association.
- The holding limit does not apply to allowances held in the Limited Use Holding Account.

# Determining Your Holding Limit

## Holding Limit Calculation

- Holding limits are based on the following formula:
  - Holding Limit =  $0.1 * \text{Base} + 0.025 * (\text{Annual Allowance Budget} - \text{Base})$ 
    - “Base” equals 25 million metric tons of CO<sub>2</sub>e
    - “Annual Allowance Budget” is the number of allowances issued for the current budget year
      - For 2013 the annual budget is 162,800,000 allowances
  - Holding Limit =  $0.1 * 25,000,000 + 0.025 * (162,800,000 - 25,000,000)$
  - 2013 Holding Limit = 5,945,000 allowances

# Limited Exemption Holding Limit

- Covered entities may exclude a limited number of allowances from the holding limit calculation by placing them in their Compliance Account.
  - Cumulative calculation of an entity's compliance obligations less the number of instruments it surrenders.
- The limited exemption is increased each year by the amount of the entity's verified emissions report and is decreased at the end of the year following the close of a compliance period, after the entity has completed its triennial surrender, by entity's total surrender obligation for the compliance period.

# Limited Exemption Holding Limit Determination

## Limited Exemption from the Holding Limit Calculation

- Holding Limit = 5,945,000 + [Limited Exemption - allowances in the Compliance Account]
- If an entity's Limited Exemption is equal to 4,000,000 metric tons and it holds 1,000,000 allowances in its Compliance Account:
  - Holding Limit = 5,945,000 + [4,000,000 – 1,000,000] = 8,945,000 allowances.
- If an entity's Compliance Account balance is 4,500,000 allowances:
  - Holding Limit = 5,945,000 + [4,000,000 – 4,500,000] = 5,445,000.

# Management of Holding Limits

- ARB provides the Auction Administrator the total number of allowances that may be successfully bid without exceeding the holding limit.
- Data is transferred to the Auction Administrator the day prior to the reserve sale based on balances in CITSS accounts at approximately 12:00 PM (Noon) PT the day prior to the reserve sale.
- The holding limit cap transmitted to the Auction Administrator is used solely for the purpose of administration of the holding limit bid limitation in the reserve sale and will only reflect the account balances in CITSS the day before the reserve sale.
- Account holders are responsible to ensure that there will be no holding limit violation once allowances are transferred after financial settlement is complete.

# Reserve Sale Bidding

- Reserve Sale bidding window will be open 3 hours
  - Bids can only be submitted during 3-hour bidding window, as provided in the Reserve Sale Notice.
  - Manual bid entry or upload of Excel bid schedule.
  - Bids must be submitted in one of three tiers.
  - Each tier has a predetermined tier price, as provided in the Reserve Sale Notice.
  - Bid quantities can only be submitted in multiples of 1,000 GHG APCR allowances.
- Amendments to bids
  - Bids submitted can be revised or withdrawn during the 3-hour bidding window.
  - Once the bidding window closes, no further changes to bids or bid schedules are permissible.

# Entity Bid Example

- When bidding in a reserve sale, a Tier and Bid Lots are entered for each bid.
- The Tier Price is provided in the Reserve Sale Notice.
- The Bid Number of Allowances is calculated as the number of Bid Lots X 1,000.
- The Bid Value is calculated as the Number of Allowances X Tier Price.
- There is no Vintage Year for APCR Allowances.

Entity Name	Tier Price	Bid Lots	Number of Allowances	Bid Value
A	\$ 40.00	500	500,000	\$ 20,000,000
A	\$ 45.00	300	300,000	\$ 13,500,000
A	\$ 50.00	100	100,000	\$ 5,000,000

# Bid Limitations

- Bids rejected in lots of 1,000:
  - If it violates the holding limit if accepted.
  - If it exceeds the bid guarantee if accepted.

# Bid Limitations Example

## Bid Limitations Example: Entity A

Holding Limit	5,945,000
Bid Guarantee	\$25,000,000

## Submitted Bids

Tier	Tier Price	Bid Lots	Allowances	Bid Value	Cumulative Bid Value
1	\$40.00	500	500,000	\$20,000,000	\$20,000,000
2	\$45.00	300	300,000	\$1,680,000	\$13,500,000

## Qualified Bids

Tier	Tier Price	Bid Lots	Allowances	Bid Value	Cumulative Bid Value
1	\$40.00	500	500,000	\$20,000,000	\$20,000,000
2	\$45.00	111	111,000	\$4,995,000	\$24,995,000

- Following completion of the sale of Tier 1 allowances, the portion of the big guarantee remaining is \$5,000,000.
- Bids placed in Tier 2 cumulative value is greater than the remaining bid guarantee. Bids would be accepted in lots of 1,000 until the bid guarantee limitation is exceeded.

# Settlement and Bid Fulfillment Determination

- Sales from each tier are conducted separately starting with the lowest price tier and proceeding through each higher priced tier.
- There are three potential outcomes for sales within each tier:
  - The quantity of qualified bids exactly corresponds to the quantity of allowances available in a given tier. All bids are filled and no allowances remain in the tier.
  - The quantity of qualified bids exceeds the quantity of allowances in a given tier. This will result in a tiebreaker process being applied.
  - The quantity of qualified bids is fewer than the number of allowances in a given tier.

# Bid Fulfillment with a Tie Breaker

- If qualified bids in a tier exceed the quantity of allowances in that tier:
  - Allowances purchase share is determined based on share of total allowances from qualified bids.
  - Allowances for each entity determined by share multiplied by available allowances (rounded down to nearest whole allowance).
  - If residual allowances are left, each entity assigned a random number. The entity with the lowest random number is sold the first residual allowance, and remaining residual allowances are sold individually using lowest to highest random number.

# Bid Fulfillment with a Tie Breaker Example (cont.)

Entity	Tier Price	Tier 1 Bid Lots	Qualified Tier 1 Allowances	Proportion	Total Allowances Sold
A	\$ 40.00	500	500,000	0.34482759	344,827
B	\$ 40.00	750	750,000	0.51724138	517,241
C	\$ 40.00	200	200,000	0.13793103	137,932
<b>Total</b>		<b>1,450</b>	<b>1,450,000</b>	<b>1.0</b>	<b>1,000,000</b>

- Total allowances in Tier = 1,000,000
- No bid guarantee or holding limit violations
- Entity A, B, and C awarded allowances based on their share of total qualified bids
- 1 residual allowance awarded to Entity C based on random number assignment

# Bid Fulfillment with a Roll Down (cont.)

- If qualified bids are less than the quantity of allowances available for sale in a tier, the tier is undersubscribed.
  - All qualified bids placed for the tier are filled.
  - The Auction Administrator will sell the remaining allowances by “rolling down” qualified bids from the next higher-priced tier.
    - Evaluates all bids from the next higher-priced tier with respect to the remaining bid guarantee (at lower tier price) and holding limit of each entity
    - A random number is assigned to each bundle of 1,000 allowances in a qualified bid
    - Remaining allowances sold to bidders, starting with the bundle assigned the lowest random number and proceeding in increasing order until all allowances in the lower-priced tier are sold
    - Bids can roll-down one tier, but cannot roll-down from the highest-price tier to the lowest-price tier

