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**RGGI Inc.**



**MARKET MONITOR REPORT  
FOR AUCTION 71**

**Prepared for:**

**RGGI, Inc., on behalf of the RGGI Participating States**

**Prepared By:**

**POTOMAC  
ECONOMICS**

March 13, 2026

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The Regional Greenhouse Gas Initiative (RGGI) is the first mandatory market-based regulatory initiative in the U.S. to reduce greenhouse gas emissions. RGGI is a cooperative effort of New England and Mid-Atlantic states to reduce emissions of carbon dioxide (CO<sub>2</sub>) from the power sector.

RGGI, Inc. is a non-profit corporation created to provide technical and administrative services to the states participating in the Regional Greenhouse Gas Initiative.

## **MARKET MONITOR REPORT FOR AUCTION 71**

As the Market Monitor for the RGGI CO<sub>2</sub> allowance market, Potomac Economics monitors the conduct of market participants in the auctions and in the secondary market to identify indications of market manipulation or collusion. We also review the administration of the allowance auctions by Enel X. This report summarizes our findings regarding RGGI Auction 71, which was held on March 11, 2026.

We observed the auction as it occurred and have completed our review and analysis of its results. Based on our review of bids in the auction, we find no material evidence of collusion or manipulation by bidders.

Fifty-two bidders submitted bids in the auction for CO<sub>2</sub> allowances. Bids were submitted to purchase 3.3 times the initial offering of approximately 18.2 million allowances. The quantity for which bids were submitted above \$18.22 per ton exceeded the initial offering, so the Cost Containment Reserve (“CRR”) was made available at the CCR Trigger Price of \$18.22 per ton. Over 7.8 million additional allowances were sold as the CCR for 2026 was fully depleted, resulting in a clearing price of \$24.99 per ton in the auction. Compliance-Oriented Entities purchased 57 percent of the allowances in this offering. Ultimately, there was no indication of barriers to participation in the auction.

Based on our review of the administration of the market, we found that:

- The auction was administered in a fair and transparent manner in accordance with the noticed auction procedures and limitations and notifications to bidders.
- The auction results were consistent with the market rules and the bids received.
- Sensitive information was treated appropriately by the auction administrator.
- Although the auction interface was down intermittently during the event, there is no indication that participants were ultimately unable to submit bids.

In summary, the results of our monitoring of RGGI Auction 71 raise no material concerns regarding the auction process, barriers to participation in the auction, or the competitiveness of the auction results. The appendix provides additional information about the market for RGGI CO<sub>2</sub> allowances and outcomes of the auction.

