

**California Cap-and-Trade Program and  
Québec Cap-and-Trade System  
November 2017 Joint Auction #13**

**Summary Results Report**

**Background**

The California Air Resources Board (ARB) and Québec's ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques (MDDELCC)<sup>1</sup> held the thirteenth joint auction of greenhouse gas (GHG) allowances on November 14, 2017. The auction included a Current Auction of 2016/2017 vintage allowances and an Advance Auction of 2020 vintage allowances. The information provided in this report is a balance between the need for program transparency and protection of individual auction participants' market positions.

Prior to the certification of the auction, ARB and MDDELCC staff and the Market Monitor carefully evaluated the bids and determined that the auction process and procedures complied with the requirements of the California and Québec Cap-and-Trade Regulations. As provided below, the Market Monitor made the following determination:

The Market Monitor found that the auction was cleared consistent with the auction clearing rules in the regulations and appropriate economic logic. The Market Monitor confirmed the clearing price and clearing quantities by participant for the current vintage auction for 2016/2017 vintage allowances and for the advance auction for 2020 vintage allowances. The auction algorithm correctly applied the regulation requirements covering the bid guarantee. The Market Monitor did not observe any breaches of security or communication protocols.

The Market Monitor recommends that ARB and MDDELCC approve the November Auction results.

Auction proceeds figures are not shown in this report because of the exchange rate process for determining final auction proceeds in a joint auction. Winning bids are submitted in one of two currencies – U.S. dollars (USD) or Canadian dollars (CAD). After receiving payment from the winning bidders, and using instructions from the jurisdictions (California and Québec), the financial services administrator will exchange some amount of currency at then-prevailing market rates prior to transferring the auction proceeds to the jurisdictions.

Proceeds to the jurisdictions are paid after all bidder payments are received and will occur by December 13, 2017. As provided in the California Cap-and-Trade Regulation, sellers who consigned allowances in this auction will be paid the auction settlement

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<sup>1</sup> Ministry of Sustainable Development, Environment and the Fight against Climate Change.

price in USD for every consigned allowance sold. Information regarding jurisdiction specific auction proceeds will be published after the auction is final.

California must receive auction proceeds only in USD and Québec must receive auction proceeds only in CAD. Thus, the total amount of auction proceeds received by California and by Québec from the sale of state- and province-owned allowances may vary (upwards or downwards) depending on the prevailing exchange rates in effect at the time of distribution of auction proceeds. Each jurisdiction will issue a Post Joint Auction Public Proceeds Report on December 13, 2017, providing the final amount of proceeds transferred.

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**Auction Results**

	Current		Current	Advance
	2016 Vintage	2017 Vintage	2016/2017 Vintage	2020 Vintage
<b>Total Allowances Available for Sale</b>	15,909,657	63,638,629	79,548,286	9,723,500
CA Entity Consignment	-	19,626,880	19,626,880	-
ARB	13,740,624	35,335,617	49,076,241	8,355,000
MDDELCC	2,169,033	8,676,132	10,845,165	1,368,500
<b>Total Allowances Sold at Auction</b>			79,548,286	9,723,500
CA Entity Consignment	-	19,626,880	19,626,880	-
ARB	13,740,624	35,335,617	49,076,241	8,355,000
MDDELCC	2,169,033	8,676,132	10,845,165	1,368,500
Total Qualified Bids Divided by Total Allowances Available for Sale			1.37	1.27
Proportion of Allowances Purchased by Compliance Entities			96.5%	92.3%
Herfindahl-Hirschman Index			918	1453

**Qualified Bid Summary Statistics**

All Qualified Bid Summary Statistics are determined in USD including all bids submitted in USD and CAD. The CAD equivalent of the USD Qualified Bid Summary Statistics is based on the Auction Exchange Rate. USD statistics are converted into CAD in whole cents to be able to compare statistics on a common basis.