# Bid Fulfillment with a Roll Down (cont.)

Entity	Tier Price	Tier Bid Lots	Qualified Tier Allowances
A	\$ 45.00	300	300,000
B	\$ 45.00	500	500,000
C	\$ 45.00	100	100,000
<b>Tier 2 Total</b>		<b>900</b>	<b>900,000</b>
A	\$ 50.00	100	100,000
B	\$ 50.00	300	300,000
C	\$ 50.00	50	50,000
<b>Tier 3 Total</b>		<b>450</b>	<b>450,000</b>

- Total allowances in each Tier = 1,000,000
- No bid guarantee or holding limit violations
- Tier 2 has an excess of 100,000 allowances
- Random numbers assigned to each of 450 bid lots from Tier 3
- Excess Tier 2 allowances sold starting with the bid lot assigned the lowest random number and proceeding in increasing order
- Price is Tier 2 price

# Bid Fulfillment with a Roll Down (cont.)

Entity	Tier Price	Tier 2 Bid Lots	Qualified Tier 2 Allowances	Roll Down Tier 3 Allowances	Allowances Sold
A	\$ 45.00	300	300,000	29,000	329,000
B	\$ 45.00	500	500,000	59,000	559,000
C	\$ 45.00	100	100,000	12,000	112,000
<b>Total</b>		<b>900</b>	<b>900,000</b>	<b>100,000</b>	<b>1,000,000</b>

- The 450 Tier 3 bid lots are ranked in ascending order of their assigned random number.
- The 100 Tier 3 bid lots with the lowest random number will be sold in Tier 2.
- In this example, 29 bid lots are from Entity A bids, 59 from Entity B bids, and 12 from Entity C bids.
- The 1,000,000 allowances sold in the Tier 2 sale are sold at a price of \$45 regardless of the tier in which the bid was originally submitted.

# Bid Fulfillment with a Roll Down (cont.)

Entity	Tier Price	Tier 3 Bid Lots	Qualified Tier 3 Allowances	Allowances Sold
A	\$ 50.00	100	71,000	71,000
B	\$ 50.00	300	241,000	241,000
C	\$ 50.00	50	38,000	38,000
<b>Total</b>		<b>450</b>	<b>350,000</b>	<b>350,000</b>

- The reserve sale continues until either all the allowances in Tier 1, Tier 2, and Tier 3 are sold or all accepted bids are fulfilled.
- Tier 3 qualified bids take into account any bid lots that were rolled down and fulfilled in Tier 2.
- Each entity has their entire Tier 3 qualified bid filled.
- Additionally, there are 650,000 allowances that will remain in Tier 3 of the APCR to be offered for sale in subsequent reserve sales.

# Market Monitoring

- ARB staff are actively monitoring the auctions, reserve sales, and market activities.
- The Market Monitor will work with ARB to evaluate auctions, reserve sales, and market activities.
- During a reserve sale, the Market Monitor will review bidding activity and work with ARB to identify any bidding or trends of concern that may indicate manipulative or anti-competitive bidding behavior.
- After the reserve sale, the Market Monitor will review and report to ARB on monitoring results.
- The Market Monitor will also review activity in the secondary markets.
- ARB staff provide final auction and reserve sale monitoring results to the Executive Officer.

# Reserve Sale Results

- The public results report for the reserve sale will be posted on the ARB website and the WCI, Inc.
  - The date the posting is anticipated is in the Reserve Sale Notice.
  - The posting is anticipated to occur at 12:00 (Noon) PT.
  - In the event of a delay, a message will be posted on the ARB website and WCI, Inc. website providing the new time for the release of the reserve sale results.
- The reserve sale results report provides general results and statistics of the reserve sale.

# Reserve Sale Results (cont.)

- The reserve sale results will include the following:
  - The names of the qualified bidders.
  - The reserve sale prices per tier and allowances available in each tier.
  - The total number of allowances sold from each tier.

NOTE: The total number of allowances sold will be provided only if the total represents purchases from a minimum of three qualified bidders.

# Reserve Sale Results Notification

- Reserve sale participants will receive an email from [auctionsupport@markit.com](mailto:auctionsupport@markit.com) to notify them that results are available.
- The reserve sale results email will include notification to download your Organization Results Report (financial settlement invoice) from the Auction Platform.
- Receipt of the email informing the entity of the availability of the Organization Results Report constitutes delivery of the financial settlement invoice.

# Financial Settlement

- Successful bidders must download their Organization Results Report and submit the financial settlement amount no later than 7 days after certification of an auction or reserve sale.
- Wiring instructions can be downloaded from the Auction Platform in the reports and templates module.
- No bank/cashiers checks will be accepted.
  - Checks received will be returned and the bid guarantee will be drawn down to settle the invoice.
- The Financial Services Administrator will draw/liquidate the bid guarantees to cover any amounts due but not received by the deadline provided in the Auction Notice or Reserve Sale Notice.

## Questions and Answers

-Please submit questions in writing  
through the webinar software

# Reserve Sale Participant Training Webinar Agenda - Part 2

- Auction Platform
  - Overview
  - Auction Platform Emails
  - Auction Platform Account Activation
  - Auction Platform Accounts
  - Application or Intent to Bid
  - Bid Submission
  - Reserve Sale Results
- Financial Services Administration
- Resources and Training Materials
- Questions and Answer

# Auction Platform Overview

- The Auction Platform has been designed to provide a state-of-the-art auction and reserve sale application for California's Cap-and-Trade Program.
- The Auction Platform is the central platform for administration of auctions and reserve sales that has been designed and developed to integrate with the other platforms.
- The Auction Platform allows participants to apply for, post bids to, and review results for auctions and reserve sales.

# Auction Platform

WCI, Inc. Welcome, Already a User? | LOGIN | SUPPORT

Home Resources Archive

## Welcome to the GHG Allowance Auction & Reserve Sale Platform

### Platform User Login

Username  
Password  
[Forgot your password?](#)  
 Remember Me

The next Quarterly Auction will be held on February 19, 2013

53 18 13  
DAYS HOURS MINS

Auction Reserve Price **\$10.71 USD**

#### Auctions and Reserve Sale Descriptions

This page is the entry point for information and access to the auction and reserve sale platform. The GHG allowance auction and allowance price containment reserve sales (reserve sales) are the mechanisms utilized by ARB to sell allowances within the California cap-and-trade program.

The clearing price and the total number of allowances purchased will be disclosed publically after the auction or reserve sale on the results page. The disclosure of auction and reserve sale results allows for market transparency and price discovery.

#### About the Auctions and Reserve Sales

The GHG allowance auctions follow a sealed bid, single round, uniform price (lowest winning bid) format. Each bidder may submit multiple bids and bid schedules for current or future vintage allowances. Allowances from current and future vintages will be offered in separate auctions in lot sizes of 1,000 allowances

#### AUCTION HIGHLIGHTS

##### NOTICES [VIEW ALL](#)

- NOTICE 2013 Q1 AUCTION FEBRUARY 19 DECEMBER 21, 2012
- NOTICE 2013 Q1 AUCTION FEBRUARY 19 ATTACHMENT A DECEMBER 21, 2012
- NOTICE 2013 Q1 AUCTION FEBRUARY 19 ATTACHMENT B DECEMBER 21, 2012

##### RELEASES [VIEW ALL](#)

- RESULTS 2012 Q4 AUCTION NOVEMBER 14 SUMMARY REPORT AUCTION 1 NOTICE

# Auction Platform Emails

- Account Activation for Auction Platform
- Entity Application Received
- Entity Application Reviewed and Financial Services Administrator Account Established
- Bid Guarantee Accepted
- Entity Application Approval (or Denial)
- Reserve Sale Results Available
- Reserve Sale Closed

# Auction Platform Account Activation

- A first time representative receives an Account Activation for Auction Platform email from [auctionsupport@markit.com](mailto:auctionsupport@markit.com).
- The account activation email will contain a link to the Auction Platform – “Set Password” page where the representative will activate their Auction Platform account. The link will expire within 24 hours.
- Once your password is set, a user will be directed to the auction and reserve sale Home Page and can log into the Auction Platform.