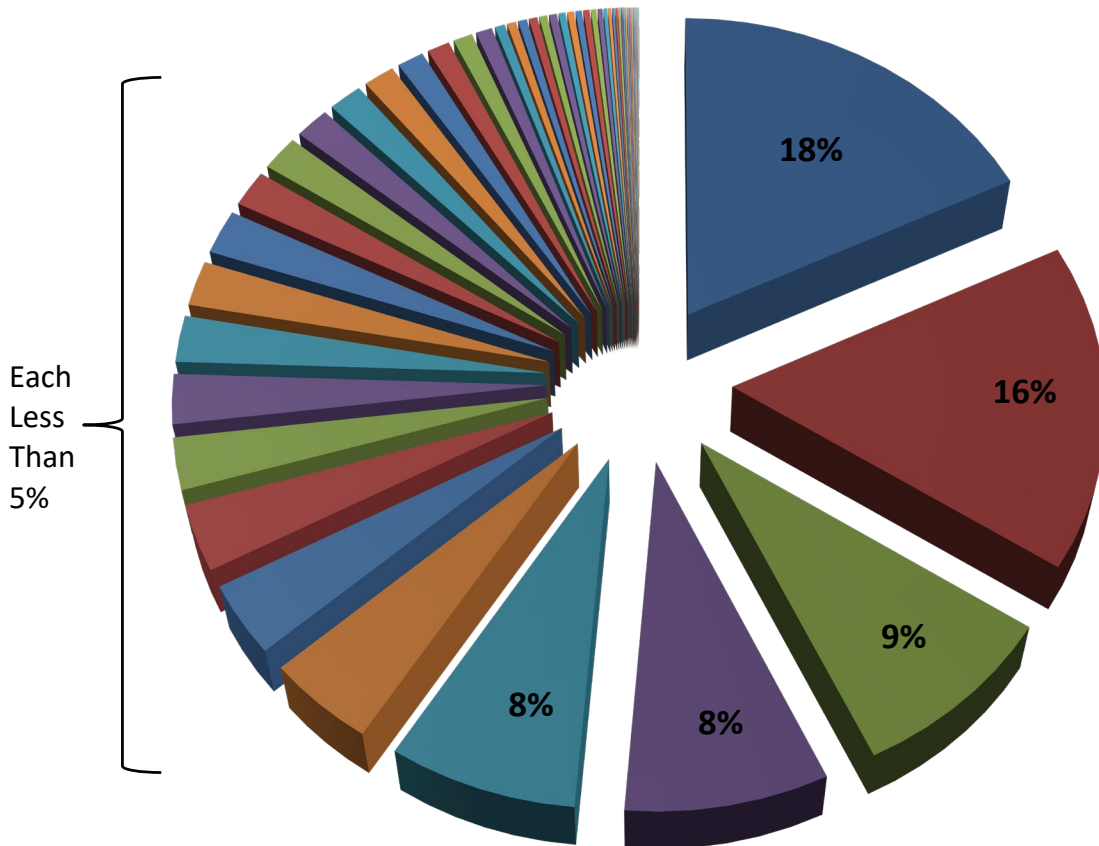
APPENDIX

A. DISPERSION OF PROJECTED DEMAND

*The wide dispersion of projected demand for RGGI allowances across compliance entities facilitates the competitive performance of the auction.*

The demand for CO<sub>2</sub> allowances is based on the requirement for each compliance entity in the RGGI footprint to obtain one CO<sub>2</sub> allowance for each short ton of CO<sub>2</sub> that it emits from the sale of electricity. The following figure shows the relative shares of projected demand for RGGI allowances by compliance entity in the sixth control period. The largest compliance entity represents 18 percent of the total projected demand for allowances. Nearly half of the projected demand is composed of entities that each account for less than 5 percent of the total demand. Participation by a large number of entities facilitates the competitive performance of the auction.

**Figure 1: Projected Demand for RGGI Allowances Shares by Compliance Entity**

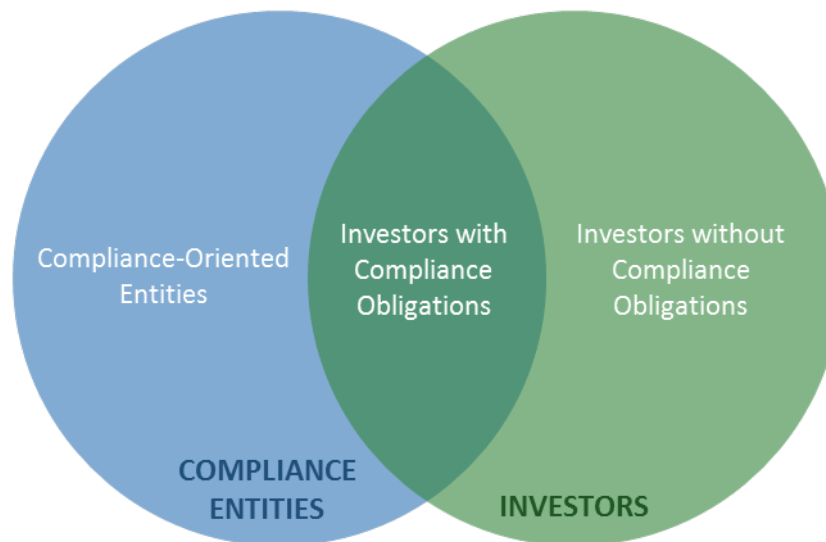


## B. SUMMARY OF PURCHASES OF ALLOWANCES IN AUCTION 71

*Awards were distributed across 34 bidders with 19 bidders purchasing 200,000 tons or more of which eleven purchased one million tons or more.*

