



Air Resources Board



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Secretary for
Environmental Protection

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Reserve Sale Notice **California Cap-and-Trade Program** **Sale of Greenhouse Gas Allowances from the** **Allowance Price Containment Reserve (Reserve Sale)** **on June 27, 2013** **Issued on May 30, 2013**

Reserve Sale Summary

This document, *Reserve Sale Notice for the California Cap-and-Trade Program Sale of Greenhouse Gas Allowances from the Allowance Price Containment Reserve (Reserve Sale) on June 27, 2013* (“Reserve Sale Notice”), is the official notification for the June 27, 2013, greenhouse gas (GHG) reserve sale (June 2013 reserve sale). As documented in the Cap-and-Trade Regulation, California’s June 2013 reserve sale will offer GHG allowances from the Allowance Price Containment Reserve (APCR) for sale in three fixed-price, equal-sized tiers.

The June 2013 reserve sale is scheduled to take place from 10:00 AM Pacific Time (PT) until 1:00 PM PT on June 27, 2013. The Reserve Sale Notice provides information about participant eligibility, format of the reserve sale, and APCR allowances offered for sale.

The number of APCR allowances that will be available during the June 2013 reserve sale is provided in Table 1 below.

Table 1: APCR Allowances Offered in the June 2013 Reserve Sale

Sale	Number of APCR Allowances
Tier 1 - \$40 per allowance	40,611,000
Tier 2 - \$45 per allowance	40,611,000
Tier 3 - \$50 per allowance	40,611,000

Reserve Sale Eligibility

California covered entities and opt-in covered entities are eligible to participate in the June 2013 reserve sale.

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

California Environmental Protection Agency

Reserve Sale Schedule

Table 1 presents the current schedule for all events associated with the June 2013 reserve sale (“Reserve Sale Schedule”).

Table 1: Reserve Sale Schedule

Activities	Date	Time
Release Reserve Sale Notice	Thursday, May 30, 2013	12:00 PM (Noon) PT
Reserve Sale bidders’ conference and participant training webinar	Thursday, June 6, 2013	10:00 AM – 12:00 PM (Noon) PT
Reserve Sale application window closes in the Auction Platform	Monday, June 10, 2013	11:59 PM PT
All bid guarantees due to Financial Services Administrator	Monday, June 17, 2013	No later than 2:00 PM PT
ARB approves Reserve Sale participants and participants notified	Tuesday, June 25, 2013	No later than 5:00 PM PT
Reserve Sale held	Thursday, June 27, 2013	Bidding window open from 10:00 AM –1:00 PM PT
Public notice of Reserve Sale results released	Tuesday, July 2, 2013	12:00 PM (Noon) PT
Notification of financial settlement invoice sent to Reserve Sale participants	Tuesday, July 2, 2013	12:00 PM (Noon) PT
Financial settlement in cash due to Financial Services Administrator	Tuesday, July 9, 2013	No later than 2:00 PM PT
Financial settlement complete	Wednesday, July 17, 2013	
Transfer of allowances into CITSS Accounts	Wednesday, July 17, 2013	12:00 PM (Noon) PT
Earliest Date for Bid Guarantee Expiration	Thursday, July 18, 2013 (21 days after reserve sale)	

Administrative Requirements to Participate in the March 2013 Reserve Sale

Prior to applying to participate in a reserve sale, an entity must have an approved account in the Compliance Instrument Tracking System Service (CITSS) and the individuals that will be authorized to submit an application or confirm an intent to bid for the entity, and/or bid on behalf of the entity must be approved as either the Primary Account Representative (PAR) or an Alternate Account Representative (AAR) on that account.

Additionally, in order to participate in the June 2013 reserve sale, the PAR or an AAR must select the Auction Participation box in the CITSS to allow CITSS account information to be transferred to the Auction and Reserve Sale Administrator and Financial Services Administrator. Additional information about administrative requirements and reserve sale participation is provided in Attachment A of this Reserve Sale Notice.

NOTE: The box in the CITSS which is selected to indicate participation in either an upcoming auction or reserve sale is labeled "Auction Participation" box for simplicity.

Procedures for Conducting the June 2013 Reserve Sale

The June 2013 reserve sale will be conducted using an electronic, internet-based Auction and Reserve Sale Platform (Auction Platform) that bidders use to submit their bids. Bid quantities can only be submitted in multiples of 1,000 GHG APCR allowances. Bids must be submitted in one of the three tiers, each has a set tier price. Bid schedules that include bids for allowances from more than one tier will be allowed.

Sales from each tier will be conducted in succession, beginning with the lowest-priced tier and proceeding to the highest-priced tier, until either all available GHG APCR allowances are sold or all the accepted bids are filled. Examples of how reserve sales are settled are provided in Attachment B of this Notice.

Form and Manner for Submitting Bids

The June 2013 reserve sale 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, once the reserve sale has begun, 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.

Notification of No Qualified Applicants

If there are no qualified applicants for any scheduled reserve sale, that reserve sale will not be held. The determination not to hold a reserve sale can be made at the close of the application period, at the due date for submittal of bid guarantees, or at the deadline for ARB approval of participants which is scheduled to occur two (2) days prior to each reserve sale. If a reserve sale will not be held, ARB will post a notification on the ARB Cap-and-Trade Auction Information webpage no later than two (2) days prior to the scheduled reserve sale.

June 2013 Reserve Sale Bidders' Conference and Participant Training Webinar

Date: Thursday, June 6, 2013

Time: 10:00 AM to 12:00 PM PT (Noon)

The webinar will continue through the scheduled time period or until all questions are answered. The webinar may end prior to the scheduled end time if there are no webinar participants or all participant questions have been answered.

Click here to join the Webinar: <http://markit.adobeconnect.com/r2s03j1474m/>
and sign in as a guest.

To dial-in, please use the Participant phone number and Webinar Passcode listed below:

Participants U.S. and Canada Toll free: 888-438-5524

Passcode: 2230125

Contact Information

For further information about participation in the June 2013 reserve sale, please contact one of the following individuals:

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