

RGGI CO₂ BUDGET TRADING PROGRAMS

CO₂ Allowance Auction Qualification Application Version 1

This document is released for informational purposes only. Please be sure to read the official document, in its entirety, when it is released on July 24, 2008.

States anticipating offering CO₂ allowances for sale:

Connecticut, Maine, Maryland, Massachusetts, Rhode Island, Vermont

Released on July 11, 2008

**Administered by RGGI, Inc.
90 Church Street, 4th Floor, New York, New York 10007**



The Regional Greenhouse Gas Initiative (RGGI) is a cooperative effort by participating states to reduce emissions of carbon dioxide (CO₂), a greenhouse gas that causes global warming.

RGGI, Inc. is a non-profit corporation created to provide technical and administrative services to the CO₂ budget trading programs of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island and Vermont.

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I. Qualification Application Overview

Each applicant must submit *CO₂ Allowance Auction Qualification Application – Version 1* (“Qualification Application”) in order to become qualified to participate in a CO₂ Allowance Auction. Once qualified, each applicant remains qualified unless there has been a material change¹ to information contained in the submitted Qualification Application. In the event of a material change, an updated Qualification Application must be submitted. A Qualification Application must be received by the RGGI CO₂ Budget Trading Programs Auction Manager on or before the date and time deadline specified in the appropriate auction notice (“Auction Notice”) in order to participate in the auction(s) covered by the Auction Notice and any subsequent CO₂ Allowance Auctions.

Applicants are responsible for allowing adequate time for filing their applications and are strongly encouraged to submit this application early. The Auction Notice provides additional information on the Qualification Application review and remediation process. Applicants are strongly encouraged to review the relevant Auction Notice prior to submitting any application. The Auction Notice is located at http://www.rggi.org/auction_information.html (“Auction Website”).

II. Submission Instructions

The Qualification Application has been created as a pdf with editable fields. Applicants must type their responses directly into the fields provided and are encouraged to save an electronic file copy. This will facilitate future updates as well as any necessary application remediation.

In order to be considered for qualification, one (1) complete original plus twelve (12) photocopies of the Qualification Application (coversheet plus forms 1 through 6) must be signed by the Primary Authorized Auction Representative in blue ink, notarized, and received at the address below no later than the time and date specified in the Auction Notice for the CO₂ Allowance Auction which the Applicant wishes to participate. Each form must be initialed by the Primary Authorized Auction Representative. Facsimiles of the Qualification Application will not be accepted under any circumstances.

Qualification Applications shall be submitted to the following address:

RGGI CO₂ Budget Trading Programs Auction Manager
c/o World Energy Solutions, Inc.
446 Main Street, 14th Floor
Worcester, MA 01608

In order to facilitate the review of the Qualification Application, please email one (1) electronic version of the Applicant’s completed Qualification Application pdf to auctionmanager@worldenergy.com.

III. Qualification Application Confidentiality

Information contained in the Qualification Application will be held confidential to the extent permitted by applicable state laws.

¹ A material change is a change to any application information that is of decisional or informational significance.

Applicants may assert that they consider submitted information to be confidential by checking the box at the bottom of each Qualification Application form.

IV. Qualification Application Forms

Please complete Qualification Application (coversheet plus forms 1 through 6) on the following pages, consisting of:

- Coversheet/Checklist (required)
- Form 1 – General Information (required)
- Form 2 – Authorized Auction Representative (required)
- Form 3 – Evidence of a RGGI COATS Account (required)
- Form 4 – Disclosable Corporate and Bidding Associations (required)
- Form 5 – Treatment of Bidding Activity (required if an Applicant has a corporate association)
- Form 6 – Attestations (required)

Coversheet and Checklist

Date

Date Field

Name of Applicant (organization name if an entity, first and last names if an individual)

Applicant Name Field

Applicants must check off the following boxes, as appropriate, to indicate inclusion of the following forms.

