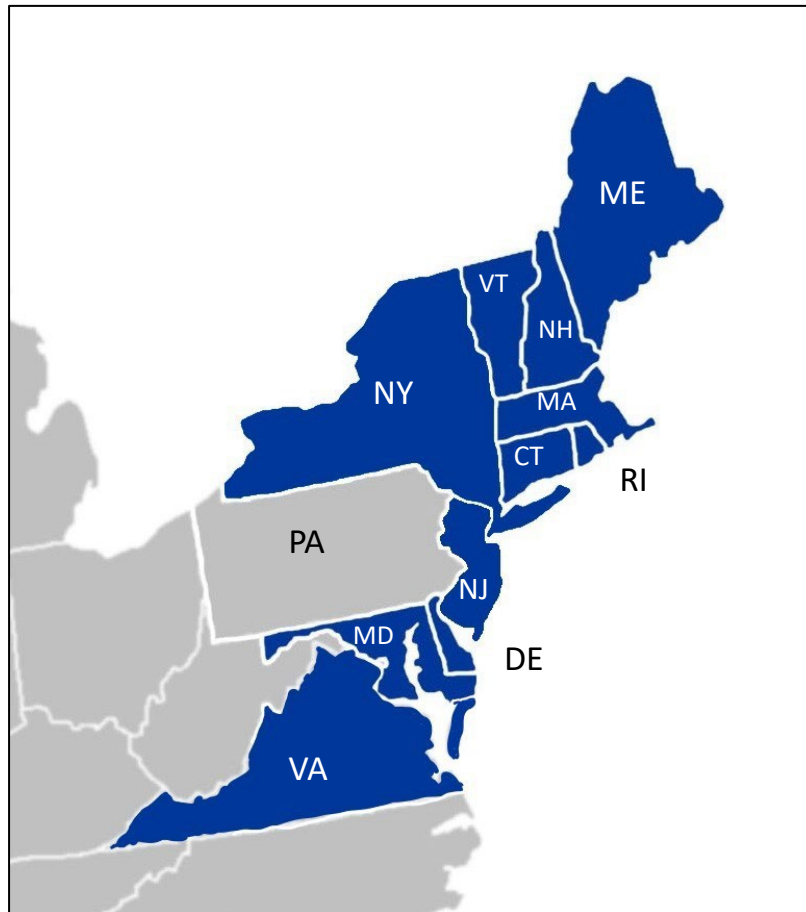


# ***Regional Greenhouse Gas Initiative***

## *Introduction to RGGI Auctions*



# RGGI States



# RGGI in Brief

- Eastern states cap and reduce carbon dioxide emissions from the power sector
  - Allowances issued by states - distributed primarily through auctions
  - Fungible; Bankable; Tradable
- Adjusted Regional cap
  - 93.37 MM-tons in 2023, declining each year for a 30% reduction by 2030
  - CCR: 11.26 million allowances in 2023
  - ECR: 10.62 million allowances in 2023



# RGGI in Brief

- RGGI states have distributed 90% of allowances via quarterly allowance auctions
  - Open to all
  - Independent Market Monitor
  - Centralized platform for tracking: RGGI COATS
  - Historic clearing price range: \$1.86 to \$13.90
  - Over 1 billion allowances sold at auction
  - Around \$6 billion in proceeds



# Reinvestment of Proceeds

- The RGGI states may reinvest auction proceeds in strategic programs
  - Over \$3.1 billion invested through 2020
  - Billions in consumer energy bill savings
  - Pollution reductions

# RGGI Experience: A Triple Set of Benefits



- Environmental Benefits
- Consumer Benefits
- Economic Benefits

# RGGI Experience: Environmental Benefits

- Significantly reduced power sector CO<sub>2</sub> pollution since program launched
- **Half** of total power generation in the RGGI states is clean or renewable
- Independent research shows RGGI is driving public health benefits (Abt Associates) as well as improving children's health (Columbia University)

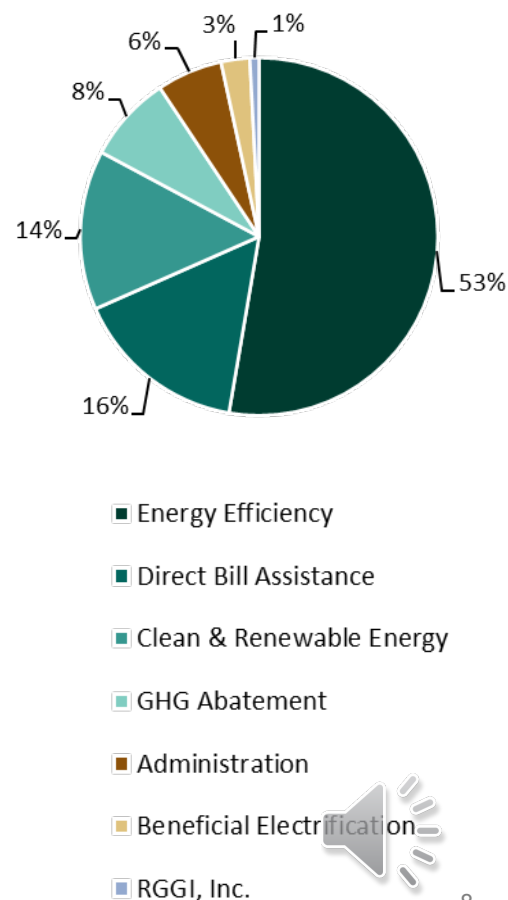




# Reinvestment of Proceeds

- RGGI states reinvest auction proceeds in strategic programs.
  - Through 2020, states reinvested over \$3.1 billion in energy efficiency, clean and renewable energy, direct bill assistance, and GHG abatement programs.
  - These programs have generated billions in consumer energy bill savings as well as additional pollution reductions.

**RGGI Investments by Category  
2008 - 2020**





# RGGI Experience: Economic Benefits

## Years 2015-2017

- \$1.3 billion in net economic benefit
- 14,200 additional job-years
- \$460 million in energy bill savings

## All-time

- Net economic benefits on the order of \$4 billion
- Tens of thousands of additional job-years

Source: Analysis Group, 2018 Report on RGGI Economic Impacts

# Tutorial Outline

- Introduction and Overview
- Schedule
- What's New for Auction 61
- Participation Requirements
- Review Process
- Financial Security
- RGGI CO<sub>2</sub> Allowance Tracking System Account
- Confidential Information
- Limitation on Communication
- Auction Platform (the “Exchange”) Overview
- Bid Limitations
- Cost Containment Reserve and Emissions Containment Reserve Overview and Mechanics
- Auction Examples
- Bid Value Examples

# Auction 61

- September 6, 2023 (9:00 AM - 12:00 PM ET)
- Auction 61: 21,948,358 CO<sub>2</sub> allowances (“Initial Offering”) available for sale from Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, and Virginia
- Minimum Reserve Price of \$2.50 per CO<sub>2</sub> allowance
- Auction 61 will have only one offering of allowances
- The Cost Containment Reserve mechanism is in effect
  - Auction 61 CCR is 11,245,778 CCR allowances
- The Emissions Containment Reserve mechanism is in effect
  - Auction 61 ECR is 10,616,464 ECR allowances



# Bidder Preparations

- Auction guidance & materials at <https://rggi.org/auctions/auction-materials>
- All bidders must be qualified to participate
- Approximately 57 days to provide adequate time to process applications and arrange for financial security
- Question Submission
  - Send questions to: [auctionmanager.enelxnorthamerica@enel.com](mailto:auctionmanager.enelxnorthamerica@enel.com)
  - To the extent any relevant questions are not currently addressed in the FAQs, the document will be updated and reposted on Wednesday, July 19, 2023

# Dates to Remember

- No later than 5:00 PM ET on Wednesday, July 26, 2023 – *Qualification Application* and/or *Intent to Bid* due
- No later than 5:00 PM ET on Wednesday, August 30, 2023 – Financial security due
- Bidder training sessions
  - 3 one-hour-long sessions from 1:00 to 4:00 PM ET on Monday, August 28, 2023
  - 3 one-hour-long sessions from 1:00 to 4:00 PM ET on Tuesday, August 29, 2023

# Schedule [1]

Event	Date	Time
Release of Auction documents: <ul style="list-style-type: none"> <li><i>Auction Notice</i></li> <li><i>Frequently Asked Questions</i></li> </ul>	Tuesday, July 11, 2023	No later than 5:00 PM
RGGI Portal provides access to submit: <ul style="list-style-type: none"> <li><i>Qualification Application</i></li> <li><i>Intent to Bid</i></li> <li>Financial Security Information</li> </ul>	Tuesday, July 11, 2023	No later than 5:00 PM
Release tutorial	Wednesday, July 12, 2023	10:00 AM
Update FAQs, as needed	Wednesday, July 19, 2023	5:00 PM
<b>Auction forms deadline</b> <ul style="list-style-type: none"> <li><b><i>Qualification Application</i></b></li> <li><b><i>Intent to Bid</i></b></li> </ul>	<b>Wednesday, July 26, 2023</b>	<b>No later than 5:00 PM</b>
Remediation notification deadline: <ul style="list-style-type: none"> <li><i>Qualification Application</i></li> <li><i>Intent to Bid</i></li> </ul>	Wednesday, August 2, 2023	No later than 3:00 PM
<b>Remediated auction forms deadline</b>	<b>Wednesday, August 16, 2023</b>	<b>No later than 5:00 PM</b>

<sup>1</sup> All due dates specified in the Auction Notice refer to the date and time on which the item(s) must be received by the Auction Manager.



