

California Air Resources Board  
Auction Bidders' Conference  
and  
Participant  
Training Presentation

# Bidders' Conference Agenda

- Introduction
- Auction Summary / Auction Schedule
- Administrative Requirements
- Application Process
- Bid Guarantee Requirements
- Purchase Limits
- Holding Limits
- Auction Bidding
- Bid Limitations
- Settlement Determination
- Market Monitoring
- Auction Results
- Financial Settlement

# 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 auctions to allow market participants to acquire allowances directly from ARB.

# Auction Summary

- Auction notices are posted 60 days prior to each auction.
- The number of GHG allowances that will be available for sale during each auction is provided in the notices posted prior to each event.
- 2013 Auction Reserve Price: USD \$10.71 (for both the Current Auction and Advance Auction).

# Auction Schedule

| Activities   | Auction Time Period             | Time   |
|--|---------------------------------|--|
| Application window opens in the Auction Platform           | 60 days prior to auction        | 12:00 (Noon) PT                                |
| Application window closes in the Auction Platform          | 30 days prior to auction        | 11:59 PM PT                                    |
| All bid guarantees due to Financial Services Administrator | 12 days prior to auction        | No later than 2:00 PM PT                       |
| ARB approves participants and participants notified        | 2 days prior to auction         | No later than 5:00 PM PT                       |
| Auction conducted  | Date provided in Auction Notice | Bidding window open from 10:00 AM – 1:00 PM PT |
| Public notice of results released                          | 3 business days after auction   | 12:00 (Noon) PT                                |

# Auction Schedule

| Activities  | Auction Time Period   | Time                     |
|---|---|--------------------------|
| Notification of the availability of financial settlement invoice sent to auction participants | 3 business days after auction   | 12:00 (Noon) PT          |
| Financial settlement in cash due to Financial Services Administrator                          | 7 days after notification of the availability of the settlement invoice | No later than 2:00 PM PT |
| Financial reconciliation complete   | 3 business days after financial settlement is due                       |                          |
| Proceeds distributed  | Completed by 6 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          |
| Earliest Date for Bid Guarantee Expiration  | 21 days after auction   |                          |

# Administrative Requirements

- Eligibility
  - Covered entities, opt-in covered entities, and voluntarily associated entities are eligible to participate in GHG allowance auctions.
- CITSS
  - Prior to participating in an auction or reserve sale, the entity must have an entity account in the CITSS which requires a Primary Account Representative (PAR) and at least one Alternate Account Representative (AAR) that must be approved users in the Compliance Instrument Tracking System Service (CITSS).
  - 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 an auction or confirm intent to bid
- Submit bid guarantee
- Receive notification of approval to participate

# CITSS Auction

## Participation Box Selection

- To be able to participate in an auction, 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 account information is transferred to the Auction Administrator to facilitate participation in an auction, 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 “application” whether an initial auction or reserve sale application or intent to bid is being submitted or an intent to bid is being confirmed.

# Application or Intent To Bid

- Step 1: Apply to participate or confirm intent to bid in the auction (PAR or 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 application
- If account representative or entity account information needs to be updated, these updates should be completed in the CITSS prior to completing Step 1.
- An 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 Auction Notice.

# Bid Guarantee Requirements

- Financial guarantee instruments for an auction 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.

# Determining Auction Bid Guarantee

- Bidders submit a single bid guarantee that would be used first for the Current Auction and any remainder applied to bids in the Advance Auction if the bidder submits bids for both auctions.
- *Bid guarantee determination example:*

| Entity Name | Bid Price | Bid Lots | Bid Number of Allowances | Total Costs        |
|-------------|-----------|----------|--------------------------|--------------------|
| Entity E    | \$ 17.46  | 300      | 300,000                  | \$5,238,000        |
| Entity E    | \$ 15.53  | 180      | 180,000                  | \$7,454,400        |
| Entity E    | \$ 13.66  | 85       | 85,000                   | <b>\$7,717,900</b> |
| Entity E    | \$ 10.71  | 35       | 35,000                   | \$6,426,000        |

- *Recommended bid guarantee is \$7,717,900.*
- *If the settlement price is \$10.71 and all allowances are awarded, then the bid guarantee remaining for the Advance Auction is \$ 1,291,900 (\$7,717,900 - \$6,426,000).*

# Purchase Limits

- A purchase limit is the number of allowances one entity or a group of directly associated entities may purchase from the allowances sold at a quarterly auction.
- Purchase limits for the Current Auction are:
  - Covered entities and opt-in covered entities - fifteen (15) percent of the allowances offered for auction;
  - Electrical distribution utilities - forty (40) percent of the allowances offered for auction; and
  - All other auction participants - four (4) percent of the allowances offered for auction.
- Purchase limit for the Advance Auction of future vintage allowances is 25 percent of the allowances offered for auction for all participants.