# Auction Platform Email Account Activation



## Hello from Auction Administrator

We are pleased to invite you to review and confirm your application details and confirm your intent to bid in the upcoming [reserve sale name].

To activate your account, please click on the link below:

[Activation Link](#)

After clicking on the Activation Link above, you will be taken to the Auction Platform login page. Your username in the Auction Platform is your email address that this notification was sent to:

[John.Doe@Company.com](mailto:John.Doe@Company.com).

Please note that for an entity, the Primary Account Representative and Alternate Account Representative must both click on the activation link in order to both receive email notifications and to be able to log into the Auction Platform. The Primary Account Representative or the Alternate Account Representative must submit an intent to bid and complete the reserve sale application process in the Auction Platform.

If clicking the above link does not work, please copy and paste the link location into a new browser window. Please note that this link will expire in 24 hours. If you have received this email in error or have any other questions, please contact us at [reserve\\_salesupport@markit.com](mailto:reserve_salesupport@markit.com).

Thank you

Markit Auction Administrator Support Team

# Auction Platform Accounts

- A representative (PAR or AAR) with an Auction Platform account established for a prior auction or reserve sale can log into the Auction Platform with the password previously established.
- Once the reserve sale application period is open, the representatives will be able to access the Auction Platform to complete an reserve sale application or submit an intent to bid.
- Passwords must be updated every 60 days.
  - If a password is forgotten, you can access the “Forgot Password” link on the public page, answer the security questions, and receive a new activation link to reset your password.
- Auction Platform requires each individual to establish security questions.

# Representatives of Multiple Entities

The screenshot displays the 'Auction & Reserve Sale Platform' website. A modal dialog box titled 'Select an Account' is centered on the screen. The dialog contains the following text:

**Select an Account**

Please select an account.

You are a Primary or Alternate Account Representative for multiple entities.

Select the Participant Account that you are representing during this session in the Auction and Reserve Sale Platform by clicking on the check box and click Log in.

To change the Participant Account that you are representing, you must log out of the Auction and Reserve Sale Platform and log in again to select a different Participant Account.

If you need further assistance in selecting the correct Participant Account, please contact Market Support at [auctionsupport@market.com](mailto:auctionsupport@market.com).

**Select Participant Account**

- Covered Entity 1
- Covered Entity 2 - CA1000-1000
- Covered Entity #1
- Covered Entity #1 - CA1008-1018
- LL Jones - CA1009-1017
- Utility #1
- Utility #1 - CA1001-1002

Buttons for 'Cancel' and 'Log In' are located at the bottom right of the dialog.

The background of the website shows a navigation bar with 'Home', 'Reserves', 'Archive', 'Application', and 'Auction'. A status indicator on the right says 'AUCTION IS CLOSED'. Below the dialog, there is an 'Auctions Calendar' section for Q4 2012, with a legend for Auctions, Reserves, and Applications. A sidebar on the right contains a 'Workflows' section with a 'View All' button and a 'NOTICE 2012 Q4 AUCTION' section with dates for September 14, 2012.

# Application or Intent to Bid

- One account representative (PAR or an AAR) must submit an application or intent to bid in the Auction Platform for the entity.
  - Step 1a: Confirm intent to bid
  - Step 1b: Verify entity and account representative information
  - Step 1c: Provide information on bid guarantee form
  - Step 1d: Complete attestation and submit reserve sale application
- For simplicity, the Auction Platform uses the term reserve sale application whether an initial reserve sale application or intent to bid is being submitted.
- An application or intent to bid must be submitted by 11:59 PM PT on the last day of the application period provided in the Auction Notice or Reserve Sale Notice.

# Application or Intent to Bid (cont.)

- Once you log into the Auction Platform you will be directed to the Auction Platform landing page and then you should proceed to the Application tab on the top banner.

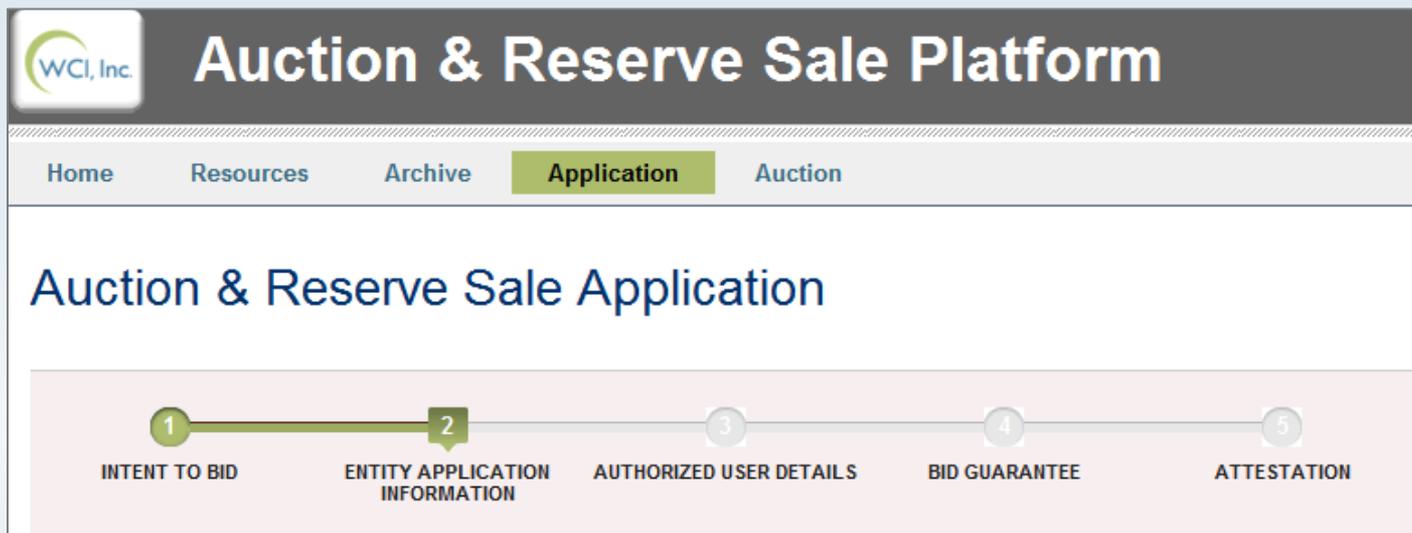
The screenshot shows the WCI Inc. Auction & Reserve Sale Platform landing page. The top navigation bar includes the WCI Inc. logo, the title "Auction & Reserve Sale Platform", and links for "Welcome, Test Org", "LOGOUT", and "SUPPORT". Below this is a secondary navigation bar with tabs for "Home", "Resources", "Archive", "Application", and "Auction". A status indicator on the right says "AUCTION IS CLOSED".

The main content area features a large blue banner with the text "Welcome to the GHG Allowance Auction & Reserve Sale Platform". Below this, there is a section for the next quarterly auction, scheduled for September 04, 2012, with a digital countdown timer showing 28 days, 07 hours, and 45 minutes. A table below the timer displays the Auction Reserve Price as \$10.00 USD, with options for CAD and US Dollar, and a link for the Canadian Dollar.