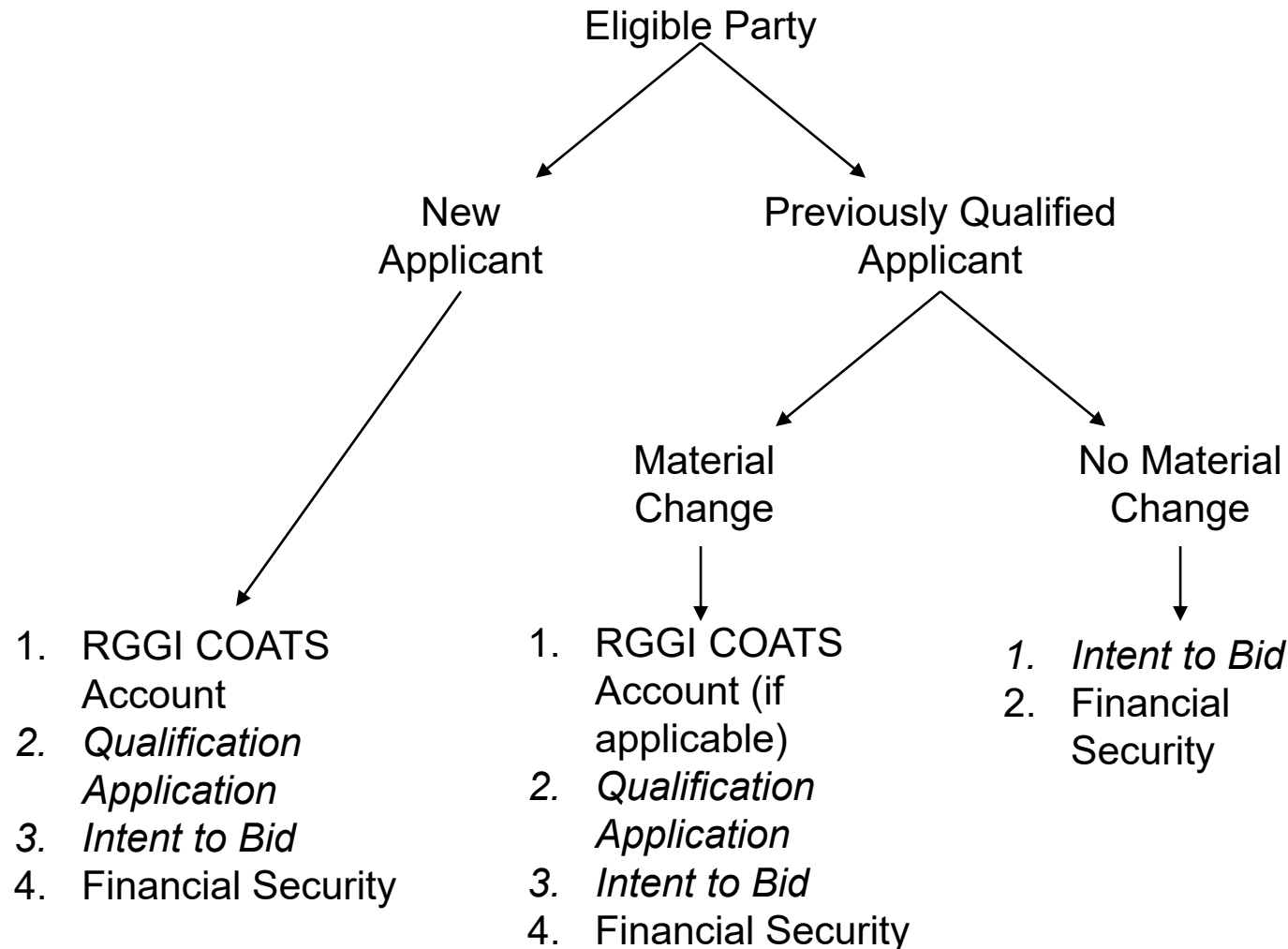
# Schedule [2]

Event	Date	Time
Qualification status sent to Applicants	Tuesday, August 22, 2023	No later than 5:00 PM
Auction Platform training sessions	Monday, August 28, 2023	1:00 PM ET to 4:00 PM
Auction Platform training sessions	Tuesday, August 29, 2023	1:00 PM ET to 4:00 PM
<b>Financial security deadline</b>	<b>Wednesday, August 30, 2023</b>	<b>No later than 5:00 PM</b>
Notification of participation status sent to Applicants	Friday, September 1, 2023	No later than 5:00 PM
<b>Auction 61</b>	<b>Wednesday, September 6, 2023</b>	<b>9:00 AM ET - 12:00 PM</b>
Auction clearing price posted at <a href="https://www.rggi.org/">https://www.rggi.org/</a> • Directly after, Bidders can view awards on Auction Platform.	Friday, September 8, 2023	10:00 AM
Optional cash settlement deadline	Wednesday, September 13, 2023	No later than 5:00 PM
Unused cash financial security return	Wednesday, September 20, 2023	No later than 5:00 PM
Allowance transfer and confirmation	Thursday, September 21, 2023	No later than 5:00 PM

# What's New for Auction 61

- Minimum Reserve Price is \$2.50 per CO<sub>2</sub> allowance
- The Cost Containment Reserve (“CCR”) for calendar year 2023 is 11,245,778 CO<sub>2</sub> allowances
  - All CCR allowances are available in Auction 61
- The Emissions Containment Reserve (“ECR”) for calendar year 2023 is 10,616,464 CO<sub>2</sub> allowances
  - All ECR allowances are available in Auction 61
- The CCR Trigger Price for 2023 is \$14.88 per CO<sub>2</sub> allowance
- The ECR Trigger Price for 2023 is \$6.87 per CO<sub>2</sub> allowance

# Participation Requirements



# New Applicants

- Open general account or retrieve compliance account number (if created) in the RGGI CO<sub>2</sub> Allowance Tracking System (RGGI COATS)
- Submit the *Qualification Application* through the RGGI Portal
- Submit the *Intent to Bid* through the RGGI Portal
- Meet the financial security requirements

# Previously Qualified Applicant [1]

- Previously qualified applicant with a material change to information previously submitted becomes a new applicant
- Update and submit a new *Qualification Application* and *Intent to Bid* through the RGGI Portal
- Meet financial security requirements
- Material changes:
  - General Information: Any change constitutes a material change, except Street Address, City, State/Province,” Postal Code, Country, Years in Business, and URL for Applicant’s Web Site

# Previously Qualified Applicant [2]

- Material changes (continued):
  - Authorized Auction Representative(s): Only a change to the Authorized Auction Representative(s) First Name and/or Last Name constitutes a material change
  - COATS Account: Any change constitutes a material change
  - Corporate Associations: Any change constitutes a material change
  - Bidding Associations: Any change constitutes a material change
  - Attestations: Any change constitutes a material change
- For all other fields, please update the forms as needed



# Qualification Application Submission Instructions

- The *Qualification Application* is contained in the RGGI Portal on the Auction Platform (the “Exchange”)
  - All sections of the *Qualification Application* are required for all new applicants or previously qualified applicants with a material change
  - The RGGI Portal and *Qualification Application* provides:
    - Landing page with messaging on next steps
    - Auto-populated from the new applicant registration form or from a previously qualified applicant’s information
    - Auto save functionality
- Must be submitted no later than 5:00 PM ET on Wednesday, July 26, 2023
  - Submission window automatically closes at the deadline

# Intent to Bid Submission Instructions

- The *Intent to Bid* is also contained in the RGGI Portal on the Auction Platform
  - All sections of the online *Intent to Bid* are required for all applicants
- Must be submitted no later than 5:00 PM ET on Wednesday, July 26, 2023
  - Submission window automatically closes at the deadline