- Coversheet and Checklist (required)
- Form 1 – General Information (required)
- Form 2 – Authorized Auction Representative (required)
- Form 3 – Evidence of a Compliance or General Account (required)
- Form 4 – Disclosable Corporate and Bidding Associations (required)
- Form 5 – Treatment of Bidding Activity (required if an Applicant has a corporate association)
- Form 6 – Attestations (required)

Form 1 – General Information

Type of Submission

- Initial submission to qualify for any CO₂ Allowance Auction
- Revised submission due to a material change to any information included in a previously submitted Qualification Application

Name of Applicant

Applicant Name Field

Street Address

City

State/Province

Postal Code

Country

Select the Appropriate Applicant Category (only one)

- Owner of a Electric Generation Source(s)²
- Broker
- Environmental Group
- Financial or Investment Institution
- Individual Person
- Other Market Participant (if selected, please describe below)

If the Applicant is an “Individual Person”, proceed to Form 2. If any other category is checked, continue below.

Describe the nature of the Applicant’s core business or organization. Additionally, describe the structure of the Applicant’s organization, including whether the entity is a sole proprietorship, partnership, limited partnership, limited liability company (LLC), limited liability partnership (LLP), corporation (for-profit), nonprofit corporation (not-for-profit), or cooperative.

Describe the Nature of the Applicant’s Core Business or Organization

Place of Incorporation

State/Province

Federal Tax ID

Dun & Bradstreet Number

Years in Business

URL for Applicant’s Web Site

² For purposes of the Qualification Application, any unit that serves an electricity generator with a nameplate capacity equal to or greater than 25 MWe is considered a generation unit, and any facility that includes one or more generation units is considered a generation source.

Form 2 – Authorized Auction Representative

Primary Authorized Auction Representative

The Primary Authorized Auction Representative shall represent the Applicant in any CO₂ Allowance Auction in which the Applicant participates. The Primary Authorized Auction Representative will be the recipient of a username and password for the Auction Platform, allowing that person to submit bids in the CO₂ Allowance Auction(s) for which the Applicant is approved to participate. The Primary Authorized Auction Representative is the person who will serve as the primary contact for all communications regarding the Qualification Application, the Intent to Bid, all notices and documentation, and any other information related to a CO₂ Allowance Auction(s). The principal mode of communications will be via email and the internet.

While not required, it is recommended that the Primary Authorized Auction Representative be the same person designated as the Authorized Account Representative for the Applicant's RGGI CO₂ Allowance Tracking System account.

First Name	Last Name	Title	Company
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Office Phone	Mobile Phone	Fax	Email Address
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Street Address			
<input type="text"/>			
City	State/Province	Postal Code	Country
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Secondary Authorized Auction Representative (optional)

If so desired, the Applicant may designate a Secondary Authorized Auction Representative. The Secondary is authorized to represent the Applicant in any CO₂ Allowance Auction in which the Applicant participates. The Secondary Authorized Auction Representative will be the recipient of a username and password for the Auction Platform, allowing that person to submit bids in the CO₂ Allowance Auction(s) for which the Applicant is approved to participate. The Secondary Authorized Auction Representative will also receive all communications regarding this application, all notices and documentation, and any other information related to a CO₂ Allowance Auction(s). The principal mode of communications will be via email and the internet.

First Name	Last Name	Title	Company
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Office Phone	Mobile Phone	Fax	Email Address
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Street Address			
<input type="text"/>			
City	State/Province	Postal Code	Country
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

The integrity of each CO₂ Allowance Auction depends upon each Authorized Auction Representative safeguarding confidential information and passwords used in each CO₂ Allowance Auction. The Authorized Auction Representative(s) must ensure that only authorized persons act on behalf of an Applicant in a CO₂ Allowance Auction.

Yes No

Do you assert that the submitted information on Form 2 – Authorized Auction Representative is confidential?

Initials: _____

Do not Submit

Form 3 – Evidence of a RGGI COATS Account

Information regarding the Applicant's RGGI CO₂ Allowance Tracking System (RGGI COATS) account must be provided. This is the account into which all awarded CO₂ Allowances will be deposited.