# Determining Your Purchase Limit

- Purchase Limit Calculation
  - Multiply your category's purchase limit by the total amount of allowances available for auction.
  - Example: (electrical distribution utility category)
    - Total number of allowances for sale = 3,900,000 allowances
    - Purchase Limit:  $3,900,000 * 0.40 = 1,560,000$

|   |     | Purchase Limit |
|---|-----|----------------|
| Electrical Distribution Utility         | 40% | 1,560,000      |
| Covered Entity or Opt-In Covered Entity | 15% | 595,000        |
| Voluntarily Associated Entity           | 4%  | 156,000        |

- Purchase limit for the Advance Auction is 25% for all entities.

# Holding Limits

- 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.
- Holding limit does not apply to allowances held in the Limited Use Holding Account.

# Determining Your Holding Limit

- Holding Limit Calculation:
  - 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 the entity's total surrender obligation for the compliance period.

# Limited Exemption

## Holding Limit Determination

- 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 an auction based on balances in CITSS accounts at approximately 12:00 PM (Noon) PT the day prior to the auction.
- 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 auction and will only reflect the account balances in CITSS the day before the auction.
- Account holders are responsible to ensure that there will be no holding limit violation once allowances are transferred after settlement.

# Auction Bidding

- Bidding window will be open 3 hours.
  - 10:00 a.m. to 1:00 p.m. PT
  - Bids submitted during 3-hour bidding window
  - Manual bid entry or upload of Excel bid schedule
- 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.

# Auction Bid Example

- When bidding in an auction, the Bid Price, Bid Lots, and Instrument Vintage are entered for each bid.
- The Bid Number of Allowances is calculated as the number of Bid Lots X 1,000.

| Entity Name | Bid Price | Bid Lots | Bid Number of Allowances | Instrument Vintage |
|-------------|-----------|----------|--------------------------|--------------------|
| A           | \$ 20.08  | 130      | 130,000                  | 2013               |
| A           | \$ 16.33  | 190      | 190,000                  | 2013               |
| A           | \$ 13.66  | 135      | 135,000                  | 2013               |
| A           | \$ 10.98  | 125      | 125,000                  | 2013               |

# Bid Limitations

- Auction bids are rejected if they violate the reserve price floor (\$10.71 per allowance).
- Auction bids rejected in lots of 1,000 if it:
  - Violates holding limit if accepted
  - Violates purchase limit if accepted
  - Exceeds bid guarantee if accepted
    - Bid guarantee limitation is assessed at all possible settlement prices for an auction.
- Rejected bid quantities are not considered in determining the settlement price in an auction.

# Auction Bid Limitations Example

## Bid Limitations Example: Entity D

|                |              |
|----------------|--------------|
| Holding Limit  | 5,945,000    |
| Purchase Limit | 1,560,000    |
| Bid Guarantee  | \$26,814,400 |

## Submitted Bids

| Bid #  | Bid Price | Bid Lots | Allowances | Cumulative Allowances | Cumulative Cost |
|--------|-----------|----------|------------|-----------------------|-----------------|
| Bid #1 | \$19.06   | 900      | 900,000    | 900,000               | \$17,154,000    |
| Bid #2 | \$16.28   | 780      | 780,000    | 1,680,000             | \$27,350,400    |

## Qualified Bids – Purchase Limit

| Bid #  | Bid Price | Bid Lots | Allowances | Cumulative Allowances | Cumulative Cost |
|--------|-----------|----------|------------|-----------------------|-----------------|
| Bid #1 | \$19.06   | 900      | 900,000    | 900,000               | \$17,154,000    |
| Bid #2 | \$16.28   | 660      | 660,000    | 1,560,000             | \$25,396,800    |

## Qualified Bids – Bid Guarantee

| Bid #  | Bid Price | Bid Lots | Allowances | Cumulative Allowances | Cumulative Cost |
|--------|-----------|----------|------------|-----------------------|-----------------|
| Bid #1 | \$19.06   | 900      | 900,000    | 900,000               | \$17,154,000    |
| Bid #2 | \$16.28   | 747      | 747,000    | 1,647,000             | \$26,813,160    |

# Auction Settlement and Bid Fulfillment Determination

- Submitted bids are ranked from highest to lowest by price after close of bidding window.
- Qualified bids are filled until reserve price is reached or price at which total allowances sold is equal to or exceeds total allowances offered for sale.
- Bid evaluation and settlement price for the Current Auction and Advance Auction are conducted separately, in consecutive order.
- If total allowances bid exceeds total allowances offered, tie breaker process is used.