The page is divided into several sections: "Auctions Welcome" with introductory text, "About the Platform" with a video player, "REPORTS" with a "Document Type" dropdown set to "Auction" and a "Report or Document" dropdown, "AUCTION HIGHLIGHTS", and "NOTICES" with a link to "VIEW ALL" and a notice for a "PRACTICE AUCTION NOTICE: 2012 Q3 AUGUST 30".

# Application or Intent to Bid (cont.)

- One representative from each entity will access the Auction Platform to complete the entity application or intent to bid process.
- The processes are designed to be user friendly with visual cues and easily accessible information on how to proceed.



# Application or Intent to Bid (cont.)

## Step 1: Confirm Intent to Bid

- To confirm your intent to bid in the reserve sale, you will need to select the reserve sale from the drop down list.

Do you intend to bid?

---

Our entity intends to bid in the upcoming auction or reserve sale:

Select Auction

**Please note:** *If you are a covered entity and would like to participate in both the auction and reserve sale, please submit your intent to bid and complete your application for the upcoming auction. You will need to submit a separate intent to bid for the reserve sale.*

---

# Application or Intent to Bid (cont.)

## **Step 2: Verify your entity application information**

- Entity and individual application details will be pre-populated from the CITSS account information. Please review the pre-populated fields for consistency with your CITSS information.
- Any changes must be made through the CITSS and, if required, approved by the California Registrar at least 1 day prior to the close of the reserve sale application window.

# Application or Intent to Bid (cont.)

## Step 3: Verify Account Representatives

- Review the pre-populated fields for consistency with your CITSS account information.

Verify your account representative details.

---

**Primary Account Representative**

Name  
**Lucy Lee**

Email  
**lucy.lee@markitco.com**

Phone  
**7032846104**

---

**Alternate Account Representative**

Name  
**John Black**

Email  
**john.black@markitco.com**

Phone  
**1234567892**

[Back](#) [Cancel](#) [Confirm & Continue](#)

# Application or Intent to Bid (cont.)

## Step 4: Submit Bid Guarantee Information

- Entities must indicate the form of bid guarantee (cash or wire transfer, letter of credit, or bank bond) in the Auction Platform, but will submit the bid guarantee directly to the Financial Services Administrator no later than the deadline provided in the Auction Notice or Reserve Sale Notice.

Please submit your bid guarantee in one or a combination of the following forms from a financial institution.

Which form do you plan to submit?

- Cash in the form of a wire transfer or certified funds, such as a bank check or cashier's check
- Irrevocable Letter of Credit
- Surety Bond / Bank Bond

# Application or Intent to Bid (cont.)

## Step 4: Submit Bid Guarantee Information (cont.)

- Once you make the bid guarantee selections, forms for return information will be automatically generated in the Auction Platform:
  - Irrevocable Letters of Credit and Bank Bonds, complete the required Return Instructions form (as shown below).

**Return Instructions for Bond or Irrevocable Letter of Credit**

Same as mailing address

<b>Entity Legal Name</b> Application Org 3	<b>Individual Name</b> 
<b>Street Address</b> 	<b>Street Address 2</b> 
<b>City</b> 	<b>State</b> 
<b>Country</b> Select Country	<b>Zip Code</b> 
<b>Phone</b> - -	

# Application or Intent to Bid (cont.)

## Step 5: Attestation

- The final step of the application process is to certify to the attestation as shown below. This step is required by all reserve sale participants.

Do you attest that all information is correct?

---

**The following attestation is required.**

I certify that the entity has not been the subject of any previous or currently pending investigations related to any alleged violation of any law, rule, or regulation in connection with any commodity market, exchange, or by the Securities and Exchange Commission or Commodity Futures Trading Commission.

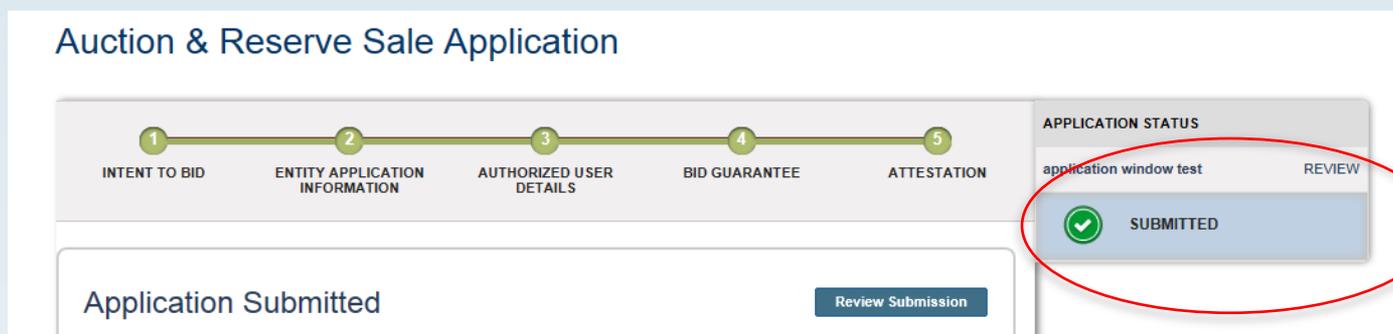
Yes  No

If no, please provide an explanation:

Explanation

# Application Status

- Once a participant has submitted their application or intent to bid, the Application Status bar on the right hand side of the Auction Platform will show the application status as submitted with a green checkbox.



- Participants will receive an email from [auctionsupport@markit.com](mailto:auctionsupport@markit.com) confirming receipt of the reserve sale application.

# Example Application Received Email



## Hello from Auction Administrator

Thank you for applying for the upcoming [reserve sale name]. Your request is under review.

Outlined below are the next steps in the auction and reserve sale application approval process:

- The Financial Services Administrator, Deutsche Bank National Trust Company, will establish your account.
- Once your account is established, you will be informed of the process to submit your bid guarantee for the upcoming [reserve sale name].
- Once the Financial Services Administrator receives your bid guarantee, ARB will complete the final application review. You will be informed of your qualification status to participate in the reserve sale no later than two business days prior to the reserve sale.

If you have any questions, please contact us at [auctionsupport@markit.com](mailto:auctionsupport@markit.com).

Thank you

Markit Auction Administrator Support Team

# Example Application Approved



## Hello from Auction Administrator

Your application for the upcoming [reserve sale name] has been approved.

The reserve sale window will be open from [10:00 AM to 1:00 PM PST on [reserve sale date]]. More information on the reserve sale, including an instructional video and user guide, can be found in the Auction Platform under the Resources tab.

If you have any questions, please contact us at [auctionsupport@markit.com](mailto:auctionsupport@markit.com).

Thank you

Markit Auction Administrator Support Team

# Bid Submission Bidding Window



- The bidding window can be accessed by clicking on the Reserve Sale tab on the top banner of the Auction Platform.
- Reserve sale participants will be able to see whether the reserve sale window is open or closed on the right hand side of the top banner of the Auction Platform by either a green or red light (a green light as shown above signifies the reserve sale bidding window is open).

# Bid Submission

- Participants will be able to submit bids manually and upload bid schedules in the Auction Platform during the 3-hour bidding window.
- For each bid the following must be entered:
  - Tier Number (Tier 1, Tier 2, or Tier 3)
  - Number of Bid Lots (1 lot = 1,000 allowances)
- The Number of Total Allowances will be calculated based on Number of Bid Lots entered.

