

The Regional Greenhouse Gas Initiative
an initiative of Eastern States of the US

Auction Notice

for CO₂ Allowance Auction 67

on March 12, 2025

States offering CO₂ allowances for sale:

**Connecticut, Delaware, Maine, Maryland, Massachusetts,
New Hampshire, New Jersey, New York, Rhode Island, Vermont**

Issued on January 14, 2025

**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, Pennsylvania, Rhode Island, and Vermont.

Contents

1	General Information.....	1
1.1	Introduction.....	1
1.2	What’s New	1
1.3	Auction Schedule.....	2
1.4	CO ₂ Allowances Offered for Sale	3
1.5	Eligibility.....	4
2	Participation Requirements.....	4
2.1	Previously Qualified Applicant.....	5
2.2	Previously Qualified Applicant with a Change to an Authorized Auction Representative.....	5
2.3	Applicant.....	5
2.4	RGGI COATS Account	6
2.5	Authorized Auction Representatives	6
2.6	Qualification Application Review	7
2.7	Intent to Bid Submittal and Review	7
2.8	Potential Bidder	8
2.9	Financial Security	8
2.9.1	Financial Security by Bond	9
2.9.2	Financial Security by Cash (Wire Transfer).....	10
2.9.3	Financial Security by Cash (Certified Funds)	10
2.9.4	Financial Security by Irrevocable Letter of Credit.....	11
2.10	Auction Participation Notification.....	11
3	Confidential Information.....	11
3.1	Limitation on Communication.....	12
4	Market Monitor	12
5	Pre-auction Process	12
5.1	Auction Tutorials	12
5.2	Electronic Question Submittal.....	12
5.3	Auction Platform Username and Password.....	13
5.4	Auction Platform Training Sessions	13
6	Auction Process	13
6.1	Auction Overview.....	13
6.1.1	Random Number Generation	21
6.2	Bid Limitations	21
6.2.1	Minimum Reserve Price Bid Limitation.....	21
6.2.2	Financial Security Bid Limitation	21
6.2.3	Quantity of CO ₂ Allowances Bid Limitation.....	23
6.2.3.1	Identifying Direct and Indirect Corporate Associations	23
6.2.3.2	Use of Direct and Indirect Corporate Associations	24
6.2.3.3	Identifying Bidding Associations	24
6.2.3.4	Use of Bidding Associations	25
6.3	Auction Window	26
7	Post-auction Process.....	26

7.1	Release of the Auction Final Clearing Price	26
7.2	Financial Settlement	26
7.2.1	Optional Cash (Wire Transfer) Settlement	26
7.2.2	Return of Financial Security	26
7.3	CO ₂ Allowance Transfer.....	26
8	Participating States Contact Information.....	27
9	Definitions	28
	Appendix A – Form of Bid Bond	A-1
	Appendix B – Form of Irrevocable Letter of Credit.....	B-1

Tables

Table 1: Auction Schedule	2
Table 2: Initial Offering in the Auction.....	3
Table 3: ECR Allowances	3
Table 4: CCR Allowances	4
Table 5: Uniform-price, Sealed-bid Auction Format Example	16
Table 6: Tiebreaking Process Example	17
Table 7: ECR Allowance Withholding Example	18
Table 8: CCR Allowance Release Example	20
Table 9: Maximum Bid Value of Bidder's Bids Example	22
Table 10: Contact Information	27

1 General Information

This document, Auction Notice for CO₂ Allowance Auction 67 on March 12, 2025 (Auction Notice), is the official notification for CO₂ Allowance Auction 67 (the Auction). The Auction will offer allocation year 2025, 2024, and 2023 CO₂ Allowances (Initial Offering) and allow for activation of an Emissions Containment Reserve (ECR) or a Cost Containment Reserve (CCR). The CCR contains a number of CO₂ Allowances in addition to the Initial Offering which will be offered for sale when the Interim Clearing Price exceeds a threshold. The ECR represents a number of CO₂ Allowances which will be withheld from the Initial Offering when the Interim Clearing Price falls below a threshold.

