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

Auction Summary

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

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

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

<table>
<thead>
<tr>
<th>Auction</th>
<th>Number of GHG Allowances</th>
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</thead>
<tbody>
<tr>
<td>Current Auction (2013 vintage)</td>
<td>12,924,822</td>
</tr>
<tr>
<td>Advance Auction (2016 vintage)</td>
<td>9,560,000</td>
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The number of allowances listed for the Current Auction is the final number of allowances offered for sale and includes State-owned allowances and allowances consigned by the electricity distribution utilities.

Administrative Requirements to Participate in Auction
California covered entities, opt-in covered entities, and voluntarily associated entities are eligible to participate in the February 2013 GHG allowance auction. Prior to participating in an auction, the Primary Account Representative and Alternate Account Representative must be approved as users in the Compliance Instrument Tracking System Service (CITSS), and the entity must have an entity account in the CITSS. Voluntary associated entities that are participating in the auction as individuals will be required to submit additional documentation to the Financial Services Administrator as
contained in Appendix A of the Regulation. Additional information about administrative requirements and auction participation is provided in Attachment A of this Notice.

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

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

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

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

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