# Qualification Application Review and Determination [1]

- Confirmations will be sent out via email immediately after successful submission
- Initial Review
  - Failure to provide any information required will result in the *Qualification Application* being deemed incomplete or otherwise deficient
  - Remediation notifications via email will be sent no later than 3:00 PM ET on Wednesday, August 2, 2023
- Remediation
  - Failure to remediate may result in qualification denial
  - Additional information must be provided no later than 5:00 PM ET on Wednesday, August 16, 2023

# Qualification Application Review and Determination [2]

- State Review
  - Each state will review each Applicant's *Qualification Application* and make a determination to grant or deny qualification to each Applicant
- Qualification Notification
  - Each Applicant will be notified via email no later than 5:00 PM ET on Tuesday, August 22, 2023 as to whether its qualification has been granted or denied

# Intent to Bid Review and Determination [1]

- Confirmations will be sent out via email immediately after successful submission
- Initial Review
  - Failure to provide any information required will result in the Intent to Bid being declared incomplete
  - Failure to submit a *Qualification Application* due to a material change will result in the *Qualification Application* being deemed incomplete or otherwise deficient
  - Remediation notifications via email will be sent no later than 3:00 PM ET on Wednesday, August 2, 2023



# Intent to Bid Review and Determination [2]

- Remediation
  - Failure to remediate may result in Auction 61 participation or qualification denial
  - Additional information must be provided no later than 5:00 PM ET on Wednesday, August 16, 2023
- State Review
  - Each state will review each *Intent to Bid* and make a determination as to the completeness of each Applicant's *Intent to Bid*
- Completeness Notification
  - Each Applicant will be notified via email no later than 5:00 PM ET on Tuesday, August 22, 2023 as to whether its *Intent to Bid* has been determined to be complete or not





# Financial Security [1]

- Only three acceptable forms of financial security: (1) bond (2) cash in the form of a wire transfer or certified funds, (3) an Irrevocable Letter of Credit (ILOC)
- Financial security, in United States dollars (USD), must be received no later than 5:00 PM ET on Wednesday, August 30, 2023
- The amount of financial security will be used to set a bidding limitation
- Appendices are available in Word format at the auction website:  
<https://www.rggi.org/auctions/auction-materials>
  - Form of bond is provided in Appendix A and form of ILOC is provided in Appendix B
- No material changes will be permitted to the form of bond or ILOC
  - To the extent the submitted bond or ILOC differs from the forms provided, the Potential Bidder assumes the risk that the bond or ILOC may be rejected

# Financial Security [2]

- Applicants must provide information regarding their financial security through the RGGI Portal
  - Please refer to the RGGI Portal – Training and Support tutorial for information on how to submit the financial security information.
- All unused cash balances will be returned via Automated Clearing House (“ACH”) credit no later than Wednesday, September 20, 2023
- Each winning bidder who submits an ILOC or bond can settle its transaction with cash via a wire transfer
  - Wire transfers must be received no later than 5:00 PM ET on Wednesday, September 13, 2023
  - Failure to settle a transaction in this manner will result in a sight draft against the bond or ILOC on Thursday, September 14, 2023

# RGGI CO<sub>2</sub> Allowance Tracking System Account [1]

- Applicant's RGGI CO<sub>2</sub> Allowance Tracking System (RGGI COATS) account is where awarded CO<sub>2</sub> allowances will be transferred.
- Applicant must have active RGGI COATS account to submit a Qualification Application.
- Either a “general” or “compliance” account may be registered. The majority of affected sources in the states participating in the RGGI control period have been approved by their respective state agencies for compliance accounts. An applicant without a compliance account may create and register a general account for the auction.

# RGGI CO<sub>2</sub> Allowance Tracking System Account [2]

- If not already a RGGI COATS user, applicants are encouraged to start the user application process immediately to ensure establishment of a RGGI COATS general account before submitting CO<sub>2</sub> Allowance Auction Qualification Application – Version 3.3
  - See <https://rggi-coats.org> for details including the RGGI COATS User's Guide at:  
[https://rggicoats.org/eats/rggi/image/help/\\_rggi/RGGIGettingStartedGuide.pdf](https://rggicoats.org/eats/rggi/image/help/_rggi/RGGIGettingStartedGuide.pdf)
  - The User's Guide may also be accessed by selecting the User's Guide sub-menu option under the Reference menu option.

# Registering to Use RGGI COATS

- In order to create a general account or to access an existing account in RGGI COATS, you must first register to be a user.
- A user account is assigned to one natural person and may not be shared. Each natural person who will access a RGGI COATS general account and/or compliance account as an Authorized Account Representative (AAR), Alternate AAR or electronic submission agent requires a personal user account (login name and password).
- Individuals who did not receive an email invitation to register may request a RGGI COATS user account via <https://rggi-coats.org>.



# RGGI CO<sub>2</sub> Allowance Tracking System

## RGGI CO<sub>2</sub> Budget Trading Programs

### Public Reports

RGGI COATS enables the public to view, customize, and download reports of RGGI data and CO<sub>2</sub> allowance market activity.

Access reports here:

- [Summary Level Emissions](#)
- [Quarterly Emissions](#)
- [Annual Emissions](#)
- [Control Period Emissions](#)
- [Sources](#)
- [Accounts](#)
- [Transaction Price Report](#)
- [Special Approvals](#)
- [Offset Projects](#)
- [Compliance Summary](#)

[Access archived reports here.](#)

### RGGI COATS Accounts

RGGI COATS enables market participants to receive and transfer CO<sub>2</sub> allowances, register offset projects, and submit offset project Consistency Applications and Monitoring and Verification Reports.

A login is required only for authorized account representatives (AARs), alternate account representatives (AAARs), electronic submission agents, or reviewers to access compliance or general accounts.

[Click here to log in to RGGI COATS](#)

[Register to use RGGI COATS](#)

**Click here to register to be  
a RGGI COATS user.**

RGGI COATS is compatible with the following web browsers: Internet Explorer 11 and later, and the latest versions of Firefox, Safari, Chrome, Edge, and Opera.

The Regional Greenhouse Gas Initiative (RGGI) is a cooperative, market-based effort by participating states to cap and reduce CO<sub>2</sub> emissions from the power sector. The RGGI CO<sub>2</sub> Allowance Tracking System (RGGI COATS) is the platform that records and tracks data for each state's CO<sub>2</sub> Budget Trading Program.



# RGGI CO<sub>2</sub> Allowance Tracking System

## RGGI CO<sub>2</sub> Budget Trading Programs

Help

## Registration Information for Access to RGGI COATS

Users who are representatives of RGGI COATS accounts and need to manage these accounts through the RGGI COATS system must complete the registration below to access the system. Registration is not required for members of the public who wish to access public reports and do not require ability to log in to the RGGI COATS system. Fields marked by \* are required.

### Step 1: Enter Information

Title (Mr./Ms.)

First Name \*

Last Name \*

Middle Initial

Phone Number \*

Fax Number

Company Name

Address \*

Address

City \*

Country \*

State/Province

Postal Code \*

Reason for requesting a login \*



The registration form consists of the following fields:

- Title (Mr./Ms.): Text input
- First Name \*: Text input
- Last Name \*: Text input
- Middle Initial: Text input
- Phone Number \*: Text input
- Fax Number: Text input
- Company Name: Text input
- Address \*: Text input
- Address: Text input
- City \*: Text input
- Country \*: Text input with a dropdown arrow
- State/Province: Text input with a dropdown arrow
- Postal Code \*: Text input
- Reason for requesting a login \*: Large text area

A red arrow points from the text "Enter required information in the appropriate fields." to the fields marked with an asterisk (\*).

Enter required information in the appropriate fields.

# Bottom of Registration Page

**Important:** Enter a valid email address to receive notification of your completed registration as a user. Valid RGGI COATS passwords are at least eight characters in length and contain at least one of each of the following: an alphabetic character, a numeric character, and special character (@#\$!, etc.).

Email Address \*

Re-enter email address \*

Email Salutation (e.g. Bill Smith,) \*

Create your RGGI COATS username \*

Create your password \*

Re-enter password \*

Back

Next

**Complete the remaining required fields and then click Next.**

# Registering to use RGGI COATS (continued)

- Agree to the terms page displayed after clicking 'Next'.
- Print, sign in blue ink, and submit the User Login Request Form to RGGI, Inc.:

## **RGGI COATS**

RGGI, Inc.

90 Church Street

4th Floor

New York, NY 10007

- Once RGGI, Inc. has processed the User Login Request Form, you will receive notice at the email address you registered that you can access the system.