# Tie Breaker Process

| Entity | Bid Price | Bid Lots | Share  | Allowances from Share | Random Number | Allowances Assigned Randomly |
|--------|-----------|----------|--------|-----------------------|---------------|------------------------------|
| A      | \$ 13.66  | 135      | 61.36% | 44,181                | 5             | 1                            |
| E      | \$ 13.66  | 85       | 38.64% | 27,818                | 77            | 0                            |
|        |           | 220      |        | 71,999                |               | 1                            |

- Total allowances available at settlement price is 72,000, bids were placed for 220,000 allowances (220 lots X 1000).
- Each entity's share of allowances awarded is determined based on share of total bids at the bid price (settlement price).
- Allowances awarded is determined as share multiplied by available allowances (rounded down to nearest whole allowance).
- Remaining allowances randomly distributed.

# 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 an auction, 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 an auction, 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 monitoring results to the Executive Officer.

# Auction Results

- The public results report for an auction will be posted on the ARB website and the WCI, Inc. website.
  - The date the posting is anticipated is in the Auction 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 auction results.
- The results report provides general results and statistics of the auction.

# Auction Results

- Auction results will include the following:
  - Number of allowances available at auction
  - Number of allowances sold at auction
  - List of qualified bidders
  - Ratio of total quantity of submitted and qualified allowances bid to total allowances available for sale
  - Percent of allowances won by compliance entities (this category includes opt-in entities)
  - Settlement Price
  - Auction Reserve Price
  - Herfindahl-Hirschman Index (HHI)
  - Bid Price Summary Statistics

# Auction Results Notification

- Auction participants will receive an email from [auctionsupport@markit.com](mailto:auctionsupport@markit.com) to notify them that results are available for the auction.
- The results email will include notification to download the entity's 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 receiving the email notifying them of the availability of their results.
- 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.

## Questions and Answers

-Please submit questions in writing through the webinar software

# 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
  - Auction 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 (equal to 1,000 metric tons of GHG's). For

#### 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

#### UPDATES [VIEW ALL](#)

# 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)
- Auction or Reserve Sale Results Available
- Auction or 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 Landing Page (<https://www.wci-auction.org>) 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 [Auction or 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

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

# 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 an auction application period is open, the representatives will be able to access the Auction Platform to complete an 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.
- The Auction Platform requires each individual to establish security questions.

# Representatives of Multiple Entities

**Select An Account**

Please select an account.

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

Select the participant account you are representing during this session in the Auction and Reserve Sale Platform by clicking on the checkbox and clicking OK.

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 Markit Support at [auctionsupport@markit.com](mailto:auctionsupport@markit.com).

**Select Participant Account**

Utility#3  
Utility#3 - CA1008-1018

Utility #3  
Utility #3 - CA1003-1006

Cancel OK

# Application or Intent to Bid

- First time participants - one account representative must submit an auction 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 application
- For simplicity, the Auction Platform uses the term application whether an initial 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.

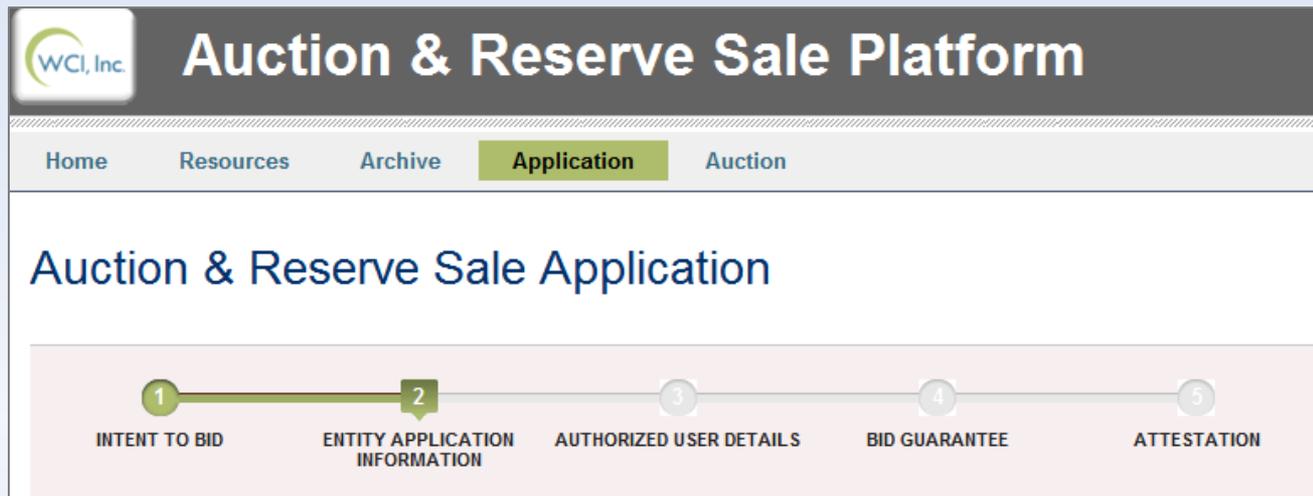
# Application or Intent to Bid (cont.)