	Current 2016/2017 Vintage		Advance 2020 Vintage	
	USD	CAD	USD	CAD
Auction Reserve Price	\$13.57	\$17.21	\$13.57	\$17.21
Settlement Price	\$15.06	\$19.10	\$14.76	\$18.72
Maximum Price	\$50.70	\$64.30	\$22.70	\$28.79
Minimum Price	\$13.57	\$17.21	\$13.57	\$17.21
Mean Price	\$16.38	\$20.77	\$15.16	\$19.23
Median Price	\$14.88	\$18.87	\$14.81	\$18.78
Median Allowance Price	\$15.75	\$19.98	\$14.96	\$18.97
Auction Exchange Rate (USD to CAD)				1.2683

### List of Qualified Bidders for the Current Auction of 2016/2017 Vintage Allowances and the Advance Auction of 2020 Vintage Allowances

A Qualified Bidder is an entity that completed an auction application or confirmed an intent to bid for the auction, submitted an acceptable bid guarantee, and was approved by ARB or MDDELCC to participate in the auction.

<b>Entity ID Number</b>	<b>Entity Legal Name</b>
QC2101	1443635 Ontario Inc
QC2594	A&L Pinard Inc
CA1185	Aera Energy, LLC
CA1561	AltaGas Power Holdings (U.S.), Inc.
QC2096	ArcelorMittal Produits longs Canada s.e.n.c.
CA1498	Arizona Electric Power Cooperative, Inc.
QC1724	Bell-Gaz Itée
CA1913	BP Products North America, Inc.
CA1562	BreitBurn Operating, LP
CA1463	California Power Holdings, LLC
CA1119	Calpine Energy Services, LP
QC2580	Chauffage Benwell Fuels Ltd.
CA1075	Chevron U.S.A., Inc.
CA1112	Citigroup Energy, Inc.
CA1037	City of Anaheim, Public Utilities Department
CA1105	City of Banning
CA1732	City of Long Beach, Gas and Oil Department
CA1443	City of Los Angeles, Department of Airports
CA1166	City of Vernon, Vernon Public Utilities
CA1408	ClimeCo Corporation
QC2631	Compagnie des chemins de fer nationaux du Canada
QC2569	Corporation Pétroles Parkland
QC2584	Couche-Tard Inc.
CA2050	CP Energy Marketing (US), Inc.
CA1323	Del Monte Foods, Inc.
QC1578	DIAGEO CANADA INC.
CA1417	Direct Energy Business, LLC
QC2448	Elbow River Marketing Ltd.
QC1384	Énergie Valero Inc.
QC1515	Entreprise Indorama PTA Montréal S.E.C.
CA2085	Escondido Energy Center, LLC
CA1110	Exelon Generation Company, LLC
CA1260	Flyers Energy, LLC

<b>Entity ID Number</b>	<b>Entity Legal Name</b>
CA1081	Foster Poultry Farms
CA1234	Fresno Cogeneration Partners, LP
QC1750	Gazifère Inc.
QC1764	Gestion Énergie Québec Inc.
CA1917	Greenleaf Energy Unit 1, LLC
CA1918	Greenleaf Energy Unit 2, LLC
QC1464	Groupe CRH Canada Inc.
QC1359	Hydro-Québec
CA1807	Idemitsu Apollo
CA1665	IPC (USA), Inc.
CA1293	J. Aron & Company, LLC
CA1727	Jaco Oil Company
CA1141	Kern Oil & Refining Company
QC1901	La Coop Carbone
QC2501	Le Groupe Harnois Inc
QC1770	Les Pétroles Irving Commercial s.e.n.c
QC1730	Les Produits Pétroliers Norcan S.E.N.C
CA1830	Luminus Energy Partners, LLC
QC2095	MacEwen Petroleum Inc
CA1104	Macquarie Energy, LLC
CA2111	MAG ENERGY SOLUTIONS, Inc.
CA2645	Mercuria Energy America, Inc.
CA1107	Midway Sunset Cogeneration Company
CA1239	Morgan Stanley Capital Group, Inc.
CA1302	Naftex Operating Company
CA1672	NextEra Energy Marketing, LLC
CA1191	Northern California Power Agency
CA1138	NRG Power Marketing, LLC
CA1046	Pacific Gas and Electric Company
CA2046	Pacific Gas and Electric Company
CA1034	PacifiCorp
CA2106	PBF Energy Western Region, LLC
CA1410	Petro Diamond, Inc.
CA1279	Phillips 66 Company
CA1595	Pixley Cogen Partners, LLC
CA1003	Plumas-Sierra Rural Electric Cooperative
CA1505	Powerex Corporation
CA1925	Pro Petroleum, Inc.
QC1474	Produits Suncor Énergie S.E.N.C.