# Creating a General Account

- Log into RGGI COATS via <https://rggi-coats.org>
- Select the Create General Account option
- The user creating the general account must be the AAR



The screenshot displays the RGGI CO<sub>2</sub> Allowance Tracking System interface. At the top, a dark blue navigation bar contains the text "INDUSTRY USER (Last login : 02/02/2022 03:39 PM) : My Profile : Contact Us : Home : Log Out". Below this, a lighter blue navigation bar lists several menu items: "Accounts", "Sources", "Special Approvals", "Offset Projects", "Emissions", "Compliance", "Allowance Transactions", "Public Reports", and "Reference". The "Accounts" menu is expanded, showing a sub-menu with three options: "Accounts", "Create General Account", and "Account Balance Report". A red arrow points from the "Create General Account" option to a red text box at the bottom of the slide. The background of the interface features a blue geometric pattern with white dots. The main heading "CO<sub>2</sub> Allowance Tracking System" is prominently displayed in white, with "RGGI CO<sub>2</sub> Budget Trading Programs" written below it in a smaller font.

**Select the Accounts menu option, then select the Create General Account submenu option.**

# Creating a General Account

- Enter an Account Name

Accounts ▾ Sources Special Approvals ▾ Offset Projects ▾ Emissions Compliance Allowance Transactions ▾ Public Reports ▾ Reference ▾

## RGGI CO<sub>2</sub> Allowance Tracking System

RGGI CO<sub>2</sub> Budget Trading Programs

### Create Account: Enter Account Details

Help

#### Create General Account

Create the name of your account as the first step in creating a general account. Then, click the **Next** button to continue.

Account Name \*

← Enter an Account Name.

Next





# RGGI CO<sub>2</sub> Allowance Tracking System

## RGGI CO<sub>2</sub> Budget Trading Programs

[Help](#)

### Create Account: Designate Account Ownership

To create a General Account, any and all organization(s) with ownership interest in the allowances in the account must be disclosed. Select ownership organization(s) from the list below and move it from the "Candidate Organizations" box on the left to the "Selected Organizations" box on the right using the arrow (">") buttons between the boxes. If the organization you wish to select is not found within this list, click the "Add" button to create a new ownership organization.

Account Name

Industrial Power Station General Account

Account Type

General

Authorized Account Representative

James, Mary

Select an organization or multiple organizations from the list.

Candidate Organizations

AES Corporation

AES Creative Resources, LP

AES Eastern Energy, LP

AES Eastern Energy, LP

AES Greenidge LLC

AES Greenidge, LLC

AES Hickling, LLC

AES Ironwood

AES Jennison, LLC

AES Londonderry, LLC

AES Red Oak, LLC

AES Somerset, LLC

AES Somerset, LLC

AES Thames, Inc.

AES Thames, Inc.

AES Warrior Run Limited Partnership

Selected Organizations \*

Industrial Power Station, LLC

>

>>

<

<<

Use the arrows to move organizations from one box to the other.

Back

Add

Next

If an organization is not in the list, click the Add button to create a new organization.



# RGGI CO<sub>2</sub> Allowance Tracking System

## RGGI CO<sub>2</sub> Budget Trading Programs

[Help](#)

### Create Account: Select Alternate Authorized Account Representative

Select the optional Alternate Authorized Account Representative ("AAAR"), if any, for the General Account using the radio buttons in the grid below. The grid is initially blank and you must first enter filter criteria in the box to the right to display a specific AAAR or list of AAARs. The designated AAAR will have the same system permissions for the General Account as the AAR. Note that the grid can be sorted by clicking on the grid column

Use the Filter Criteria to find a person.

**Filter Criteria ▾**

First Name

Last Name

Williams

Organization Name

Filter

Clear

Account Name Industrial Power Station General Account  
Account Type General  
Authorized Account Representative James, Mary

The Alternate Authorized Account Representative grid is blank by default.

#### Organizations

Owner/Operator	Owner/Operator Role
Industrial Power Station, LLC	Owner

#### Alternate Authorized Account Representative

	Name	Organization Name
<input checked="" type="radio"/>	Williams, Elizabeth	Industrial Power Station, LLC

1 - 1 of 1

[Back](#) [Add](#) [Next](#)

If you cannot find a person using the filter criteria, click the Add button to add a new user.

# RGGI CO<sub>2</sub> Allowance Tracking System

## RGGI CO<sub>2</sub> Budget Trading Programs

[Help](#)

### Create Account: Review and Submit

Account Name	Industrial Power Station General Account
Account Type	General
Authorized Account Representative	James, Mary
Alternate Authorized Account Representative	Williams, Elizabeth

#### Organizations

Owner/Operator	Owner/Operator Role
Industrial Power Station, LLC	Owner

#### Certification Statement

I certify that I was selected as the CO<sub>2</sub> authorized account representative or the CO<sub>2</sub> alternate authorized account representative, as applicable, by an agreement that is binding on all persons who have an ownership interest with respect to CO<sub>2</sub> allowances held in the general account. I certify that I have all the necessary authority to carry out my duties and responsibilities under the CO<sub>2</sub> Budget Trading Program on behalf of such persons and that each such person shall be fully bound by my representations, actions, inactions, or submissions and by any order or decision issued to me by the Department or its agent<sup>1</sup> or a court regarding the

Entering your password below acknowledges that you have read and agreed to the above certification.

Password \*

[Back](#)[Submit](#)

**If the information on the page is correct, enter your password and click the Submit button.**

**Use the Back button to navigate to a previous page to make a change.**

# RGGI CO<sub>2</sub> Allowance Tracking System

## RGGI CO<sub>2</sub> Budget Trading Programs

Print Help

### Account Details

The system messages confirm that data was saved in the system.

Account data saved.  
Account people relationship data saved.  
Account owner/operator relationship saved.

Account Number GN81071  
Account Name Industrial Power Station General Account  
Account Type General  
Status Open  
Opened on 02/02/2022  
Closed on  
Allowances can be Transferred Yes  
Allowances can be Acquired Yes  
State All States

Use the General Account Number to register for the auction.

Back

#### Account Representative Details Agents/Reviewers Owner Details Available Allowances

##### Account Representative Details

	Name	Representative Type	Begin Date
<input type="radio"/>	James, Mary	Authorized Account Representative	02/02/2022
<input type="radio"/>	Williams, Elizabeth	Alternate Authorized Account Representative	02/02/2022

Change End Alternate Show History

Note: Changing a representative will automatically end the current representative relationship. It is not necessary to first end the relationship manually.



# Accessing a Compliance Account

- Verify role as the source RGGI representative in EPA's CBS via <https://camd.epa.gov/cbs> as RGGI COATS mirrors the relationship for RGGI compliance accounts.
- Log into RGGI COATS via <https://rggi-coats.org>

The screenshot shows the top navigation bar of the RGGI CO<sub>2</sub> Allowance Tracking System. The user is logged in as an "INDUSTRY USER" with a last login time of 08/14/2023 11:18 AM. The navigation bar includes links for "My Profile", "Contact Us", "Home", and "Log Out". Below the navigation bar, a dropdown menu for "Accounts" is open, showing options: "Accounts", "Create General Account", and "Account Balance Report". A red arrow points from the "Accounts" menu option to the "Accounts" submenu option. The main header area displays "CO<sub>2</sub> Allowance Tracking System" and "RGGI CO<sub>2</sub> Budget Trading Programs".

INDUSTRY USER (Last login : 08/14/2023 11:18 AM) : My Profile : Contact Us : Home : Log Out

Accounts Sources Special Approvals Offset Projects Emissions Compliance Allowance Transactions Public Reports Reference

Accounts  
Create General Account  
Account Balance Report

CO<sub>2</sub> Allowance Tracking System  
RGGI CO<sub>2</sub> Budget Trading Programs

Select the Accounts menu option, then select the Accounts submenu option.

# RGGI CO<sub>2</sub> Allowance Tracking System

## RGGI CO<sub>2</sub> Budget Trading Programs

Print

Help

### Accounts

Click on the Account Number link in the grid below to view account details. Use the filter criteria to the right to find a specific account or list of accounts more easily. Click the Export Data button under the grid to export the grid data to Excel (.csv). Also, note that the grid can be sorted by clicking on the grid column headers (first click is ascending, second click is descending).

#### Filter Criteria ▾

Account Number

Account Name

ORIS Code

Authorized Account Representative

State

Status

Account Type

Filter

Clear

Account Number ▲	State	Account Name	ORIS Code	Authorized Account Representative	Account Type	Status
<a href="#">GN81071</a>	All States	Industrial Power Station General Account		James, Mary	General	Open
<a href="#">DE81070</a>	DE	Industrial Power Station Compliance Account	555	James, Mary	Compliance	Open

1 - 2 of 2

Export Data

Click on the hyperlinked Account Number to access the Compliance Account Details.



# RGGI CO<sub>2</sub> Allowance Tracking System

## RGGI CO<sub>2</sub> Budget Trading Programs

Print Help

### Account Details

Account Number DE81070  
Account Name Industrial Power Station Compliance Account  
Account Type Compliance  
Status Open  
Opened on 02/01/2022  
Closed on  
Allowances can be Transferred Yes  
Allowances can be Acquired Yes  
State DE

Use the Compliance Account Number to register for the auction.