# Bid Submission

## Reserve Sale Page

- Reserve sale participants will be prompted to enter their bids in whole United States Dollars (“USD”) and whole cents, only.
- Participants can edit or withdraw their bids submitted during the 3-hour reserve sale bidding window.

The screenshot displays the 'Auction & Reserve Sale Platform' interface. At the top, there is a navigation bar with 'Home', 'Resources', 'Archive', 'Application', and 'Reserve Sale' (highlighted). A green indicator shows 'AUCTION IS OPEN'. The main content area is titled 'Reserve\_Sale\_Test2\_20 Details' and contains three columns for Tier One, Tier Two, and Tier Three. Each tier has a table with 'Total Allowance' and 'Total Allowance Bid' in the top row, and 'Reserve Price' and 'Total Bids' in the bottom row. Below the tiers is a 'Bidding Closes In' section with a red progress bar and a timer showing 17:22:15. To the right, there are two time zones: PT (13:37:43) and ET (16:37:43). At the bottom, there is a link for 'Submitted Bids'.

Tier One		Tier Two		Tier Three	
Total Allowance	Total Allowance Bid	Total Allowance	Total Allowance Bid	Total Allowance	Total Allowance Bid
40,000,000	10,000	40,000,000	--	40,000,000	--
Reserve Price	Total Bids	Reserve Price	Total Bids	Reserve Price	Total Bids
\$40.00	1	\$45.00	0	\$50.00	0

Bidding Closes In **17:22:15** | 20 Hours | 10 Hours | 6 Hours

PT: 13:37:43 | ET: 16:37:43

[Submitted Bids](#)

# Bid Submission

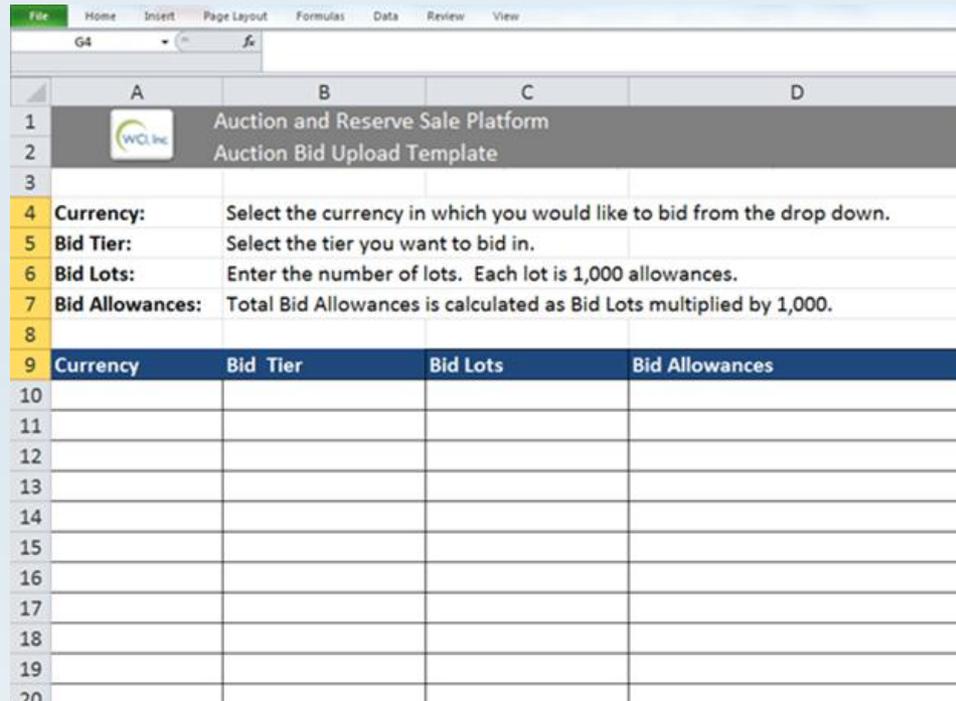
## Upload Bid Schedule

- Bid schedules are uploaded based on a pre-formatted spreadsheet available in the reserve sale screen and on the Auction Platform home page to the right under Reports template.

The screenshot shows the homepage of the Auction & Reserve Sale Platform. At the top, there is a dark header with the WCI, Inc. logo on the left, the text "Auction & Reserve Sale Platform" in the center, and "Welcome, Test Org | LOGOUT | SUPPORT" on the right. Below the header is a navigation bar with tabs for "Home", "Resources", "Archive", "Application", and "Auction". The "Auction" tab is active, and a sub-menu is open showing "Reserve Sale". To the right of the navigation bar, it says "AUCTION IS OPEN" with a green indicator. The main content area has a blue banner with the text "Welcome to the GHG Allowance Auction & Reserve Sale Platform". Below the banner, there are three main sections: "Auctions Welcome" with a description of the platform's purpose, "About the Platform" with a video player showing a play button, and "REPORTS" which includes a "Document Type" dropdown set to "Template", a "Report or Document" dropdown set to "Bids Upload", and a "Download" button.

# Bid Submission

## Upload Bid Schedule Example



The screenshot shows an Excel spreadsheet with the following content:

	A	B	C	D
1		Auction and Reserve Sale Platform		
2		Auction Bid Upload Template		
3				
4	<b>Currency:</b>	Select the currency in which you would like to bid from the drop down.		
5	<b>Bid Tier:</b>	Select the tier you want to bid in.		
6	<b>Bid Lots:</b>	Enter the number of lots. Each lot is 1,000 allowances.		
7	<b>Bid Allowances:</b>	Total Bid Allowances is calculated as Bid Lots multiplied by 1,000.		
8				
9	<b>Currency</b>	<b>Bid Tier</b>	<b>Bid Lots</b>	<b>Bid Allowances</b>
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

- All bids will be uploaded from the spreadsheet into the bidding window and will be viewable on the Reserve Sale tab.
- During the bidding window an individual bid uploaded from the bid schedule may be deleted or edited.

# Bid Submission

## Upload Bid Schedule Example (cont.)

- Bid schedules can be uploaded during the 3-hour bidding window using the Upload Bids function.
- The Upload Bids function is completed in 3 easy steps:
  1. Select Document – Excel spreadsheet with bids
  2. Process Spreadsheet – upload bids from the spreadsheet for submittal
  3. Submit Bids – Confirm the spreadsheet and Submit the bids uploaded from the selected spreadsheet

The screenshot shows a web interface titled "Upload Bids" with a progress bar at the top indicating three steps: 1. SELECT DOCUMENT, 2. PROCESS SPREADSHEET, and 3. SUBMIT BIDS. The first step is active, showing a "Select Document" input field with a "Browse" button. Below the input field, there is a link for "Download Excel Template" and a note: "Note: After adding event data, save the template as an .xls or .xlsx file". The second and third steps are represented by large, light blue numbers "2" and "3" in their respective panels.

# Bid Submission

## Upload Bid Schedule Example (cont.)

- Bid Upload function Step 3

The image displays two screenshots of the 'Upload Bids' web interface, illustrating Step 3 of the bid submission process. Both screenshots show a progress bar at the top with three steps: 1. SELECT DOCUMENT, 2. PROCESS SPREAD SHEET, and 3. SUBMIT BIDS. The second screenshot is positioned in front of the first, indicating a progression in the process.