- 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 displays the WCL Inc. Auction & Reserve Sale Platform landing page. The header includes the WCL Inc. logo, the platform name, and user options like 'Welcome, Test Org', 'LOGOUT', and 'SUPPORT'. A navigation menu contains 'Home', 'Resources', 'Archive', 'Application', and 'Auction'. A status indicator shows 'AUCTION IS CLOSED'. The main content area features a welcome message, a countdown timer for the next quarterly auction (September 04, 2012) at 28:07:45, and a table for auction reserve prices and FX rates. The page is divided into sections for 'Auctions Welcome', 'About the Platform' (with a video player), 'REPORTS' (with document type filters and a download button), 'AUCTION HIGHLIGHTS', and 'NOTICES' (with a 'VIEW ALL' link).

# 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, you will need to select the auction 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 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.

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 selection(s), forms for return instructions will be automatically generated in the Auction Platform
  - Letters of Credit and Bank Bonds, complete the required Post Auction Return Instructions form (as shown below).

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

Same as mailing address

|  |   |
|--|---|
| <b>Entity Legal Name</b><br><input type="text" value="Application Org 3"/>         | <b>Individual Name</b><br><input type="text"/>  |
| <b>Street Address</b><br><input type="text"/>                                      | <b>Street Address 2</b><br><input type="text"/> |
| <b>City</b><br><input type="text"/>  | <b>State</b><br><input type="text"/>            |
| <b>Country</b><br><input type="text" value="Select Country"/>                      | <b>Zip Code</b><br><input type="text"/>         |
| <b>Phone</b><br><input type="text"/> - <input type="text"/> - <input type="text"/> |   |

# 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 auction 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.

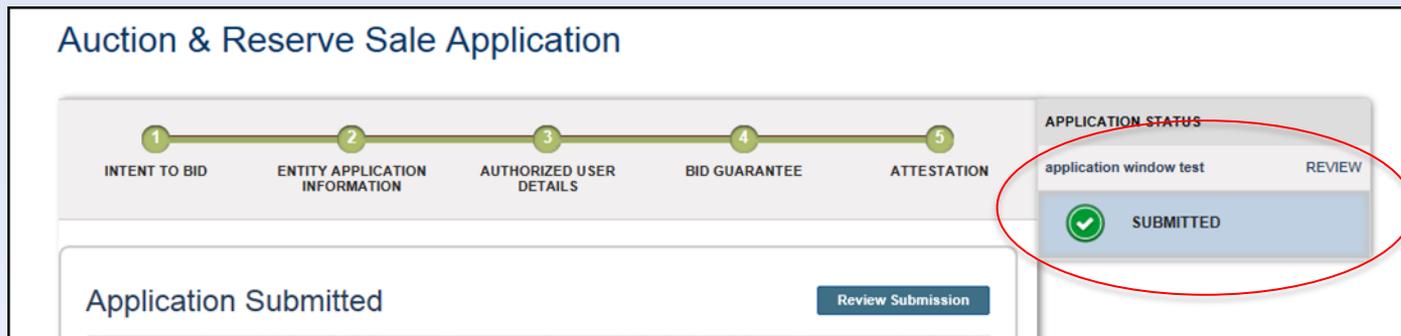
Yes  No

**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 application.

# Example Application Received Email



## Hello from Auction Administrator

Thank you for applying for the upcoming [Auction or 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 [Auction or 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 [Auction or Reserve Sale Name] has been approved.

The reserve sale window will be open from [10:00 AM to 1:00 PM PST on [Auction or 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 Auction tab on the top banner of the Auction Platform.
- The auction participants will be able to see whether the auction 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 auction 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 auction bid the following must be entered:
    - Bid Price
    - Number of Bid Lots (1 lot = 1,000 allowances)
    - Vintage
- The Number of Total Allowances will be calculated based on Number of Bid Lots entered.

# Bid Submission Auction Page

- Auction 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 auction bidding window.