Back

Source Details Account Representative Details Agents/Reviewers Owner Details Available Allowances

#### Source Details

ORIS Code	Source Name	State Identifier
555	Industrial Power Station	1001-2002



# Confidential Information

- Applicant may not publicly release confidential information
  - Confidential information includes, but is not limited to, qualification status, bidding strategy, bid price and/or bid quantity information, and information on financial security to the extent such information is not generally available to the public

# Limitation on Communication

- After the relevant *Qualification Application* filing deadline, an Applicant may not communicate with any other Applicant or party about the RGGI auction that has not been disclosed in its qualification application, except as requested by the Auction Manager to remediate a *Qualification Application*

# Auction Overview [1]

- Electronic, internet-based auction platform
- Uniform-price, sealed-bid (single-round) auction format
- Bids ranked by their bid price from highest to lowest
  - Cumulative demand noted at each bid price
- Auction includes a Cost Containment Reserve (“CCR”)
  - Auction 61 CCR is 11,245,778 CO<sub>2</sub> allowances
- Auction includes an Emissions Containment Reserve (“ECR”) for
  - Auction 61 ECR is 10,616,464 CO<sub>2</sub> allowances
- Auction Notice provides clear guidance on determining the interim and final clearing price and allowance awards



# Auction Overview [2]

- All tied marginal bids will be resolved by a random tiebreaking process
- All bids that exist in the Auction Platform via user submission at the close of the auction will be considered binding offers and eligible for award
  - Contingent bids are not permitted
- Each bid price must be submitted in dollars and whole cents
- Each bid quantity must be submitted in multiples of 1,000
- Bidders can submit an unlimited number of bids; however, only one bid may be submitted for any given bid price
- Bidders can cancel or change their bids at their discretion until the bidding window closes



# Bid Limitations [1]

- Reserve Price
  - The reserve price is \$2.50 per CO<sub>2</sub> allowance
- Financial Security
  - The value of a bidder's bids cannot exceed the amount of a bidder's financial security
  - The value of a bidder's bids is the maximum value the bidder would be liable to pay in a uniform-price auction format
    - This is the same approach utilized since Auction 2

# Bid Limitations [2]

- Quantity of CO<sub>2</sub> Allowances
  - The maximum number of CO<sub>2</sub> allowances that an entity (i.e., an individual person, or an organization and its affiliates and/or agents), may bid for in a single auction is 25% of the CO<sub>2</sub> allowances offered for sale (“Initial Offering”)
  - Applicants are associated if they have ties that could allow them to act in concert or that could prevent them from competing actively against each other in an auction
  - There is no prohibition against associations among bidders; however, they must be disclosed properly



# Bid Limitations [3]

- Quantity of CO<sub>2</sub> Allowances (cont.)
  - Corporate Associations
    - See Auction Notice for corporate association definition
  - Bidding Associations
    - Bidding associations only relate to CO<sub>2</sub> allowances offered for sale in a RGGI auction
    - See Auction Notice for bidding association definition
- All bid limitations are evaluated at the time of submittal
- The Auction Platform will not allow bids that violate any bid limitation to be submitted

# Cost Containment Reserve Overview and Mechanics

- The CCR is designed to moderate the price of CO<sub>2</sub> allowances
  - The CCR contains a number of CO<sub>2</sub> allowances that, under certain circumstances, will be offered for sale
- Once the pool of CO<sub>2</sub> allowances available in the CCR is exhausted, no CCR Allowances will be available for the remainder of that calendar year
- The CCR trigger price (“CCR Trigger Price”) for Auction 61 is \$14.88 per CO<sub>2</sub> allowance

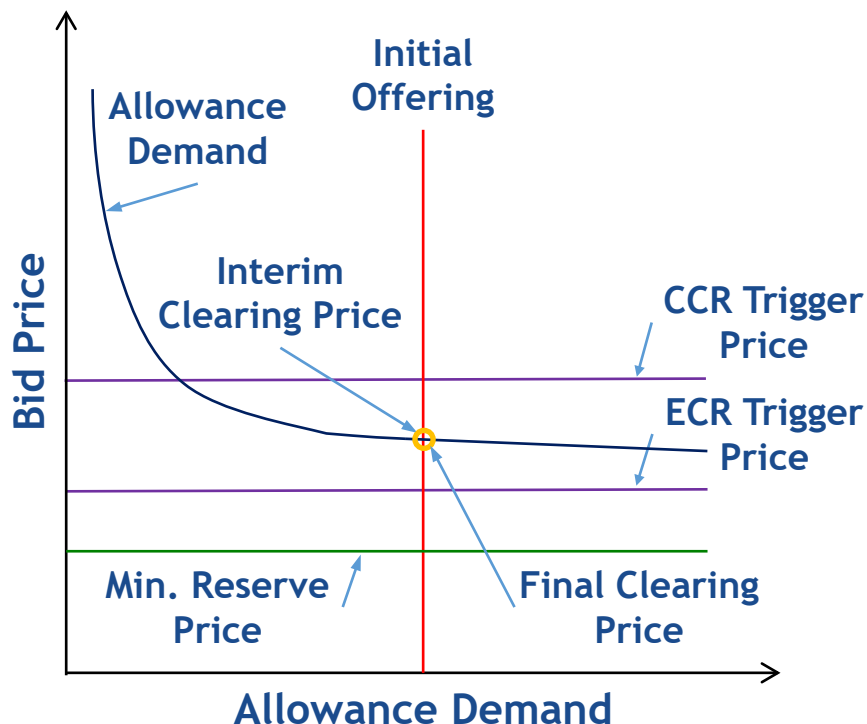


# Emission Containment Reserve Overview and Mechanics

- The ECR is designed to support the price of CO<sub>2</sub> allowances
  - The ECR represents a budget (i.e., fixed number) of ECR allowances which, under certain circumstances, can be withheld from the Initial Offering
- Once the limit of ECR allowances available for withholding is reached, no allowances can be withheld for the remainder of that calendar year
- The ECR trigger price (“ECR Trigger Price”) for Auction 61 is \$6.87 per CO<sub>2</sub> allowance



# Mechanics of the ECR & CCR: Clearing Price and Allowance Awards [1]

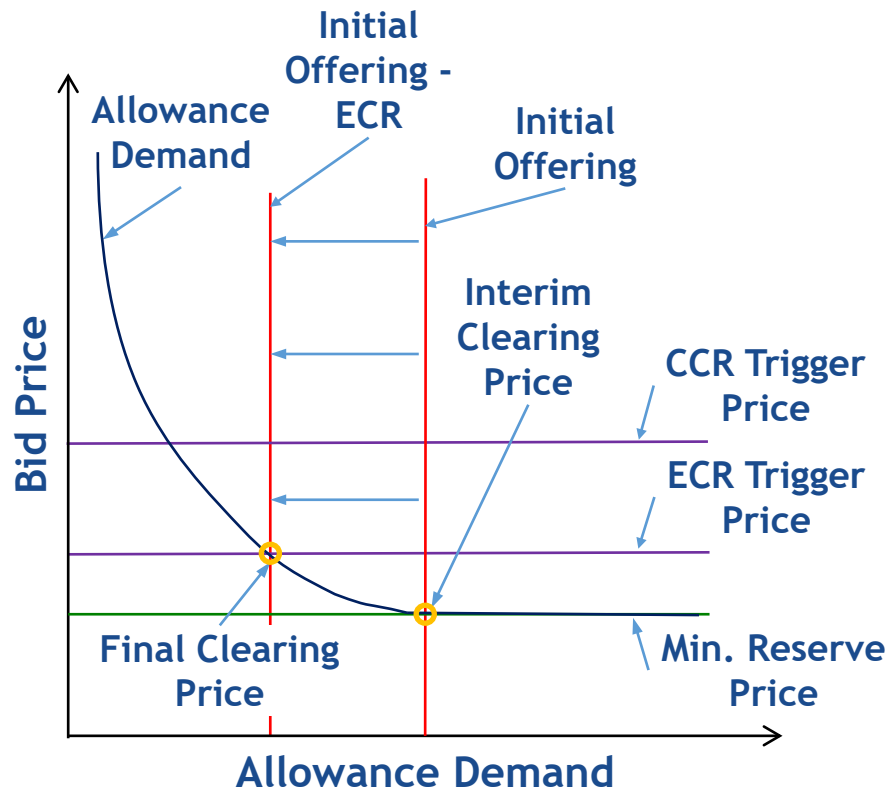


## Scenario No. 1 – Total Demand > Initial Offering, ECR & CCR are not Triggered

- Step 1: The Interim Clearing Price
  - Interim Clearing Price = Bid price of the marginal bid or bids
- Step 2: Triggering the ECR or CCR and the Final Clearing Price
  - Interim Clearing Price > ECR Trigger Price
  - Interim Clearing Price < CCR Trigger Price
  - No ECR allowances are withheld & no CCR allowances are released in this scenario
  - Final Clearing Price = Interim Clearing Price
- Step 3: CO<sub>2</sub> Allowance Awards
  - Allowances awarded to bids with bid prices > Final Clearing Price
  - Tie breaker may apply for marginal bids with bid prices = Final Clearing Price