RGGI COATS Account Number

RGGI COATS Authorized Account Representative

Yes No

Do you assert that the submitted information on Form 3 – Evidence of a RGGI COATS Account is confidential?

Initials: _____

Form 4 – Disclosable Corporate and Bidding Associations

As described in the Auction Notice, the aggregate number of CO₂ allowances that an entity (e.g., an organization and its affiliates and/or agents) may purchase in a single CO₂ Allowance Auction is equivalent to 25% of the CO₂ allowances offered for sale in any single auction.

The Auction Procedures of the Auction Notice do not prohibit an applicant from becoming associated by entering into otherwise lawful bidding associations with another applicant, entity, or person before filing the Qualification Application, as long as all applicants disclose the existence of all such associations in the Qualification Application.

For purposes of a CO₂ Allowance Auction, applicants are associated if the applicants have ties that could allow them to act in concert or that could prevent them from competing actively against each other in a CO₂ Allowance Auction. There are a number of types of disclosable corporate and bidding associations that must be reported on this form. Failure to disclose any of these types of associations may result in a procedure violation and barring from this auction and/or future auctions.

4.1 Disclosable Corporate Associations

The following definitions are provided to determine whether a disclosable corporate association exists:

- An entity has a *direct corporate association* to another entity if it holds more than 20% of any class of listed shares, if it holds the right to acquire such shares, if it holds any option to purchase shares, or if it holds or can appoint 20% of common directors, or if it holds voting power, or if it controls the entity's affairs through some other means.
- An entity has an *indirect corporate association* to another entity if it is associated with another entity that is associated with the entity in question (or through a longer line of control; e.g., if the entity is associated with another entity that is associated with an entity that is associated with the entity in question, etc.). To determine whether an *indirect corporate association* must be disclosed based on an entity's percentage of ownership, the percentage ownership of the entity in the other entity is obtained by multiplying the percentages of ownership at each level.

To assist in the determination of whether such a disclosable *corporate association* exists, the following questions are provided. Answering any of the following questions affirmatively indicates that the Applicant has a *corporate association* that must be disclosed on this form.

Yes	No	Index Number and Association Criteria
<input type="checkbox"/>	<input type="checkbox"/>	1. Is the Applicant <i>corporately associated</i> , directly or indirectly, with another applicant?
<input type="checkbox"/>	<input type="checkbox"/>	2. Is another applicant <i>corporately associated</i> , directly or indirectly, with the Applicant?
<input type="checkbox"/>	<input type="checkbox"/>	3. Is the Applicant <i>corporately associated</i> , directly or indirectly, with an entity or person that is <i>corporately associated</i> , directly or indirectly, with another applicant?
<input type="checkbox"/>	<input type="checkbox"/>	4. Is another applicant <i>corporately associated</i> , directly or indirectly, with an entity or person that is <i>corporately associated</i> , directly or indirectly, with the Applicant?

Any affirmative answer to any of these questions requires disclosure of the corporate association(s) in the space provided below. This includes but is not limited to disclosure of a corporate parent, subsidiary, or sister company. In the case of indirect corporate associations, only those with a cumulative ownership percentage above 20% must be listed.

For example, Company A, Company B, and Company C all intend on participating in the upcoming CO₂ Allowance Auction. Company A is a subsidiary of Company B, which also owns Company C. Company A's association with both Company B and C must be disclosed. Company B and C must make similar disclosures in their Qualification Applications.

In the fields below, please list all relationships that meet the above criteria. Information that must be disclosed includes:

- The name of the other applicant, entity, or person with which the Applicant has a corporate association
- The index number of the applicable association criterion
- A description of the type of corporate association, which may include the following:
 - Corporate parent
 - Subsidiary
 - Sister company
 - Partnership
 - Other (provide a concise description)

<i>Name of Associated Applicant, Entity, or Person</i>	<i>Index No.</i>	<i>Description of the Type of Association</i>

Please include additional pages if necessary.