**Top Screenshot (Step 3 - File Confirmation):**

- Select Document:** Shows a text input field containing 'Upload Bids Template - 323(EtoE1).xlsx' and a 'Browse' button. Below it is a link for 'Download Excel Template' and a note: 'Note: To select a spreadsheet, select Browse. File uploaded must be in Excel .xlsx or .xls format.'
- Completed:** A large box with the word 'Completed' in the center.
- File Confirmation:** A box with the title 'File Confirmation' and the text: 'Excel Template Upload Bids Template - 323(EtoE1).xlsx has been selected to be uploaded. Please confirm this is the correct file.' Below this are three bullet points: 'Click "Confirm" to upload the bids.', 'Or, Click "Cancel" to close the Upload Bids dialog box.', and 'OR Click "Browse" (Step 1) to upload a different file.' At the bottom are 'Cancel' and 'Confirm' buttons.

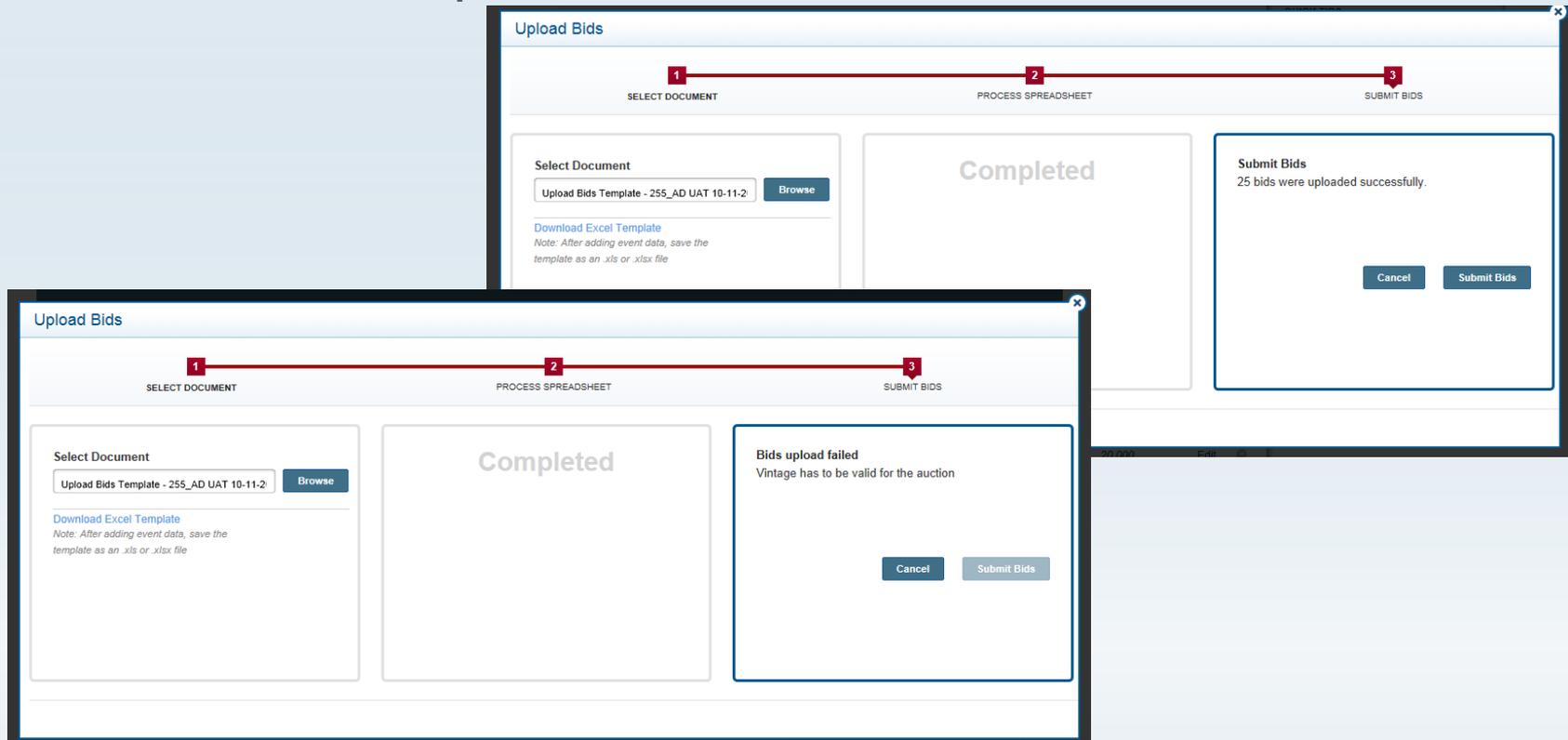
**Bottom Screenshot (Step 3 - Bids Successfully Uploaded):**

- Select Document:** Shows a text input field containing 'Upload Bids Template - 323(EtoE1).xlsx' and a 'Browse' button. Below it is a link for 'Download Excel Template' and a note: 'Note: To select a spreadsheet, select Browse. File uploaded must be in Excel .xlsx or .xls format.'
- Completed:** A large box with the word 'Completed' in the center.
- Bids Successfully Uploaded for Submittal:** A box with the title 'Bids Successfully Uploaded for Submittal' and the text: '6 bids were successfully uploaded.' Below this are three bullet points: 'Click "Submit" to complete the bid submittal process', 'OR Click "Cancel" to close the upload bid dialog box', and 'OR Click "Browse" (Step 1) to upload a different file'. At the bottom are 'Cancel' and 'Submit' buttons.

At the bottom right of the bottom screenshot, there is a small text label: 'submitted bid is accurate'.

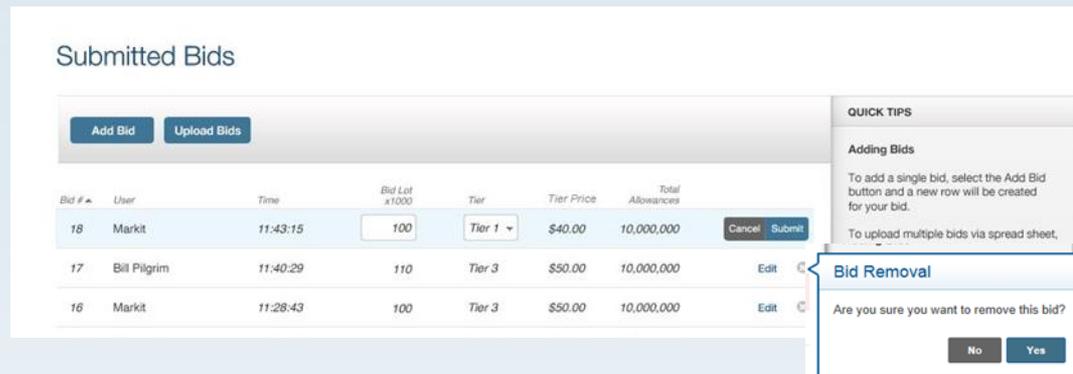
# Bid Schedule Submission

- The Auction Platform will confirm successful or failed bid schedule upload.



# Bid Deletion and Editing

- During the bidding window a bid may be deleted or edited.
  - To delete, click the  and then click “Yes” to confirm the Bid Removal



The screenshot displays the 'Submitted Bids' interface. At the top, there are buttons for 'Add Bid' and 'Upload Bids'. Below these is a table with columns: Bid #, User, Time, Bid Lot x1000, Tier, Tier Price, Total Allowances, and actions (Cancel/Submit or Edit). A 'Bid Removal' dialog box is open over the table, asking 'Are you sure you want to remove this bid?' with 'No' and 'Yes' buttons.