The Auction will include current control period allowances from Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont. All allowances offered for sale in the Auction will be recognized for compliance purposes without limitation by the Participating States, in accordance with each state's regulations.

The Auction is scheduled to take place from 9:00 AM until 12:00 PM ET¹ on Wednesday, March 12, 2025. This Auction Notice provides information about eligibility, auction format and procedures, and participation requirements.

1.1 Introduction

The states offering allowances for sale in the Auction are Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont. More details about RGGI and RGGI, Inc. can be found at <https://www.rggi.org/> and <https://www.rggi.org/rggi-inc/contact>, respectively.

To support the CO₂ Budget Trading Programs, the Participating States implemented the Auction Platform, which is managed by the RGGI CO₂ Budget Trading Programs Auction Manager (Auction Manager). Ten of the 11 Participating States are offering CO₂ Allowances for sale in the Auction, which is authorized by, and will be conducted in accordance with, the authority of each state offering allowances for sale in the Auction. (Note: Pennsylvania will not be offering allowances for sale in the Auction.) Each state offering allowances for sale in The Auction will retain the authority to make its own regulatory determinations in conducting the Auction. This Auction Notice is authorized by, and in accordance with the statutory and/or regulatory authority of each state offering allowances for sale in the Auction.

Contact information for the Auction Manager is as follows:

Phone: 703.795.8927

Email: auctionmanager.enelxnorthamerica@enel.com

1.2 What's New

- Please note that a number of minor changes have been made to the Form of Irrevocable Letter of Credit contained in Appendix B.
- The Cost Containment Reserve for calendar year 2025 is 8,134,778 CCR Allowances, All of the CCR Allowances are available in the Auction.

¹ Throughout this Notice, ET or EPT on the Auction Platform refers to the prevailing local time in New York City.

- The Emissions Containment Reserve for calendar year 2025 is 7,545,596 ECR Allowances. All of the ECR Allowances are eligible to be withheld in the Auction.
- The CCR Trigger Price for 2025 is \$17.03 per CO₂ Allowance.
- The ECR Trigger Price for 2025 is \$7.86 per CO₂ Allowance.
- The minimum reserve price for 2025 is \$2.62.
- As of Auction 57, Pennsylvania is a Participating State, but is not currently participating in the Auction, pending legal action.
- Virginia participated in all auctions of the Fifth Control Period. However, as of the start of 2024, Virginia is no longer a RGGI participating state and therefore will no longer be offering allowances for sale.

1.3 Auction Schedule

Table 1 presents the current schedule for all events associated with the Auction (Auction Schedule). Please note that times and dates in the schedule are subject to change. Any change to the Auction Schedule will be posted on the Auction Website and emailed to the Authorized Auction Representative(s).

Table 1: Auction Schedule

Section	Event	Date	Time
§ 1	Release of Auction documents: <ul style="list-style-type: none"> • Auction Notice • Frequently Asked Questions 	Tuesday, January 14, 2025	No later than 5:00 PM
§ 1	RGGI Portal provides access to submit: <ul style="list-style-type: none"> • Qualification Application • Intent to Bid • Financial Security Information 	Tuesday, January 14, 2025	No later than 5:00 PM
§ 5	Release tutorial	Wednesday, January 15, 2025	10:00 AM
§ 5	Update FAQs, as needed	Wednesday, January 22, 2025	5:00 PM
§ 2	Auction forms deadline² <ul style="list-style-type: none"> • Qualification Application • Intent to Bid 	Wednesday, January 29, 2025	No later than 5:00 PM
§ 2	Remediation notification deadline: <ul style="list-style-type: none"> • Qualification Application • Intent to Bid 	Wednesday, February 5, 2025	No later than 3:00 PM
§ 2	Remediated auction forms deadline	Wednesday, February 19, 2025	No later than 5:00 PM
§ 2	Qualification status sent to Applicants	Tuesday, February 25, 2025	No later than 5:00 PM
§ 5	Auction Platform training sessions	Monday, March 3, 2025	1:00 PM to 4:00 PM
§ 5	Auction Platform training sessions	Tuesday, March 4, 2025	1:00 PM to 4:00 PM

² All due dates specified in the Auction Notice refer to the date and time (ET) on which the item(s) must be received by the Auction Manager.