# Mechanics of the ECR & CCR: Clearing Price and Allowance Awards [2]

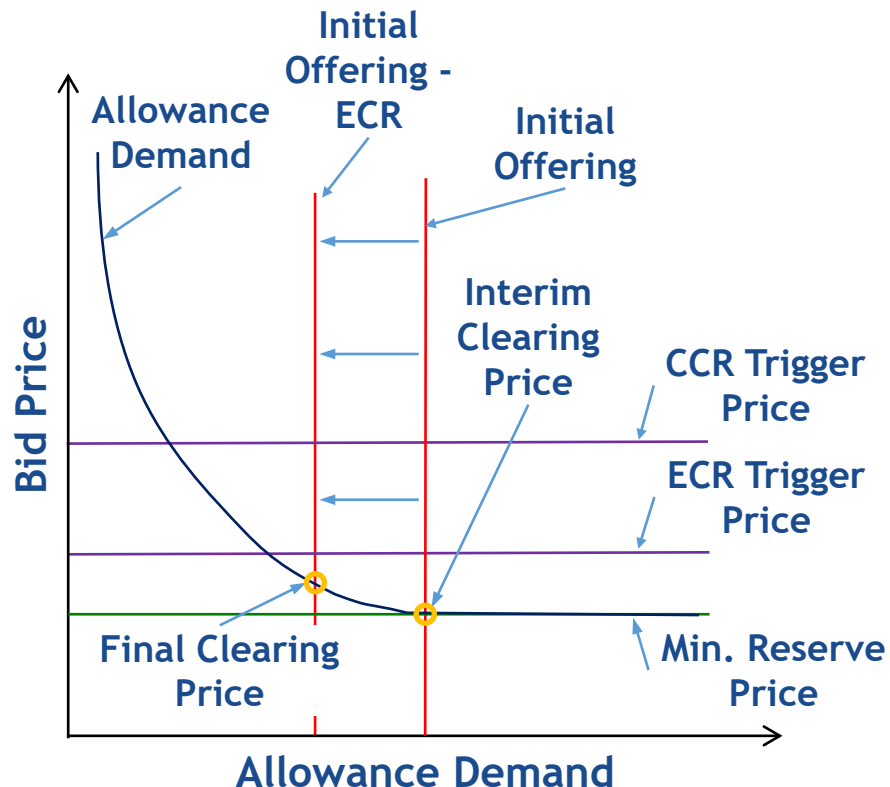


## Scenario No. 2a – Total Demand $\leq$ Initial Offering, ECR Triggered

- Step 1: The Interim Clearing Price
  - Interim Clearing Price = Minimum Reserve Price
- Step 2: Triggering the ECR or CCR and the Final Clearing Price
  - Interim Clearing Price < ECR Trigger Price
  - In this scenario, ECR Allowances are withheld until Final Clearing Price = ECR Trigger Price
- Step 3: CO<sub>2</sub> Allowance Awards
  - Allowances awarded to bids with bid prices  $\geq$  Final Clearing Price



# Mechanics of the ECR & CCR: Clearing Price and Allowance Awards [3]



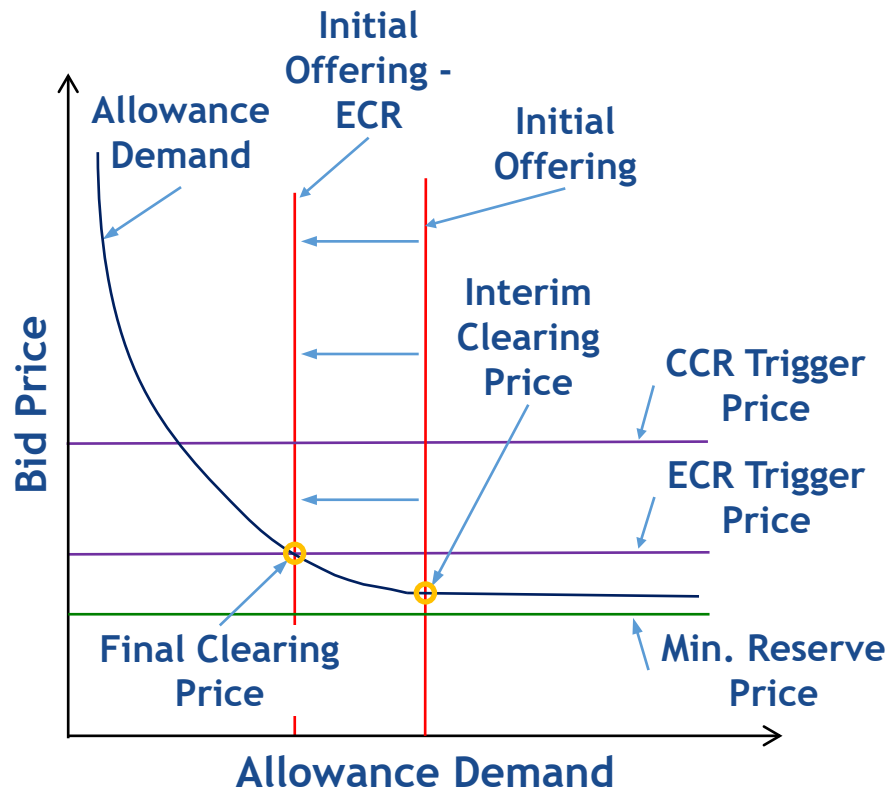
## Scenario No. 2b – Total Demand $\leq$ Initial Offering

- Step 1: The Interim Clearing Price
  - Interim Clearing Price = Minimum Reserve Price
- Step 2: Triggering the ECR or CCR and the Final Clearing Price
  - Interim Clearing Price < ECR Trigger Price
  - In this scenario, ECR Allowances are withheld until ECR withholding limit is reached
  - Final Clearing Price = Bid price of the marginal bid or bids and is < ECR Trigger Price
- Step 3: CO<sub>2</sub> Allowance Awards
  - Allowances awarded to bids with bid prices > Final Clearing Price
  - Tie breaker may apply for marginal bids with bid prices = Final Clearing Price





# Mechanics of the ECR & CCR: Clearing Price and Allowance Awards [4]

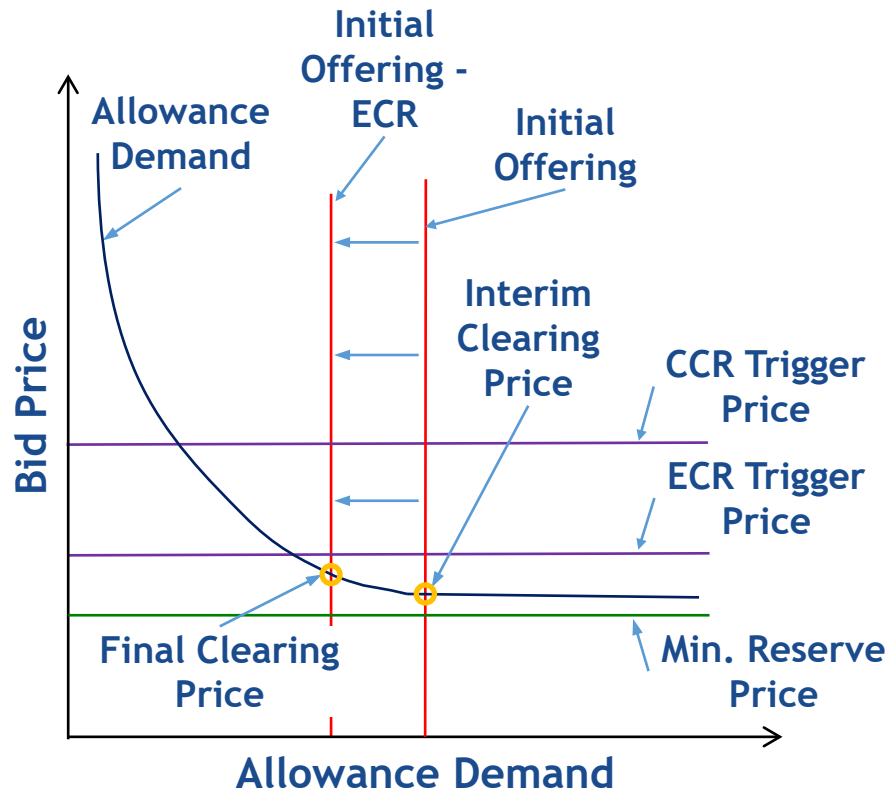


## Scenario No. 3a – Total Demand > Initial Offering, ECR is Triggered

- Step 1: The Interim Clearing Price
  - Interim Clearing Price = Bid price of the marginal bid or bids
- Step 2: Triggering the ECR or CCR and the Final Clearing Price
  - Interim Clearing Price < ECR Trigger Price
  - In this scenario, ECR Allowances are withheld until Final Clearing Price = ECR Trigger Price
- Step 3: CO<sub>2</sub> Allowance Awards
  - Allowances awarded to bids with bid prices  $\geq$  Final Clearing Price