The screenshot displays the 'Auction' section of a web application. At the top, a navigation bar includes 'Home', 'Resources', 'Archive', 'Application', and 'Auction' (highlighted). A status indicator 'AUCTION IS OPEN' with a green dot is visible in the top right. The main content area is titled 'External UAT Dec 24 (Bidding and Monitoring) Details'. It features two summary tables: 'Current Vintage: 2013 YEAR' and 'Future Vintage: 2016 YEAR'. The current vintage table shows a Reserve Price of \$10.71 and a Total Allowance of 60,000,000. The future vintage table shows a Reserve Price of \$10.71 and a Total Allowance of 40,000,000. Below these tables is a 'Bidding Closes In' section with a progress bar and a timer showing 79:59:02. To the right, the closing times for PST (16:00:55) and EST (19:00:55) are listed. The 'Submitted Bids' section includes 'Add Bid' and 'Upload Bids' buttons. A table below shows a single bid entry with columns for Bid Number, User, Time, Client Bid ID, Transaction ID, Currency, Bid Price, Bid Log (x 1000), Vintage, and Total Allowances. The bid entry shows a bid price of 25.33 and a vintage of 2013. A 'Cancel Submit' button is located to the right of the bid entry. A 'QUICK TIPS' sidebar on the right provides instructions on how to add bids.

| Current Vintage: 2013 YEAR |                 |                     |            | Future Vintage: 2016 YEAR |                 |                     |            |
|----------------------------|-----------------|---------------------|------------|---------------------------|-----------------|---------------------|------------|
| Reserve Price              | Total Allowance | Total Allowance Bid | Total Bids | Reserve Price             | Total Allowance | Total Allowance Bid | Total Bids |
| \$10.71                    | 60,000,000      | --                  | --         | \$10.71                   | 40,000,000      | --                  | --         |

Bidding Closes In: 79:59:02 (7 Days, 4 Days, 2 Days)

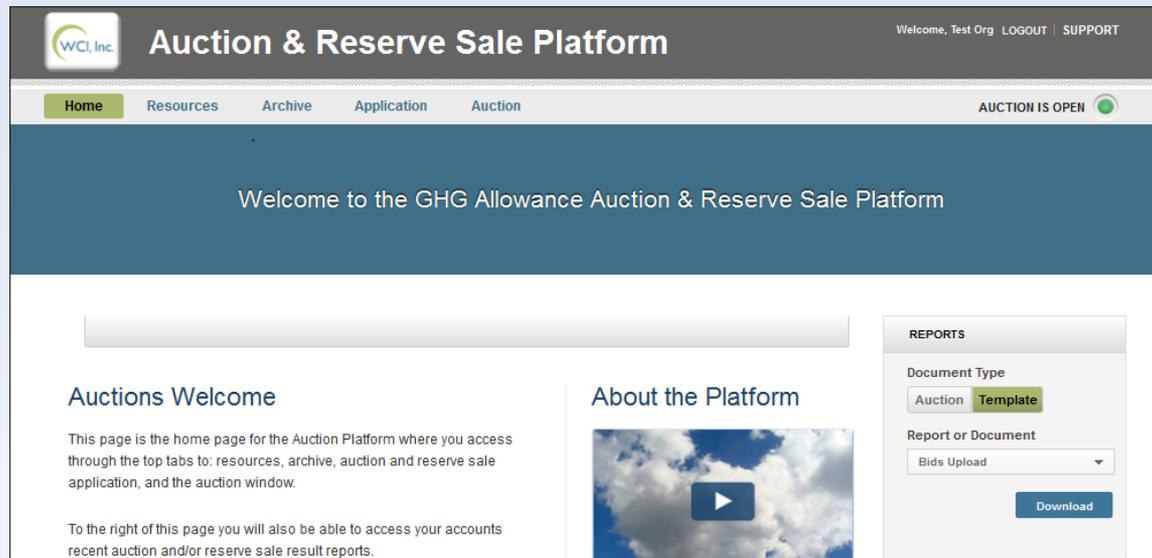
PST: 16:00:55, EST: 19:00:55

| Bid Number | User | Time     | Client Bid ID | Transaction ID | Currency | Bid Price | Bid Log x 1000 | Vintage | Total Allowances |
|------------|------|----------|---------------|----------------|----------|-----------|----------------|---------|------------------|
| 1          |      | 15:59:50 |               |                | USD      | 25.33     | 1.2            | 2013    | 0                |

# Bid Submission

## Upload Bid Schedule

- Bid schedules are uploaded based on a pre-formatted spreadsheet available from the Auction Platform home page to the right under Reports template.
- There are separate pre-formatted spreadsheets available from the Auction Platform for each auction.