Bid #	User	Time	Bid Lot x1000	Tier	Tier Price	Total Allowances	Actions
18	Markit	11:43:15	100	Tier 1	\$40.00	10,000,000	Cancel Submit
17	Bill Pilgrim	11:40:29	110	Tier 3	\$50.00	10,000,000	Edit
16	Markit	11:28:43	100	Tier 3	\$50.00	10,000,000	Edit

- To edit, click “Edit” and make required changes. Changes are confirmed by clicking “Submit,” similar to the process of initial entry of the bid.

# Bid Submission Confirmation

The screenshot shows the 'Auction & Reserve Sale Platform' website. At the top, there is a navigation bar with 'Home', 'Resources', 'Archive', 'Application', and 'Auction' links. A status bar indicates 'AUCTION IS CLOSED'. The main header area contains the text 'Welcome to the GHG Allowance Auction & Reserve Sale Platform'. Below this, a central banner states 'The next Quarterly Auction will be held on January 01, 2013' with a digital countdown timer showing '04:10:08' (Days, Hours, Mins). To the left, the 'Auctions Welcome' section provides details on the auction format. In the center, the 'About the Platform' section includes a video player and a list of recent auctions: 'ARB December UAT Auction\_Dec 6', 'ARB December UAT Auction\_Dec 11', '2012 Q4 UAT Auction #2', and '2012 Q4 UAT Auction #1'. On the right, a 'REPORTS' sidebar offers filters for 'Document Type' (Auction, Template) and 'Report or Document' (Bids Audit, For PP Doc, Organization Results, Bids Audit). Below this are sections for 'AUCTION HIGHLIGHTS' and 'NOTICES', with a 'VIEW ALL' link. The footer of the page includes 'DEL CARS' and 'VIEW ALL'.

WCI Inc. Auction & Reserve Sale Platform

Welcome uat - arb - par 4, Test\_Primary | SUPPORT  
CHANGE PASSWORD | LOGOUT  
Last login 28-Dec-2012 10:35AM PST

Home Resources Archive Application Auction AUCTION IS CLOSED

Welcome to the GHG Allowance Auction & Reserve Sale Platform

The next Quarterly Auction will be held on January 01, 2013

04:10:08  
DAYS HOURS MINS

Auction Reserve Price \$10.00 USD

### Auctions Welcome

The GHG allowance auctions follow a sealed bid, single round, uniform price (lowest winning bid) format. Each bidder may submit multiple bids and bid schedules for current or future vintage allowances. Allowances from current and future vintages will be offered in separate auctions in lot sizes of 1,000 allowances (equal to 1,000 metric tons of GHG's). For each quarterly allowance auction, there is a reserve price or price floor. For the Allowance Price Containment Reserve (reserve sale), there are three pre-determined price tiers.

### About the Platform

To learn more about how to navigate the Auction Platform, click the play button above for an instructional video.

- For PP Doc
- ARB December UAT Auction\_Dec 6
- ARB December UAT Auction\_Dec 11
- 2012 Q4 UAT Auction #2
- 2012 Q4 UAT Auction #1

### REPORTS

Document Type  
Auction Template

Report or Document  
Bids Audit; For PP Doc  
Organization Results  
Bids Audit

### AUCTION HIGHLIGHTS

### NOTICES

VIEW ALL

- NOTICE 2013 Q1 AUCTION FEBRUARY 19 DECEMBER 21, 2012
- NOTICE 2013 Q1 AUCTION FEBRUARY 19 ATTACHMENT A DECEMBER 21, 2012
- NOTICE 2013 Q1 AUCTION FEBRUARY 19 ATTACHMENT B DECEMBER 21, 2012

DEL CARS VIEW ALL

### Auctions Calendar

# Example Client Bid Audit Report

The screenshot shows an Excel spreadsheet with the following data:

	A	B	C	D	E	F	G	H	I	J	K
1	Date	2/19/2013									
2	Reserve Sale	Reserve 1_2013_March									
3											
4											
5	Client Bid ID	Transaction ID	Entity Legal Name	Update Type	Update By	Update Date	Update Time	Tier	Tier Price	Bid Lots	Bid Allowances
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											

# Reserve Sale Results

- Reserve sale participants will receive an email from [auctionsupport@markit.com](mailto:auctionsupport@markit.com) to notify them that results are available for the reserve sale.
- The reserve sale results email will include notification to download the Organization Results Report (financial settlement invoice) from the Auction Platform.
- Receipt of the email informing the entity of the availability of the Organization Results Report constitutes delivery of the financial settlement invoice.

# Example Reserve Sale Results Available Email



## Hello from Auction Administrator

This is to notify you that the results of the recently conducted reserve sale on [reserve sale date] are now available to be viewed. Please log into the Auction Platform and download the Organization Results Report from the Home Page. To download your Organization Results Report, click on reserve sale on the right hand side of the screen. Under Report or Document, select Organization Results, then click on [reserve sale Name] and download the Organization Results Report.

Payment is due within seven days of receipt of this notification. This notification provides availability of the invoice in the Auction Platform. Payment instructions are available for download in the Auction Platform. Account numbers are not shown in full for security reasons.

Wiring Instructions for settlement:

Deutsche Bank Trust Company Americas  
ABA# \*\*\*\*\*033 - New York NY

...

To download your wiring instructions, which include the Deutsche Bank Account Name, Port number, ABA number, and DDA number, please log into the Auction Platform. Once logged into the Auction Platform, click on Templates on the right hand side of the screen. Under Report or Document, select Wiring Instructions, then click on [reserve sale Name] and download the wiring instructions form.

If you have any questions, please contact us at [auctionsupport@markit.com](mailto:auctionsupport@markit.com).

Thank you

Markit Auction Administrator Support Team

# Financial Services Administration

- Application Review and Account Established
- Bid Guarantee Process
- Bid Guarantee Requirements
- Bid Guarantee Review
- Bid Guarantee Revisions
- Financial Settlement
- Bid Guarantee Return

# Application Review and Account Established

- Financial Services Account Established (first time auction or reserve sale participant) or Verified (previous auction or reserve sale participant).
  - Email notification from [auctionsupport@markit.com](mailto:auctionsupport@markit.com) upon account being established with instructions on how to obtain your account number and submit your bid guarantee.
  - Upon receipt of this email, you can deposit your bid guarantee with the Financial Services Administrator.
  - Wiring Instructions Template on Reports Tab.

# Example Application Review and Account Established Email



## Hello from Auction Administrator

This is to inform you that your application has been reviewed and your account has been established with the Financial Services Administrator - Deutsche Bank National Trust Company. The next step in the application process is to submit your bid guarantee for the upcoming [Reserve Sale Name]. Please be sure to submit your bid guarantee by no later than 2:00 PM Pacific Time on [Bid Guarantee Due Date].

Below is your bid guarantee account information. Account numbers are not shown in full for security reasons.

Deutsche Bank Account Number: \*\*\*\*\*

Deutsche Bank Account Name: Company Name

Wiring Instructions for cash:

Deutsche Bank Trust Company Americas

ABA#

...

Mailing/Federal Express Instructions for Certified Checks, Letters of Credit and Bond forms:

Payable to Deutsche Bank National Trust Company

Mailing Address:

...

