



Air Resources Board



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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 March 8, 2013** **Issued on February 6, 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 March 8, 2013* ("Reserve Sale Notice"), is the official notification for the March 8, 2013, greenhouse gas (GHG) reserve sale (March 2013 reserve sale). As documented in the Cap-and-Trade Regulation, California's March 2013 reserve sale will offer GHG allowances from the Allowance Price Containment Reserve (APCR) for sale in three fixed-price, equal-sized tiers.

The March 2013 reserve sale is scheduled to take place from 10:00 AM Pacific Time (PT) until 1:00 PM PT on March 8, 2013. The Reserve Sale Notice provides information about participant eligibility, format of the reserve sale, and APCR allowances offered for sale.

Subsequent 2013 reserve sales will be held on the first business day 6 weeks after each quarterly GHG allowance auction. Future reserve sales are scheduled to be held on: June 27, 2013, September 27, 2013 and December 31, 2013. Table 2 found later in this Notice indicates the expected due dates for critical actions associated with reserve sales scheduled for 2013.

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

Table 1: APCR Allowances Offered in the March 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

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

Administrative Requirements to Participate in the March 2013 Reserve Sale

Only California covered entities and opt-in covered entities are eligible to participate in the March 2013 reserve sale. Prior to participating in the March 2013 reserve sale, the entity must have an approved account in the Compliance Instrument Tracking System Service (CITSS) and have designated a Primary Account Representative (PAR) and at least one Alternate Account Representative (AAR) from approved CITSS users.

Additionally, in order to participate in the March 2013 reserve sale, the PAR or an AAR must select the Auction Participation box to allow CITSS account information to be transferred to the Reserve Sale Administrator and Financial Services Administrator.

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. Additional information about administrative requirements and reserve sale participation is provided in Attachment A of this Reserve Sale Notice.

Procedures for Conducting the March 2013 APCR Sale

The March 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 March 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.

2013 Reserve Sale Dates

To assist stakeholders, Table 2 provides estimated dates for activities associated with the scheduled 2013 reserve sales. All dates except the reserve sale dates are subject to change. Final dates will be provided in the Reserve Sale Notice posted approximately 4 weeks prior to each reserve sale.

Table 2: 2013 Quarterly Reserve Sale Estimated Critical Dates

Reserve Sale Notice Posting Date (approximate)	Reserve Sale Bid Guarantee Due Date (approximate)	Reserve Sale Dates
2/5/2013	2/27/2013	3/8/2013
5/30/2013	6/14/2013	6/27/2013
8/30/2013	9/13/2013	9/27/2013
12/3/2013	12/19/2013	12/31/2013

Contact Information

For further information about participation in the March 2013 reserve sale, please contact:

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MARCH 2013 RESERVE SALE NOT BEING HELD