The screenshot shows the homepage of the Auction & Reserve Sale Platform. The header includes the WCI Inc. logo, the platform name, and user options like 'Welcome, Test Org', 'LOGOUT', and 'SUPPORT'. A navigation bar contains 'Home', 'Resources', 'Archive', 'Application', and 'Auction'. A status indicator shows 'AUCTION IS OPEN' with a green dot. The main content area features a welcome message, an 'Auctions Welcome' section with a description of the platform's purpose, an 'About the Platform' section with a video player, and a 'REPORTS' section with 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

| Upload Bids Template - 277   |                            |  |                 |                       |                           |   |   |   |          |            |
|--|----------------------------|--|-----------------|-----------------------|---------------------------|---|---|---|----------|------------|
| A  | B                          | C  | D               | E                     | F                         | G | H | I |          |            |
|  Auction and Reserve Sale Platform<br>Auction Bid Upload Template |                            |  |                 |                       |                           |   |   |   |          |            |
| 4  | <b>Currency:</b>           | Select the currency in which you would like to bid from the drop down. |                 |                       |                           |   |   |   |          |            |
| 5  | <b>Bid Price:</b>          | Enter the price in whole dollars and whole cents.                      |                 |                       |                           |   |   |   | Vintages | Currencies |
| 6  | <b>Bid Lots:</b>           | Enter the number of lots. Each lot is 1,000 allowances.                |                 |                       |                           |   |   |   | 2013     | USD        |
| 7  | <b>Bid Allowances:</b>     | Total Bid Allowances is calculated as Bid Lots multiplied by 1,000.    |                 |                       |                           |   |   |   | 2015     |            |
| 8  | <b>Instrument Vintage:</b> | Select the allowance vintage from the drop down.                       |                 |                       |                           |   |   |   |          |            |
| 10   | <b>Currency</b>            | <b>Bid Price</b>   | <b>Bid Lots</b> | <b>Bid Allowances</b> | <b>Instrument Vintage</b> |   |   |   |          |            |
| 11   |                            |  |                 | 0                     |                           |   |   |   |          |            |
| 12   |                            |  |                 | 0                     |                           |   |   |   |          |            |
| 13   |                            |  |                 | 0                     |                           |   |   |   |          |            |
| 14   |                            |  |                 | 0                     |                           |   |   |   |          |            |
| 15   |                            |  |                 | 0                     |                           |   |   |   |          |            |
| 16   |                            |  |                 | 0                     |                           |   |   |   |          |            |
| 17   |                            |  |                 | 0                     |                           |   |   |   |          |            |
| 18   |                            |  |                 | 0                     |                           |   |   |   |          |            |
| 19   |                            |  |                 | 0                     |                           |   |   |   |          |            |
| 20   |                            |  |                 | 0                     |                           |   |   |   |          |            |
| 21   |                            |  |                 | 0                     |                           |   |   |   |          |            |
| 22   |                            |  |                 | 0                     |                           |   |   |   |          |            |
| 23   |                            |  |                 | 0                     |                           |   |   |   |          |            |
| 24   |                            |  |                 | 0                     |                           |   |   |   |          |            |
| 25   |                            |  |                 | 0                     |                           |   |   |   |          |            |
| 26   |                            |  |                 | 0                     |                           |   |   |   |          |            |
| 27   |                            |  |                 | 0                     |                           |   |   |   |          |            |

- All bids will be uploaded from the spreadsheet into the bidding window.
- 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 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 displays 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, "SELECT DOCUMENT", is active and shows a "Select Document" section with a text input field and a "Browse" button. Below this is a "Download Excel Template" link 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 Step 3

The image displays two screenshots of the 'Upload Bids' web interface, illustrating Step 3 of the 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 shows step 3 as the active step.