Section	Event	Date	Time
§ 2	Financial security deadline	Wednesday, March 5, 2025	No later than 5:00 PM
§ 2	Notification of participation status sent to Applicants	Friday, March 7, 2025	No later than 5:00 PM
§ 6	Auction 67	Wednesday, March 12, 2025	9:00 AM - 12:00 PM
§ 7	Auction clearing price posted at https://www.rggi.org/ <ul style="list-style-type: none"> After posting, bidders can view awards on Auction Platform. 	Friday, March 14, 2025	10:00 AM
§ 7	Optional cash settlement deadline	Wednesday, March 19, 2025	No later than 5:00 PM
§ 7	Unused cash financial security return	Wednesday, March 26, 2025	No later than 5:00 PM
§ 7	Allowance transfer and confirmation	Thursday, March 27, 2025	No later than 5:00 PM
§ 2	Expiration date for bond or letter of credit submitted as financial security must be no earlier than:	Thursday, March 27, 2025	--

1.4 CO₂ Allowances Offered for Sale

Table 2 presents the Initial Offering for the Auction. The Initial Offering is comprised of allocation year 2025, 2024, and 2023 CO₂ Allowances.

Table 2: Initial Offering in the Auction

State	CO ₂ Allowances	%
Connecticut	876,614	5.7%
Delaware	608,484	4.0%
Maine	522,028	3.4%
Maryland	2,869,074	18.6%
Massachusetts	2,033,522	13.2%
New Hampshire	696,254	4.5%
New Jersey	2,730,693	17.7%
New York	4,625,721	30.1%
Pennsylvania	0	0.0%
Rhode Island	333,573	2.2%
Vermont	96,259	0.6%
Total	15,392,222	100.0%

Table 3 presents the number of ECR Allowances that will be withheld from the Initial Offering when the Interim Clearing Price falls below a threshold. See Section 6.1 for a detailed discussion of the ECR.

Table 3: ECR Allowances

State	ECR Allowances	%
Connecticut	427,162	5.7%
Delaware	297,321	3.9%
Maryland	1,475,509	19.6%
Massachusetts	1,049,655	13.9%
New Jersey	1,530,000	20.3%
New York	2,553,430	33.8%
Pennsylvania	0	0.0%
Rhode Island	165,009	2.2%
Vermont	47,510	0.6%
Total	7,545,596	100.0%

Table 4 presents the number of CCR Allowances that will also be offered for sale when the Interim Clearing Price exceeds a threshold. See Section 6.1 for a detailed discussion of the CCR.

Table 4: CCR Allowances

State	CCR Allowances	%
Connecticut	427,162	5.3%
Delaware	297,321	3.7%
Maine	240,572	3.0%
Maryland	1,475,508	18.1%
Massachusetts	1,049,655	12.9%
New Hampshire	348,609	4.3%
New Jersey	1,530,000	18.8%
New York	2,553,429	31.4%
Pennsylvania	0	0.0%
Rhode Island	165,013	2.0%
Vermont	47,509	0.6%
Total	8,134,778	100.0%

1.5 Eligibility

All categories of bidders are eligible to participate in the Auction. However, to participate in the Auction, an applicant must meet all participation requirements and follow all procedures outlined in this Auction Notice.

2 Participation Requirements

If any previously qualified applicant has not yet submitted a Qualification Application through the online portal on the Auction Platform,³ that applicant must submit a one-time confirmation of preloaded information on the portal, including:

- General Information; and
- Authorized Auction Representative(s).

³ The online RGGI Portal was introduced in Auction 47.

Note that the applicant is responsible for entering the RGGI COATS account number, corporate and/or bidding associations, and positive attestations in accordance with Sections 2.4 and 6.2.3. Applicants can upload supporting documents for positive attestations, in accordance with the RGGI Portal – Training and Support Tutorial (see Section 5.1). Once entered, all the submitted information will be saved for future auctions.