<b>Entity ID Number</b>	<b>Entity Legal Name</b>
QC1960	Révolution VSC LP
CA1204	Rio Tinto Minerals, Inc.
CA1834	River City Petroleum
CA1774	Robinson Oil Supply & Transport, Inc.
CA1102	Royal Bank of Canada
CA1163	Sacramento Municipal Utility District (SMUD)
CA1085	San Diego Gas & Electric Company
CA1011	San Joaquin Refining Company, Inc.
QC2614	Sanimax LOM Inc.
CA2175	Sempra Gas & Power Marketing, LLC
CA1366	Seneca Resources Corporation
CA1251	Shell Energy North America (US), LP
CA1757	Shiralian Enterprises
CA1031	Silicon Valley Power (SVP), City of Santa Clara
QC2543	Société ferroviaire et portuaire de Pointe-Noire, s.e.c.
CA1029	Southern California Edison Company
CA1170	Southern California Gas Company
CA1674	Southwest Gas Corporation
CA1921	Statkraft US, LLC
QC1486	TEMBEC
CA1165	Tesoro Refining & Marketing Company, LLC
CA1888	The Soco Group, Inc.
QC2646	Trans Rail FN27 Inc.
QC1377	TransCanada PipeLines Limited
CA1216	Turlock Irrigation District
CA1346	United States Gypsum Company
CA1635	Valero Marketing and Supply Company
CA1135	Vitol, Inc.
QC2174	W.O. Stinson & Son Ltd
CA1229	Walnut Creek Energy, LLC
CA2056	Wild Goose Storage, LLC

### Explanatory Notes: Qualified Bid Summary Statistics Current Auction of 2016/2017 Vintage Allowances

Total Allowances Available for Sale:	Total allowances available, by vintage, for purchase in the Current Auction in metric tons, including allowances consigned by consigning entities and allowances sold by the State of California and the Province of Québec.
Total Allowances Sold at Auction:	Total allowances, by vintage, purchased in the Current Auction in metric tons.
Total Qualified Bids Divided by Total Allowances Available for Sale:	Total number of allowances (all vintages) included in all the qualified bids for the Current Auction allowances (regardless of bid price) divided by the total number of Current Auction allowances available in the auction.
Proportion of Allowances Purchased by Compliance Entities:	The total number of Current Auction allowances (by vintage) purchased in the Current Auction by compliance entities divided by the total number of Current Auction allowances sold in the Current Auction. A Compliance Entity is a Covered Entity or Opt-in Covered Entity as defined in the Cap-and-Trade Regulation or an Emitter as defined in Québec's Cap-and-Trade Regulation.
Herfindahl–Hirschman Index (HHI):	The HHI is a measure of the concentration of allowances purchased by winning bidders relative to the total sale of current auction allowances (regardless of vintage) in the auction. The percentage of allowances purchased by each winning bidder is squared and then summed across all winning bidders. The HHI can range up to 10,000, representing 100% of the current vintage allowances purchased by a single bidder (i.e., $100 \times 100 = 10,000$ ).



Qualified Bid Price Summary Statistics:	Statistics are calculated from all the qualified bids for the Current Auction allowances (regardless of bid price). All price statistics are shown in USD and CAD.
Auction Reserve Price:	The minimum acceptable auction bid price for Current Auction allowances shown in both USD and CAD per metric ton.
Settlement Price:	The Current Auction allowance price that resulted from the auction, in USD and CAD per metric ton.
Maximum Price:	Highest qualified bid
Minimum Price:	Lowest qualified bid
Mean Price:	Average qualified bid calculated as the sum of the bid price times the bid quantity of each qualified bid divided by the sum of the bid quantities across all qualified bids.
Median Price:	The price per metric ton calculated so that 50% of the qualified bids fall above and below the median bid price.
Median Allowance Price:	The price per metric ton calculated so that 50% of the quantity of allowances in the qualified bids fall above and below that price median value.
Auction Exchange Rate (USD to CAD):	The most recently available daily buying rate for USD and CAD as published by the Bank of Canada the day before the auction.

### **Advance Auction of 2020 Vintage Allowances**

The data for future vintage allowances available for sale at the Advance Auction are computed in the same manner as computed for the Current Auction. No allowances are consigned to the Advance Auction.