**Top Screenshot (Step 3):**

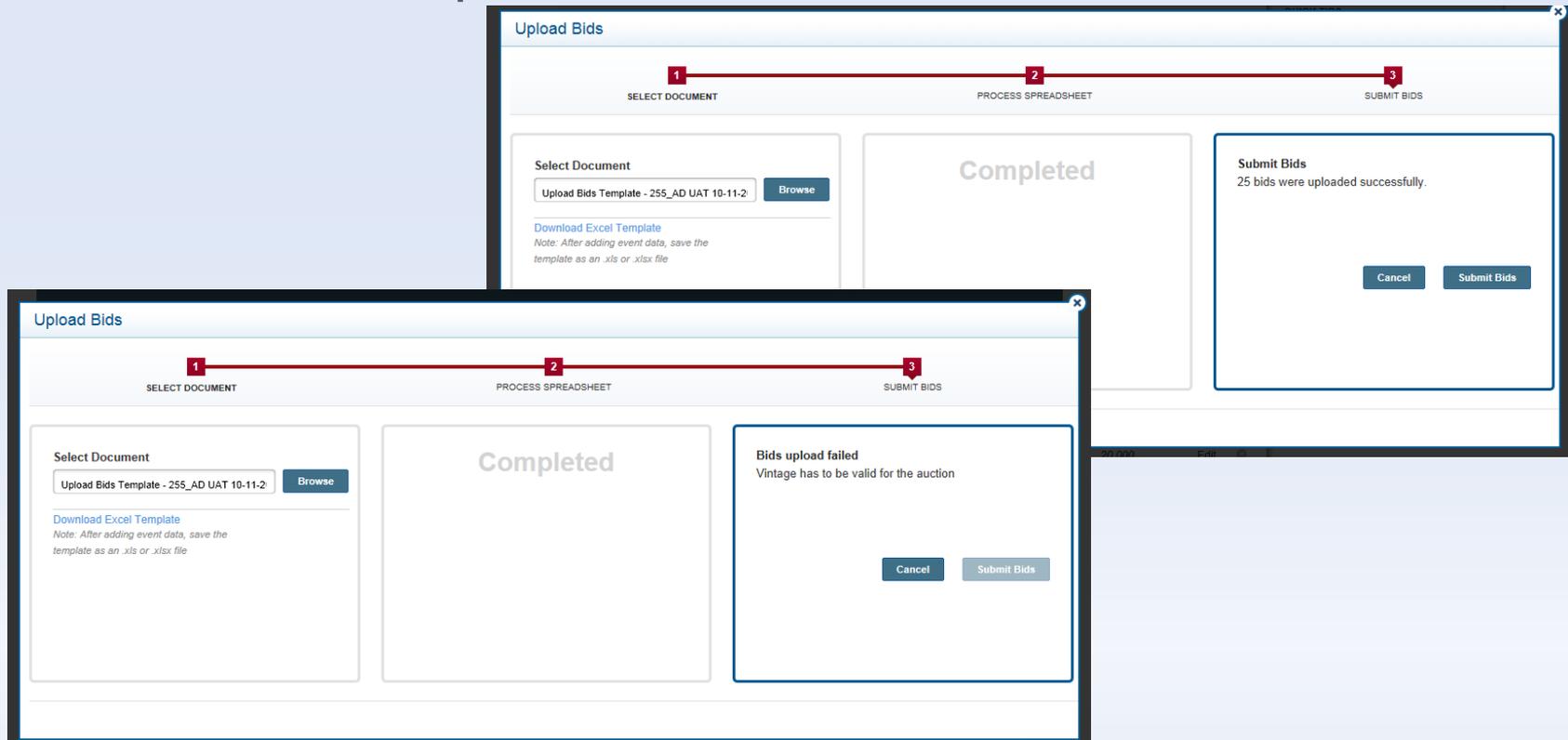
- Select Document:** Shows the file 'Upload Bids Template - 323(EtoE1).xlsx' selected. A 'Browse' button is visible. Below it, there is a 'Download Excel Template' link and a note: 'Note: To select a spreadsheet, select Browse. File uploaded must be in Excel .xlsx or .xls format.'
- Completed:** A large 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, there 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 of this box are 'Cancel' and 'Confirm' buttons.

**Bottom Screenshot (Step 3):**

- Select Document:** Shows the file 'Upload Bids Template - 323(EtoE1).xlsx' selected. A 'Browse' button is visible. Below it, there is a 'Download Excel Template' link 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, there 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 of this box are 'Cancel' and 'Submit' buttons.

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



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 the following columns: Bid Number, User, Time, Currency, Bid Price, Bid Lot x 1000, Vintage, and Total Allowances. The table contains four rows of data. To the right of the table, there is a 'QUICK TIPS' section with a 'Bid Removal' dialog box. The dialog box asks, 'Are you sure you want to remove this bid?' and has 'No' and 'Yes' buttons.

| Bid Number | User    | Time      | Currency | Bid Price | Bid Lot x 1000 | Vintage | Total Allowances |  |
|------------|---------|-----------|----------|-----------|----------------|---------|------------------|--|
| 36         | A Smith | 5:58:11pm | USD      | \$20.00   | 5              | 2013    | 5,000            | Edit  |
| 35         | A Smith | 5:46:22pm | USD      | \$40.00   | 5              | 2013    | 5,000            | Edit  |
| 34         | A Smith | 5:46:22pm | USD      | \$39.50   | 5              | 2013    | 5,000            | Edit  |
| 33         | A Smith | 5:46:22pm | USD      | \$39.00   | 5              | 2013    | 5,000            | Edit  |