# Mechanics of the ECR & CCR: Clearing Price and Allowance Awards [5]

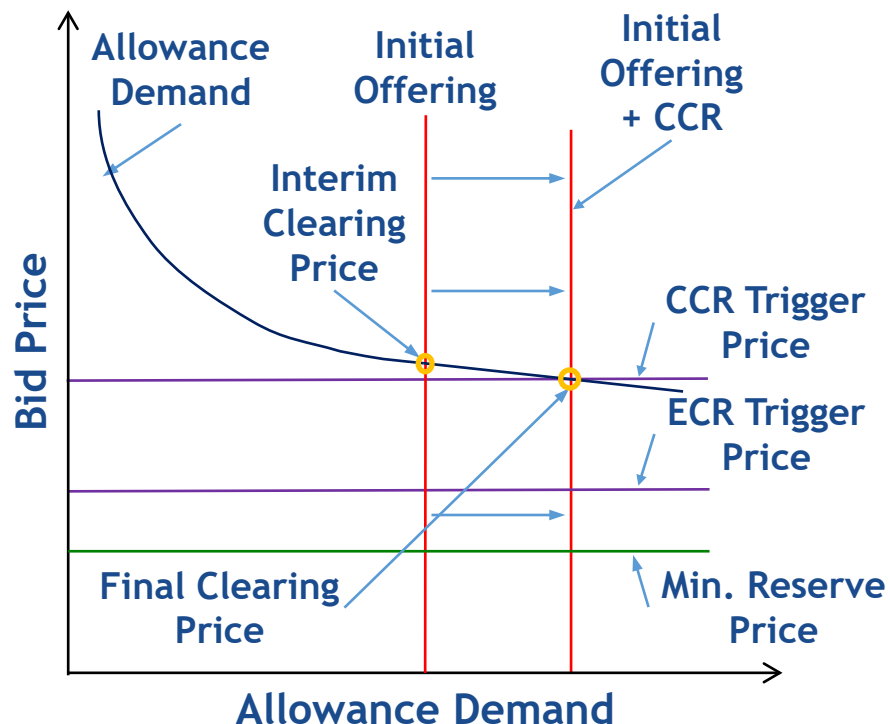


## Scenario No. 3b – Total Demand > Initial Offering, ECR is Triggered

- Step 1: The Interim Clearing Price
  - Interim Clearing Price = Bid price of the marginal bid or bids
- Step 2: Triggering the ECR or CCR and the Final Clearing Price
  - Interim Clearing Price < ECR Trigger Price
  - In this scenario, ECR Allowances are withheld until ECR withholding limit is reached
  - Final Clearing Price = Bid price of the marginal bid or bids and is < ECR Trigger Price
- Step 3: CO<sub>2</sub> Allowance Awards
  - Allowances awarded to bids with bid prices > Final Clearing Price
  - Tie breaker may apply for marginal bids with bid prices = Final Clearing Price



# Mechanics of the ECR & CCR: Clearing Price and Allowance Awards [6]

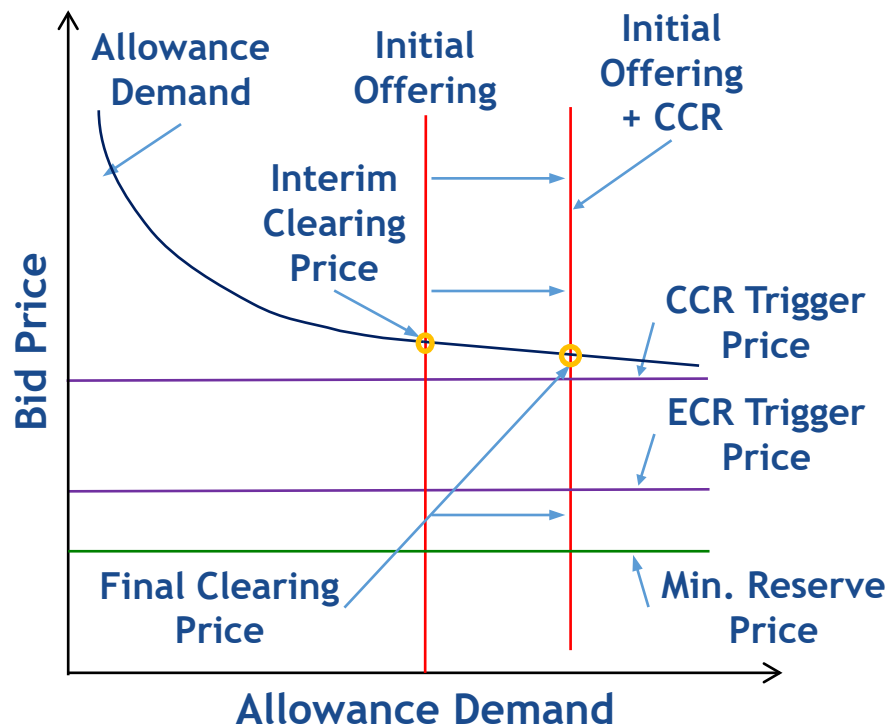


## Scenario No. 4a – Total Demand > Initial Offering, CCR is Triggered

- Step 1: The Interim Clearing Price
  - Interim Clearing Price = Bid price of the marginal bid or bids
- Step 2: Triggering the ECR or CCR and the Final Clearing Price
  - Interim Clearing Price > CCR Trigger Price
  - In this scenario, CCR allowances are released until Final Clearing Price = CCR Trigger Price
- Step 3: CO<sub>2</sub> Allowance Awards
  - Allowances awarded to bids with bid prices  $\geq$  Final Clearing Price



# Mechanics of the ECR & CCR: Clearing Price and Allowance Awards [7]



## Scenario No. 4b – Total Demand > Initial Offering, CCR is Triggered

- Step 1: The Interim Clearing Price
  - Interim Clearing Price = Bid price of the marginal bid or bids
- Step 2: Triggering the ECR or CCR and the Final Clearing Price
  - Interim Clearing Price > CCR Trigger Price
  - In this scenario, CCR allowances are released until CCR is exhausted
  - Final Clearing Price = Bid price of the marginal bid or bids and is > CCR Trigger Price
- Step 3: CO<sub>2</sub> Allowance Awards
  - Allowances awarded to bids with bid prices > Final Clearing Price
  - Tie breaker may apply for bids with bid prices = Final Clearing Price



# Auction Format Example No. 1

- Sample auction for 100,000 CO<sub>2</sub> allowances
- All bids are ranked by bid price from highest to lowest
  - Cumulative demand is noted at each bid
- Awards made until supply of CO<sub>2</sub> allowances is exhausted, which is Bidder B's bid for 17,000 CO<sub>2</sub> allowances at \$7.40

Bidder Name	Bid Price	Bid Quantity	Cumulative Demand
Bidder E	\$8.00	21,000	21,000
Bidder A	\$7.95	18,000	39,000
Bidder A	\$7.80	23,000	62,000
Bidder D	\$7.70	21,000	83,000
Bidder B	\$7.40	17,000	100,000
Bidder E	\$7.10	12,000	112,000
Bidder C	\$6.85	10,000	122,000
Bidder E	\$6.80	10,000	132,000
Bidder B	\$6.75	15,000	147,000
Bidder C	\$6.25	20,000	167,000
Bidder A	\$6.20	25,000	192,000
Bidder C	\$6.00	22,000	214,000
Bidder D	\$5.10	10,000	224,000
Bidder A	\$5.05	13,000	237,000

- Clearing price is the bid price after the marginal bid, or \$7.10 per CO<sub>2</sub> allowance





# Auction Format Example No. 2

- Sample auction for 100,000 CO<sub>2</sub> allowances
- Bidder E's, D's, A's, & B's bids at \$6.75 cause cumulative demand to exceed supply
  - Clearing price is the bid price of the tied marginal bids, or \$6.75
- Tied marginal bids are broken by a random process