This report summarizes participation in Auction 71. Participation in the RGGI market involves many different firms with various interests in RGGI allowances. Some participate to satisfy compliance obligations, others have investment interests, and still others participate for both purposes. To more effectively track the activity of different participants, we use several classifications for participant firms. Figure 2 summarizes the relationship between these classifications.

**Figure 2: Classifications of Participant Firms in the RGGI Marketplace**



- *Compliance-Oriented Entities* are compliance entities that appear to acquire and hold allowances primarily to satisfy their compliance obligations.
- *Investors with Compliance Obligations* are firms that have compliance obligations but which hold a number of allowances that exceeds their estimated compliance obligations by a margin suggesting they also buy for re-sale or some other investment purpose. These firms often transfer significant quantities of allowances to unaffiliated firms.<sup>1</sup>

<sup>1</sup> The assessment of whether a compliance entity holds a number of allowances that exceeds its compliance obligations by a margin that suggests they are also buying for re-sale or some other investment purpose is based on: (a) the entity's forecasted share of the total compliance obligations in the RGGI footprint through 2026, (b) the total number of allowances in circulation, and (c) consideration of the pattern of the entity's allowance transfers to unaffiliated firms versus affiliated firms. Since the designation of a compliance entity as an investor is based on a review of its transactions and holdings, the designation of a particular firm may change over time

- *Investors without Compliance Obligations* are firms without any compliance obligations.

These three categories form the basis for two overlapping groups.

- *Compliance Entities* – All firms with compliance obligations and their affiliates.<sup>2</sup> Combines the first and second of the above categories.
- *Investors* – All firms which are assessed to be purchasing for investment rather than compliance purposes. Combines the second and third of the above categories.

In Auction 71, Compliance Entities purchased 58 percent of the allowances sold. In the first 71 RGGI auctions, Compliance Entities purchased 71 percent of the allowances sold. In Auction 71, Compliance-Oriented Entities purchased 57 percent of the allowances sold.

After settlement of allowances sold in Auction 71:

- Sixty-one percent of the allowances in circulation will be held by Compliance-Oriented Entities.
- Seventy-seven percent of the allowances in circulation are believed to be held for compliance purposes. The number of allowances that are believed to be held for compliance purposes includes 100 percent of the allowances held by Compliance-Oriented Entities and a portion of allowances held by Investors with Compliance Obligations.

The following table shows the quantity of allowances purchased by each bidder. The identity of each bidder is masked, and the bidders are ranked according to the amount of allowances awarded, from largest to smallest.

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as more information becomes available.

<sup>2</sup> Affiliates are firms that: (i) have a parent-subsidiary relationship with a compliance entity, (ii) are subsidiaries of a parent company that has a large interest in a compliance entity, (iii) have substantial control over the operation of a budget source and/or responsibility for acquiring RGGI allowances to satisfy its compliance obligations.

