

**California Cap-and-Trade Program and  
Québec Cap-and-Trade System  
November 2015 Joint Auction #5**

**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 fifth joint auction of greenhouse gas (GHG) allowances on November 17, 2015. The auction included a Current Auction of 2015 vintage allowances and an Advance Auction of 2018 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 auction for 2015 vintage allowances and for the auction for 2018 vintage allowances. The auction algorithm correctly applied the regulation requirements covering the bid guarantee. The tie breaker logic was needed in this auction. 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 16, 2015. 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 16, 2015 providing the final amount of proceeds transferred.

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**Auction Results**

	Current 2015 Vintage	Future 2018 Vintage
<b>Total Allowances Available for Sale</b>	<b>75,113,008</b>	<b>10,431,500</b>
CA Entity Consignment	21,207,405	
ARB	42,733,956	8,957,500
MDDELCC	11,171,647	1,474,000
<b>Total Allowances Sold at Auction</b>	<b>75,113,008</b>	<b>10,431,500</b>
CA Entity Consignment	21,207,405	
ARB	42,733,956	8,957,500
MDDELCC	11,171,647	1,474,000
Total Qualified Bids Divided by Total Allowances Available for Sale	1.14	1.32
Proportion of Allowances Purchased by Compliance Entities	89.3%	94.0%
Herfindahl-Hirschman Index	619	1454

**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.

Qualified Bid Price Summary Statistics	Current Vintage		2018 Vintage	
	USD	CAD	USD	CAD
Auction Reserve Price	\$12.10	\$16.16	\$12.10	\$16.16
Settlement Price	\$12.73	\$17.00	\$12.65	\$16.89
Maximum Price	\$45.21	\$60.37	\$19.29	\$25.76
Minimum Price	\$12.10	\$16.16	\$12.10	\$16.16
Mean Price	\$14.05	\$18.76	\$13.15	\$17.56
Median Price	\$12.90	\$17.23	\$12.63	\$16.86
Median Allowance Price	\$13.10	\$17.49	\$12.93	\$17.27
Auction Exchange Rate (USD to CAD)				1.3353

**List of Qualified Bidders for the Current Auction of 2015 Vintage Allowances and the Advance Auction of 2018 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.

Aera Energy, LLC  
AltaGas Power Holdings (U.S.), Inc.  
Arizona Electric Power Cooperative, Inc.  
Bell-Gaz ltée  
BNSF Railway Company  
BP Products North America, Inc.  
California Department of Water Resources  
California Power Holdings, LLC  
California Resources Elk Hills, LLC  
CalPortland Company  
CGC, Inc.  
Chevron U.S.A., Inc.  
City of Anaheim, Public Utilities Department  
City of Long Beach, Gas and Oil Department  
City of Palo Alto  
City of Shasta Lake  
City of Vernon, Vernon Gas & Electric  
ClimeCo Corporation  
COLACEM CANADA  
CP Energy Marketing (US), Inc.  
Del Monte Foods, Inc.  
Direct Energy Business, LLC  
EDF Trading North America, LLC  
Element Markets, LLC  
Énergie Valero, Inc.  
Ethanol Greenfield Québec, Inc.  
Exelon Generation Company, LLC  
Exxon Mobil Corporation  
Gazifère, Inc.  
Gestion Énergie Québec, Inc.  
Goal Line, LP  
Greenleaf Energy Unit 1, LLC  
Greenleaf Energy Unit 2, LLC  
High Desert Power Project, LLC  
Holcim (Canada), inc.  
Hydro-Québec  
Idemitsu Apollo

IPC (USA), Inc.  
Jaco Oil Company  
Kern Oil & Refining Co.  
La Coop Carbone  
Lafarge Canada, Inc.  
Lassen Municipal Utility District  
Les Pétroles Irving Commercial s.e.n.c  
Les Pétroles Irving Marketing s.e.n.c.  
Les Produits Pétroliers Norcan S.E.N.C  
Liberty Utilities (CalPeco Electric), LLC  
Luminus Energy Partners, LLC  
Macquarie Energy, LLC  
Morgan Stanley Capital Group, Inc.  
Morgan Stanley Capital Group, Inc.  
NextEra Energy Power Marketing, LLC  
NGL Supply Co Ltd  
Noble Americas Gas & Power Corp.  
Northern California Power Agency  
Pacific Gas and Electric Company  
PacifiCorp  
Petro Diamond Incorporated  
Phillips 66 Company  
Portland General Electric Company  
Pro Petroleum, Inc.  
Produits Suncor Énergie S.E.N.C.  
River City Petroleum  
Robinson Oil Supply & Transport, Inc.  
Royal Bank of Canada  
Sacramento Municipal Utility District (SMUD)  
San Diego Gas & Electric Company  
San Diego Gas & Electric Company  
San Diego Gas and Electric Company  
Sempra Generation  
Seneca Resources Corporation  
Shell Energy North America (US), L.P.  
Shiralian Enterprises  
Signal Hill Petroleum, Inc.  
Silicon Valley Power (SVP), City of Santa Clara  
Société en commandite Gaz Métro  
Société en commandite Revenu Noranda  
Southern California Edison Company  
Southern California Gas Company  
Southwest Gas Corporation  
Stan Boyett & Son, Inc.

Stanislaus Food Products Company  
Tesoro Refining & Marketing Company, LLC  
The Bank of Nova Scotia  
The Morning Star Packing Company  
The Soco Group, Inc.  
Turlock Irrigation District  
Union Pacific Railroad Company  
United Liquid Gas Company  
Vitol, Inc.  
Wm. Bolthouse Farms, Inc.

**Explanatory Notes: Qualified Bid Summary Statistics**  
**Current Auction of 2015 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 noon daily buying rate for USD and CAD as published by the Bank of Canada the day before the auction.

### **Advance Auction of 2018 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.