4.2 Disclosable Bidding Associations

The following definitions are provided to determine whether a disclosable bidding association exists:

- An entity is *concerned* with another entity's bid if the entity has agreed to provide assistance with financing, is partnered with the other entity for bidding purposes, has entered into any explicit or implicit agreements, arrangements, or understandings of any kind relating to the CO₂ allowances being auctioned, or has agreed to provide assistance in any other way with the exception of investment or auction advisory services.
- An entity has a *disclosable bidding association* to another entity if the entity is *concerned* with another entity's bid.

To assist in the determination of whether such a disclosable bidding association exists, the following questions are provided. Answering any of the following questions affirmatively indicates that the Applicant has a disclosable bidding association with another applicant or entity that must be disclosed on this form.

Yes	No	Association Criteria
<input type="checkbox"/>	<input type="checkbox"/>	1. Is the Applicant <i>concerned</i> with another applicant, entity, or person's bid?
<input type="checkbox"/>	<input type="checkbox"/>	2. Is another applicant <i>concerned</i> with the Applicant's bid?
<input type="checkbox"/>	<input type="checkbox"/>	3. Is another entity or person <i>concerned</i> with the Applicant's bid?

Any affirmative answer to any of these questions requires disclosure of the bidding association(s). This includes disclosure by the Applicant of any beneficial interest in CO₂ allowances that may be acquired by the Applicant through the CO₂ Allowance Auction or purchased by the Applicant for the benefit of others.

Bidding associations must be disclosed if the parties agree in principle on all material terms prior to the CO₂ Allowance Auction Qualification Application submittal deadline. Each applicant must identify the other applicant, entity, or person on its Qualification Application, even if the agreement has not been reduced to writing. If the parties have had discussions but have not agreed in principle by the CO₂ Allowance Auction Qualification Application submittal deadline, they should not include the names of parties to discussions on their Qualification Applications.

For example, Company A intends to participate in an upcoming CO₂ Allowance Auction. Company A has a signed agreement with Company B, who also intends to participate in the upcoming CO₂ Allowance Auction, to buy 10 million of the CO₂ allowances that Company B may be awarded from the auction. Company A's bidding association with Company B must be disclosed on its Qualification Application. Likewise, Company B must make a similar disclosure on its Qualification Application.

In the fields below, list all relationships that meet the above criteria. Information that must be disclosed includes:

- The name of the other applicant, entity, or person with which the Applicant has a bidding association
- The number of CO₂ allowances in which the Applicant has a beneficial interest or the number of CO₂ allowances the Applicant has agreed to purchase for another applicant

- A description of the type of bidding association, which may include the following:
 - Corporate parent
 - Subsidiary
 - Sister company
 - Partnership
 - Broker
 - Financier
 - Other (provide a concise description)

<i>Name of Other Applicant, Entity, or Person</i>	<i>Allowances</i>	<i>Description of the Type of Association</i>

Please include additional pages if necessary.

Yes No

Do you assert that the submitted information on Form 4 – Disclosable Corporate and Bidding Associations is confidential?

Initials: _____

Form 5 – Treatment of Bidding Activity

If the Applicant has indicated they have a corporate association with another applicant or been informed by the RGGI CO₂ Budget Trading Programs Auction Manager that they have a corporate association with another applicant, the applicants will be treated as a single entity for purposes of enforcing the purchase limit as specified in the Auction Notice. The purchase limit for each applicant will be enforced in a static manner and will not be updated in real time based on the bidding activity of the other associated applicant(s).

The Applicant, and the applicants it has corporate associations with, must indicate in the fields below how the CO₂ allowance purchase limit will be apportioned among the associated applicants. The sum of all apportioned CO₂ allowance purchase limits for each associated applicant must not exceed a total purchase limit of 25%. If the Applicant's association with another applicant involves a beneficial interest in CO₂ allowances, the CO₂ allowance purchase limit of the applicant that has the beneficial interest the CO₂ allowances will be reduced by the amount of CO₂ allowances the other applicant is buying on their behalf.