**Table 1: Quantity of Allowances Awarded by Bidder**

<b>Bidder</b>	<b>Number of Allowances Awarded</b>	<b>Bidder</b>	<b>Number of Allowances Awarded</b>
Bidder 1	4,558,000	Bidder 18	200,000
Bidder 2	2,050,000	Bidder 19	200,000
Bidder 3	2,000,000	Bidder 20	198,000
Bidder 4	1,977,154	Bidder 21	160,000
Bidder 5	1,857,000	Bidder 22	137,000
Bidder 6	1,600,000	Bidder 23	118,000
Bidder 7	1,525,000	Bidder 24	100,000
Bidder 8	1,500,000	Bidder 25	70,000
Bidder 9	1,500,000	Bidder 26	59,000
Bidder 10	1,360,000	Bidder 27	57,000
Bidder 11	1,300,000	Bidder 28	46,000
Bidder 12	900,000	Bidder 29	40,000
Bidder 13	800,000	Bidder 30	30,000
Bidder 14	750,000	Bidder 31	25,000
Bidder 15	349,000	Bidder 32	15,000
Bidder 16	320,000	Bidder 33	9,000
Bidder 17	277,000	Bidder 34	1,000

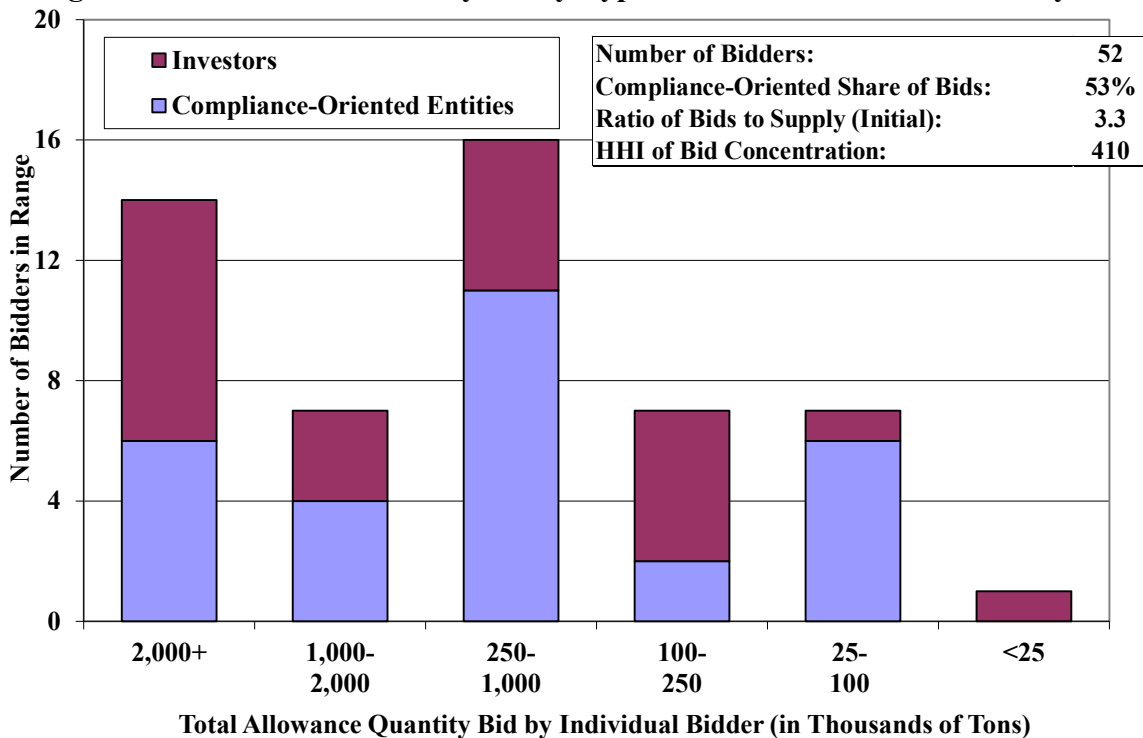
**C. DISPERSION OF BIDS IN AUCTION 71**

*Bids were submitted by 29 Compliance-Oriented Entities and 23 Investors. In our review of the bids and the qualification process, we found no material evidence of anti-competitive conduct or inappropriate barriers to participation.*

The following figure summarizes the quantity of allowances for which bids were submitted by each bidder. Ten Compliance-Oriented Entities and eleven Investors submitted bids for a large quantity of allowances (i.e., at least 1 million tons). Overall, Compliance-Oriented Entities accounted for 53 percent of the quantity of allowances for which bids were submitted. The quantity of allowances for which bids were submitted was 3.3 times the Initial Offering. In the previous auction, the quantity of allowances for which bids were submitted was 2.4 times the Initial Offering.