# Bid Submission Confirmation

**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

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

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

### 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

# Example Client Bid Audit Report

|   | A                  | B                  | C  | D                             | E                    | F                     | G                          | H               | I                | J               | K              | L                      |
|---|--------------------|--------------------|--|-------------------------------|----------------------|-----------------------|----------------------------|-----------------|------------------|-----------------|----------------|------------------------|
| 1 | Date               | 1/6/2013           |  |                               |                      |                       |                            |                 |                  |                 |                |                        |
| 2 | Auction            | Auction Name       |  |                               |                      |                       |                            |                 |                  |                 |                |                        |
| 3 |                    |                    |  |                               |                      |                       |                            |                 |                  |                 |                |                        |
| 4 | <b>Update Type</b> | <b>Update Time</b> | <b>Update By</b>   | <b>Account Holding Number</b> | <b>Client Bid ID</b> | <b>Transaction ID</b> | <b>Bid Submission Time</b> | <b>Currency</b> | <b>Bid Price</b> | <b>Bid Lots</b> | <b>Vintage</b> | <b>Total Allowance</b> |
| 5 | Created            | 13:30:52 PST       | <a href="mailto:John.Doe2@company.com">John.Doe2@company.com</a> | CAXXXX-XX                     | 0DA2                 | 5244                  | 13:30:52 PST               | USD             | 18.75            | 130             | 2013           | 130,000                |
| 6 | Created            | 15:13:47 PST       | <a href="mailto:Jane.Doe@company.com">Jane.Doe@company.com</a>   | CAXXXX-XX                     | 70B2                 | 5372                  | 15:13:47 PST               | USD             | 15.25            | 190             | 2016           | 190,000                |
| 7 | Updated            | 15:21:59 PST       | <a href="mailto:Jane.Doe@company.com">Jane.Doe@company.com</a>   | CAXXXX-XX                     | 70B2                 | 5377                  | 15:13:47 PST               | USD             | 15.25            | 190             | 2013           | 190,000                |
| 8 |                    |                    |  |                               |                      |                       |                            |                 |                  |                 |                |                        |

# Auction Results

- Auction participants will receive an email from [auctionsupport@markit.com](mailto:auctionsupport@markit.com) to notify them that results are available for an auction.
- The 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 Results Available Email



**Hello from Auction Administrator**

This is to notify you that the results of the recently conducted auction on [Auction 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 Auction on the right hand side of the screen. Under Report or Document, select Organization Results, then click on [Auction 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 [Auction 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 Submittal 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 [Auction or 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.
- 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.
- If a **complete** bid guarantee is not received by the date and time provided in the Auction Notice, the entity's auction application will be rejected.

# 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 Auction 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 auction.
- 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 with 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 amendments **MUST** be completed and received by the Financial Services Administrator in advance of the bid guarantee submittal deadline.
- 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 or Reserve Sale 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 (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 'Last login' timestamp of '06-Mar-2013 4:38PM PT' is also present. The navigation menu includes 'Home', 'Resources', 'Archive', 'Application', and 'Reserve Sale'. A red indicator shows 'AUCTION IS CLOSED'. The main content area features a welcome message: '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 (title: 'Reserve\_Sale\_Test2\_50') and a play button, and a 'REPORTS' sidebar with a dropdown menu showing 'Auction' (selected), 'Template', 'Report or Document', 'Organization Results: ...', 'Organization Results' (highlighted), and 'Bids Audit'. Other sections include 'AUCTION HIGHLIGHTS' and 'NOTICES' with a 'VIEW ALL' link.

# Financial Settlement Invoice

- Auction Information
  - Settlement Price (Current and Advance)
  - # of Successful Bids (Current and Advance)
  - Total Bid Cost (Current, Advance, and Total)
- Account Information
  - Bid Guarantee Submitted
  - Amount Due to Financial Services Administrator
  - Wiring Instructions
- Bid Information
  - Successful Bids – Quantity and Cost
  - Instrument Vintage
  - Bid Price

# 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.

# Bid Guarantee Return

- All bid guarantees for unsuccessful bidders, regardless of type, will be returned within 2 - 3 business days after an auction 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 an auction.

# Example Final Email



## Hello from Auction Administrator

This email is to notify you that the recent [Auction or Reserve Sale 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 from the public page of the Auction Platform include:
  - Auction and Reserve Sale Guide
  - Frequently Asked Questions (FAQs)
  - Training webinar video
  - Calendar of auction and reserve sale activities
- Additional materials will be available to auction and reserve sale participants once they have received an account in the Auction Platform.
- Today's presentation is available at:  
<http://www.arb.ca.gov/cc/capandtrade/auction/auction.htm>.

# Auction 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 [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.