The apportionment of CO₂ allowance purchase limits among associated applicants specified by the Applicant below must be consistent with the associations listed in Form 4 – Disclosable Corporate and Bidding Associations as well as by the other associated applicants in their Qualification Applications. Any inconsistencies in information submitted by associated applicants will result in remediation.

<i>Name of Applicant</i>	<i>Purchase Limit (%)</i>
<i>Name of Associated Applicant(s)</i>	<i>Purchase Limit (%)</i>
TOTAL PURCHASE LIMIT (%)	

Yes No
 Do you assert that the submitted information on Form 5 – Treatment of Bidding Activity is confidential?

Initials: _____

Form 6 – Attestations

The following attestations must be made.

If the Applicant is unable to answer affirmatively to attestations 1-5, an explanation must be provided. A negative answer to any of these attestations does not automatically disqualify an applicant. The explanation provided will be used to inform the decision regarding the applicant's qualification status.

1. The Applicant and its corporate officers, directors, principals, members (if the Applicant is a LLC or LLP), or partners of the Applicant are not currently and have not during the five (5) years preceding the date of this Qualification Application been under indictment for a felony in any federal or state jurisdiction.

Yes No *If No, Provide an Explanation*

2. The Applicant and its corporate officers, directors, principals, members (if the Applicant LLC or LLP), or partners of the applicant have not been convicted of a felony within the five (5) years preceding the date of this Qualification Application.

Yes No *If No, Provide an Explanation*

3. The Applicant has not been subject to any civil penalties, judgments, sanctions or consent decrees arising out of the violation of any law, rule, regulation or ordinance in connection with any commodity market, exchange, or by the Securities and Exchange Commission or Commodity Futures Trading Commission.

Yes No *If No, Provide an Explanation*

4. The applicant has not had any permit or authority to do business in any jurisdiction revoked or suspended.

Yes No *If No, Provide an Explanation*

5. The applicant has never been found to be non-responsible with regard to any federal, state or local procurement, barred from public bidding or sanctioned for unauthorized disclosure of confidential information.

Yes No *If No, Provide an Explanation*

Applicants who do not answer affirmatively to attestations 6-10 listed below, will not be qualified.

6. All the information provided in this application is accurate, true, and not misleading.

7. I the undersigned and the Secondary Authorized Auction Representative, if applicable, are authorized to represent my organization or corporation in matters regarding CO₂ Allowance Auctions including, but not limiting to, committing my organization or corporation to any and all bids submitted in CO₂ Allowance Auctions.
8. I the undersigned and the Secondary Authorized Auction Representative, if applicable, certify that I will be responsible for all confidential information regarding the CO₂ Allowance Auctions and will distribute confidential information only to other individuals who are authorized to act on behalf of the applicant.
9. The Applicant, individually or in combination with any associate(s), will not seek to purchase in the aggregate, more than 25% of the CO₂ allowances offered for sale in any single auction.
10. The Applicant, if not a compliance entity required by the laws or rules, whether final or proposed, of one of the RGGI participating states to hold allowances equal to emissions, hereby attests and agrees that with respect to the applicant's purchase, sale, holding or transfer of any allowance, the Applicant shall be subject to the personal jurisdiction and venue of courts of any of the RGGI participating states for adjudication of claims relating to fraudulent, misleading, manipulative, collusive or noncompetitive behavior arising out of such purchase, sale, holding, or transfer.

Any fraudulent, misleading, manipulative, collusive or noncompetitive behavior in a RGGI CO₂ Allowance Auction or in the CO₂ allowance market may be investigated and prosecuted in accordance with any and all applicable regulations and laws.

Signature of Primary Authorized Auction Representative *Date*

Title

Sworn and subscribed before me on this _____ day of _____, 200__

Notary Public
[Jurat]

Yes No

 Do you assert that the submitted information on Form 6 – Attestations is confidential?

Initials: _____