The bid quantities were widely distributed among the 52 bidders. The concentration of bids, using the Herfindahl-Hirschman Index (“HHI”), was relatively low at 410. The HHI is a standard measure of concentration calculated by squaring each entity’s percent share and then summing the squares across all entities (i.e., the index ranges from 0 to 10,000).

**Figure 3: Number of Bidders by Entity Type and Total Allowance Quantity Bid**



**D. SUMMARY OF BID PRICES IN AUCTION 71**

*Bids were submitted across a wide range of prices in the auction and the clearing price of \$24.99 was relatively consistent with average bid prices submitted.*

The following table reports several statistics regarding the bid prices for bids submitted in Auction 71. The median and mean bid prices are weighted by the quantity of each bid.

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<b>Bid Prices:</b>	
<b>Minimum</b>	<b>\$2.69</b>
<b>Maximum</b>	<b>\$80.00</b>
<b>Average (Median)</b>	<b>\$24.28</b>
<b>Average (Mean)</b>	<b>\$26.07</b>
<b>Clearing Price:</b>	<b>\$24.99</b>

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**E. NAMES OF POTENTIAL BIDDERS IN AUCTION 71**

In accordance with Sections 2.8 and 3 of the Auction Notice for CO<sub>2</sub> Allowance Auction 71, the Participating States are releasing the names of Potential Bidders in Auction 71. The states defined potential bidders as: “Each Applicant that has been qualified and submitted a complete *Intent to Bid.*” The list of 63 Potential Bidders is as follows:

Anew Environmental, LLC	Kendall Green Energy LLC
Astoria Energy, LLC	KMC Thermo, LLC
Braeswood Climate Partners, LP	Koch Supply & Trading, LP
Braintree Electric Light Department	LMR Multi-Strategy Master Fund Limited
Caithness Long Island, LLC	Lockport Energy Associates, L.P.
Calpine Energy Services, L.P.	Macquarie Energy, LLC
Canal Marketing LLC	Massachusetts Muni. Wholesale Elec. Co.
Carbon Lighthouse Association	Mercuria Energy America, LLC
Citigroup Energy, Inc.	Morgan Stanley Capital Group, Inc.
City of Vineland	National Grid Generation LLC dba National Grid
Cogen Technologies Linden Venture, L.P.	Nautilus Power, LLC
Consolidated Edison Comp. of NY, Inc.	Newark Energy Center
Constellation Energy Generation, LLC	NextEra Energy Marketing, LLC
Cooler, Inc.	NRG Business Marketing LLC
CP Energy Marketing (US) Inc.	Old Dominion Electric Cooperative
CPV Maryland, LLC	Pacific Summit Energy LLC
CPV Shore, LLC	Parkway Generation, LLC
CPV Towantic, LLC	Pegasus Development Corporation
CPV Valley, LLC	PetroChina International (America), Inc.
Delaware City Refining Company, LLC	Power Authority of the State of New York
Delaware Municipal Electric Corp.	RBC
DRW Investments LLC	Revere Power, LLC
DTE Energy Trading, Inc.	RWE Trading Americas Inc.
Dynegy Marketing and Trade, LLC	Shell Energy North America (US), LP
ECP Capital LP	Statkraft US, LLC
ECP Shoreline Fund LP	Taunton Municipal Lighting Plant
Empire Generating Co., LLC	Trafigura Trading LLC
Energy Center Dover	Uniper Global Commodities North America LLC
Five Rings Capital, LLC	Village of Freeport
Hartree Partners, LP	Vitol Inc.
Indeck-Corinth Limited Partnership	World Carbon Fund
J. Aron & Company	