To download your wiring instructions, which include the Deutsche Bank Account Name, Port number, ABA number, and DDA number, please log into the Auction Platform. Once logged into the Auction Platform, click on Templates on the right hand side of the screen. Under Report or Document, select Wiring Instructions, then click on [Reserve Sale Name] and download the wiring instructions form.

...

# Bid Guarantee Submittal Process

- All bid guarantees must be received by the Financial Services Administrator by the deadline provided in the Auction Notice and Reserve Sale Notice.
- You are encouraged to send in your bid guarantee as soon as you receive the email that your account has been established with the Financial Services Administrator.
- Once your bid guarantee is received, reviewed and deposited by the Financial Services Administrator, you will receive an email from [auctionsupport@markit.com](mailto:auctionsupport@markit.com) confirming your bid guarantee was received by the Financial Services Administrator.

# Bid Guarantee Requirements

## – Cash or Wire Transfer

- Cash wire transfers or certified funds must be received by the Financial Services Administrator by the deadline provided in the Reserve Sale Notice.
- The cash wire details will include the following information:
  - Bank Name
  - Beneficiary name
  - Account number
  - ABA routing number
  - Payment Details

# Bid Guarantee Requirements

## – LOC or Bank Bond

- LOC or Bank Bond must be issued by a U.S. Financial Institution with a U.S. Banking License.
- The required terms for an LOC or Bank Bond are:
  - Party named as Applicant on LOC or Bank Bond must be identical to that named in the participant's application.
  - Deutsche Bank National Trust Company must be named as beneficiary.
  - LOC must be irrevocable.
  - The amount of the LOC or Bank Bond must be included.

# Bid Guarantee Requirements

## – LOC or Bank Bond (cont.)

- The expiration or maturity date must be no earlier than 21 days after the scheduled reserve sale.
- There must be instructions on where to submit the LOC or Bank Bond for payment and contact information for the LOC Bank.
- The Financial Services Administrator must be able to submit a draw via facsimile.
- LOC must include a payment certificate/form of draw as an annex or exhibit.
- LOC must be payable within 1 business day.

# Bid Guarantee Review

- The Financial Services Administrator will review and communicate any deficiencies with bid guarantees submitted to the bidder.
- The bidder will need to work with their financial institution to resolve deficiencies.
- Bidders that intend to submit either an LOC or Bank Bond are encouraged to remit it as soon as they are notified that their account has been established or verified by the Financial Services Administrator.

# Bid Guarantee Revisions

- If a bid guarantee provided to the Financial Services Administrator needs to be revised:
  - The applicant would be notified by the Financial Services Administrator.
  - The applicant would contact their financial institution and request an amendment to their bid guarantee.
  - All amendment **MUST** be completed and resubmitted in advance of the bid guarantee submittal deadline in the Auction Notice or Reserve Sale Notice.
- If a bidder after submitting a bid guarantee finds they need to revise the guarantee, they should contact the Financial Services Administrator.

# Example Bid Guarantee Received Email



## Hello from Auction Administrator

This is to notify you that the Financial Services Administrator has received and successfully processed your bid guarantee for the upcoming [Auction Name]. Your application is now pending ARB approval.

If you have any questions, please contact us at [auctionsupport@markit.com](mailto:auctionsupport@markit.com).

Thank you

Markit Auction Administrator Support Team

# Financial Settlement

- Successful bidders download their Organization Results Report (financial settlement invoice) from the Auction Platform.

The screenshot shows the 'Auction & Reserve Sale Platform' website. The header includes the WCI, Inc. logo, the platform name, and user information: 'Welcome Utility#3, C. Smith', 'SUPPORT', 'CHANGE PASSWORD', and 'LOGOUT'. A navigation menu contains 'Home', 'Resources', 'Archive', 'Application', and 'Reserve Sale'. A status indicator says 'AUCTION IS CLOSED'. The main content area has a blue banner with the text 'Welcome to the GHG Allowance Auction & Reserve Sale Platform'. Below this, there are three sections: 'Auctions Welcome' with a paragraph of text, 'About the Platform' with a video player (labeled 'Reserve\_Sale\_Test2\_50') and a caption, and a 'REPORTS' sidebar with a dropdown menu showing 'Organization Results' selected. Other sidebar sections include 'AUCTION HIGHLIGHTS' and 'NOTICES' with a 'VIEW ALL' link.

# Financial Settlement Invoice

- Reserve Sale Information
- Account Information
  - Financial Services Account
  - CITSS General Account
  - Bid Guarantee
  - Amount Due to Financial Services Administrator
  - Wiring Instructions
- Bid Information
  - Tier Price
  - Successful Bids by Tier
  - Total Bid Cost by Tier
  - Sum of Total Bid Cost (All Tiers)

# Financial Settlement

- For successful bidders that submitted a cash bid guarantee, the cash will be applied to the settlement amount owed.
- Successful bidders that submitted an LOC or Bank Bond as a bid guarantee must provide payment in cash, no later than 7 days after receipt of the email notification of availability of the results.
  - Wiring instructions can be downloaded from the Auction Platform.
  - No bank/cashiers checks will be accepted.
  - Any checks received will be returned and the Financial Services Administrator will draw on the bid guarantee to settle the invoice.
- Financial Services Administrator will draw/liquidate the bid guarantees to cover any amounts due but not received from a successful bidder by the due date and time provided in the Auction Notice or Reserve Sale Notice.

# Bid Guarantee Return

- All bid guarantees for unsuccessful bidders, regardless of type, will be returned within 2 - 3 business days after the auction or reserve sale is certified.
- For successful bidders, any unused cash bid guarantee will be returned no later than the day after settlement is due.
- Any LOC or Bank Bond will be returned no later than 12 days after certification of the auction or reserve sale.

# Example Final Email



## Hello from Auction Administrator

This email is to notify you that the recent [Auction Name] is final. Financial settlement is complete and the Auction is now closed.

If you have any questions, please contact us at [auctionsupport@markit.com](mailto:auctionsupport@markit.com).

Thank you

Markit Auction Administrator Support Team

*Note: your username for the Auction Platform is the email address that the email invitation was sent to and NOT your CITSS username.*

# Resources & Training Material

- Training materials are available on the Resources tab of the Auction Platform.
- Training materials available on the public Home page of the Auction Platform include:
  - Reserve Sale Guide
  - Frequently Asked Questions (FAQs)
  - Training webinar video
  - Calendar of reserve sale activities
- Additional materials will be available to reserve sale participants once they have received an account in the Auction Platform.
- Today's presentation is available at: [www.arb.ca.gov/auction](http://www.arb.ca.gov/auction)

# Reserve Sale and Financial Services Contact Information

- Auction Administrator
  - Email support available 24 hours M-F
    - [auctionsupport@markit.com](mailto:auctionsupport@markit.com)
  - Call from 8 AM to 6 PM PT 1(877) 762-7548
- Financial Services Administrator
  - Email support available M-F
    - [CAARB.inbox@db.com](mailto:CAARB.inbox@db.com)
  - Call (212) 250-6645

# Air Resources Board Contact Information

- If you have any questions about completing the CITSS registration and account application process, please contact the CITSS Help Desk at: [help@wci-citss.org](mailto:help@wci-citss.org) or by phone at: 1-866-682-7561.
- If you have policy related questions regarding the Cap-and-Trade Program, please contact the Air Resources Board at: (916) 322-2037.

# Question and Answer Session

- Please submit questions through the webinar system in the Q&A section of the webinar.