Bidder Name	Bid Price	Bid Quantity	Cumulative Demand	Random Number
Bidder E	\$8.00	13,000	13,000	
Bidder A	\$7.50	6,000	19,000	
Bidder B	\$7.10	8,000	27,000	
Bidder D	\$7.05	14,000	41,000	
Bidder E	\$7.00	9,000	50,000	
Bidder A	\$6.95	11,000	61,000	
Bidder C	\$6.85	18,000	79,000	
Bidder E	\$6.75	10,000	89,000	3
Bidder D	\$6.75	5,000	94,000	1
Bidder A	\$6.75	15,000	109,000	2
Bidder B	\$6.75	10,000	119,000	4
Bidder A	\$6.25	30,000	149,000	
Bidder C	\$6.00	40,000	189,000	
Bidder E	\$5.85	35,000	224,000	

- Allowances awarded to each tied bidder in increasing order of their random number





# Auction Format Example No. 3 [1]

- Sample auction for 100,000 CO<sub>2</sub> allowances with an ECR of 50,000 allowances
- The ECR trigger price is \$6.00 per CO<sub>2</sub> allowance

## Step 1: The Interim Clearing Price

- Bidder A's bid causes cumulative demand to exceed supply

Bidder Name	Bid Price	Bid Quantity	Cumulative Demand	
Bidder E	\$7.00	8,000	8,000	
Bidder A	\$6.95	11,000	19,000	
Bidder A	\$6.80	9,000	28,000	
Bidder D	\$6.70	11,000	39,000	
Bidder B	\$6.50	13,000	52,000	
Bidder E	\$6.00	12,000	64,000	Final < Clearing Price
Bidder C	\$5.85	8,000	72,000	
Bidder E	\$5.80	9,000	81,000	
Bidder B	\$5.75	11,000	92,000	
Bidder C	\$5.25	8,000	100,000	Interim < Clearing Price
Bidder A	\$5.05	12,000	112,000	
Bidder C	\$5.00	40,000	152,000	
Bidder D	\$4.25	16,000	168,000	
Bidder A	\$4.15	13,000	181,000	

- Interim clearing price is the bid price of the marginal bid or bids



# Auction Format Example No. 3 [2]

## Step 2: Triggering the ECR and the Final Clearing Price

- Since the interim clearing price is below the ECR trigger price,  
ECR Allowances are withheld
  - 58,000 ECR allowances are withheld from the Initial Offering

## Step 3: CO<sub>2</sub> Allowance Awards

Bidder Name	Bid Price	Bid Quantity	Cumulative Demand	
Bidder E	\$7.00	8,000	8,000	
Bidder A	\$6.95	11,000	19,000	
Bidder A	\$6.80	9,000	28,000	
Bidder D	\$6.70	11,000	39,000	
Bidder B	\$6.50	13,000	52,000	
Bidder E	\$6.00	12,000	64,000	Final Clearing Price
Bidder C	\$5.85	8,000	72,000	
Bidder E	\$5.80	9,000	81,000	
Bidder B	\$5.75	11,000	92,000	
Bidder C	\$5.25	8,000	100,000	Interim Clearing Price
Bidder A	\$5.05	12,000	112,000	
Bidder C	\$5.00	40,000	152,000	
Bidder D	\$4.25	16,000	168,000	
Bidder A	\$4.15	13,000	181,000	

- Allowances are awarded to all bids with a bid price greater than or equal to the final clearing price



# Auction Format Example No. 4 [1]

- Sample auction for 100,000 CO<sub>2</sub> allowances with a CCR of 50,000 allowances
- The CCR trigger price is \$13.00 per CO<sub>2</sub> allowance

## Step 1: The Interim Clearing Price

- Bidder D's bid causes cumulative demand to equal supply

Bidder Name	Bid Price	Bid Quantity	Cumulative Demand	
Bidder A	\$14.50	16,000	16,000	
Bidder E	\$14.00	17,000	33,000	
Bidder A	\$13.95	21,000	54,000	
Bidder A	\$13.80	24,000	78,000	
Bidder D	\$13.70	22,000	100,000	Interim
Bidder B	\$13.50	10,000	110,000	< Clearing Price
Bidder E	\$13.45	9,000	119,000	
Bidder C	\$13.30	10,000	129,000	
Bidder E	\$13.05	7,000	136,000	Final
Bidder B	\$13.00	12,000	148,000	< Clearing Price
Bidder C	\$12.68	20,000	168,000	
Bidder A	\$12.05	12,000	180,000	
Bidder C	\$12.00	40,000	220,000	
Bidder D	\$11.25	16,000	236,000	

- Interim clearing price is the bid price after the marginal bid



# Auction Format Example No. 4 [2]

## Step 2: Triggering the CCR and the Final Clearing Price

- Since the interim clearing price is above the CCR Trigger Price, CCR Allowances are released
  - CCR allowances are released from the CCR into the Initial Offering

## Step 3: CO<sub>2</sub> Allowance Awards

Bidder Name	Bid Price	Bid Quantity	Cumulative Demand	
Bidder A	\$14.50	16,000	16,000	
Bidder E	\$14.00	17,000	33,000	
Bidder A	\$13.95	21,000	54,000	
Bidder A	\$13.80	24,000	78,000	
Bidder D	\$13.70	22,000	100,000	
Bidder B	\$13.50	10,000	110,000	Interim Clearing Price
Bidder E	\$13.45	9,000	119,000	
Bidder C	\$13.30	10,000	129,000	
Bidder E	\$13.05	7,000	136,000	
Bidder B	\$13.00	12,000	148,000	Final Clearing Price
Bidder C	\$12.68	20,000	168,000	
Bidder A	\$12.05	12,000	180,000	
Bidder C	\$12.00	40,000	220,000	
Bidder D	\$11.25	16,000	236,000	

- Allowances are awarded to all bids with a bid price greater than or equal to the final clearing price



# Bid Value Example No. 1

- Bids are ranked by bid price from highest to lowest
- Bid price is multiplied by the bidder's cumulative demand at that bid price to calculate a bid value
- The largest bid value calculated and therefore the maximum cost, is the total value of the bidder's bids and is counted against the financial security bid limit - \$502,500

Bidder Name	Bid Price	Bid Quantity	Cumulative Demand		Bid Value at each Bid Price
Bidder A	\$8.00	17,000	17,000	If this bid is accepted, Bidder A wins 17,000 CO <sub>2</sub> allowances and pays at most \$8.00 per CO <sub>2</sub> allowance.	\$136,000.00
Bidder A	\$7.50	50,000	67,000	If this bid is accepted, Bidder A wins 67,000 CO <sub>2</sub> allowances and pays at most \$7.50 per CO <sub>2</sub> allowance.	\$502,500.00 < Max Bid Value
Bidder A	\$5.50	17,000	84,000	If this bid is accepted, Bidder A wins 84,000 CO <sub>2</sub> allowances and pays at most \$5.50 per CO <sub>2</sub> allowance.	\$462,000.00
Bidder A	\$5.00	15,000	99,000	If this bid is accepted, Bidder A wins 99,000 CO <sub>2</sub> allowances and pays at most \$5.00 per CO <sub>2</sub> allowance.	\$495,000.00
<b>Bidder A's maximum bid value is counted against the financial security bid limitation.</b>					<b>\$502,500.00</b>





# Bid Value Example No. 2

- Bids are ranked by bid price from highest to lowest
- Bid price is multiplied by the bidder's cumulative demand at that bid price to calculate a bid value
- The largest bid value calculated and therefore the maximum cost, is the total value of the bidder's bids and is counted against the financial security bid limit - \$438,000

Bidder Name	Bid Price	Bid Quantity	Cumulative Demand		Bid Value at each Bid Price
Bidder B	\$6.85	10,000	10,000	If this bid is accepted, Bidder A wins 10,000 CO <sub>2</sub> allowances and pays at most \$6.85 per CO <sub>2</sub> allowance.	\$68,500.00
Bidder B	\$6.25	20,000	30,000	If this bid is accepted, Bidder A wins 30,000 CO <sub>2</sub> allowances and pays at most \$6.25 per CO <sub>2</sub> allowance.	\$187,500.00
Bidder B	\$6.05	21,000	51,000	If this bid is accepted, Bidder A wins 51,000 CO <sub>2</sub> allowances and pays at most \$6.05 per CO <sub>2</sub> allowance.	\$308,550.00
Bidder B	\$6.00	22,000	73,000	If this bid is accepted, Bidder A wins 73,000 CO <sub>2</sub> allowances and pays at most \$6.00 per CO <sub>2</sub> allowance.	\$438,000.00 < Max Bid Value
				<b>Bidder B's maximum bid value is counted against the financial security bid limitation.</b>	<b>\$438,000.00</b>





# Thank you!

Website: <https://rggi.org/auctions/auction-materials>

Questions: [auctionmanager.enelxnorthamerica@enel.com](mailto:auctionmanager.enelxnorthamerica@enel.com)