2.1 Previously Qualified Applicant

A previously qualified applicant with any material change to the information in its Qualification Application becomes a new applicant and must submit a new Qualification Application through the RGGI Portal. A material change to information previously submitted in a Qualification Application includes, but is not limited to:

1. General Information: Any change constitutes a material change, except changes to an applicant's Street Address, City, State/Province, Postal Code, Country, Years in Business, and URL for Applicant's Web Site.
2. Authorized Auction Representative(s): Only a change to the Authorized Auction Representative(s) First Name and/or Last Name constitutes a material change.
3. RGGI COATS Account: Any change constitutes a material change.
4. Corporate Associations: Any change constitutes a material change.
5. Bidding Associations: Any change constitutes a material change.
6. Attestations: Any change constitutes a material change.

2.2 Previously Qualified Applicant with a Change to an Authorized Auction Representative

Any applicant with a change to an Authorized Auction Representative must follow the steps detailed in the RGGI Portal – Training and Support Tutorial as follows:

Does the new representative have an active Auction Platform account?

- If yes, the new representative must email the RGGI Auction Manager at auctionmanager.enelxnorthamerica@enel.com and ask the Auction Manager to designate the new PAAR or SAAR to its active Auction Platform account. Once the designation has been added to the Auction Platform Account, the new PAAR or SAAR can access the RGGI Portal.
- If no, the new representative must access the Auction Platform login screen at <https://rggi.exchange.apps.enelx.com> and click on the "New Bidder" link to launch the registration form. Once the registration form has been submitted, the Auction Manager will designate the new PAAR or SAAR to the active Auction Platform account.

2.3 Applicant

Throughout the rest of the Auction Notice, the term "Applicant" refers to both a previously qualified applicant and a new applicant. In order to qualify to participate in any RGGI Auction, each Applicant must:

1. Establish and maintain a compliance or general account in RGGI COATS, as set forth in Section 2.4;
2. Submit the Qualification Application through the RGGI Portal, as set forth in Section 2.6;

3. Submit the Intent to Bid through the RGGI Portal, as set forth in Section 2.7; and
4. Meet the financial security requirements, as set forth in Section 2.9.

Once qualified for any RGGI Auction, an applicant is qualified to participate in future CO₂ Allowance Auctions held by the Participating States,⁴ unless there is a material change to information in the approved Qualification Application.

2.4 RGGI COATS Account

RGGI COATS accommodates the creation and management of general accounts as well as the management of compliance accounts by the state in which the associated CO₂ Budget Source is located.

Each Applicant must maintain an active RGGI COATS compliance and/or general account. The RGGI COATS account number provided on the Qualification Application is the account into which all CO₂ Allowances awarded in an Auction will be transferred.⁵

When a compliance account is created, each RGGI COATS Authorized Account Representative will receive an email notification from RGGI COATS with its account number. Authorized Account Representatives may also retrieve account numbers by logging into RGGI COATS at www.rggi-coats.org and clicking the "Accounts" menu item. If a state has not approved the creation of a compliance account by the Qualification Application deadline, then the Applicant must create a general account for the auction in order to participate.⁶

For a general account, each Applicant must register at <https://rggi-coats.org/eats/rgqi/>. The RGGI COATS registration process requires the submission of a User Login Request Form in hardcopy to the RGGI COATS administrator before the Applicant may submit a general account application in RGGI COATS.

A RGGI COATS Authorized Account Representative may transfer CO₂ Allowances between any accounts for which he or she is PAAR or SAAR, compliance or general.

2.5 Authorized Auction Representatives

The Primary Authorized Auction Representative (PAAR) or Secondary Authorized Auction Representative (SAAR), if one is designated, represents the Applicant in any CO₂ Allowance Auction. The PAAR must be an employee of the Applicant, or of the Applicant's operator, if the Applicant does not have any employees. Each PAAR receives a unique username and password for the Auction Platform, allowing him/her to submit a Qualification Application, as well as submit and cancel Bids in a CO₂ Allowance Auction in which the Applicant is an approved bidder. The PAAR or SAAR must submit the Qualification Application as set forth in Section 2.6. The PAAR is the primary contact for all communications regarding all notices and

⁴ When a new state or region participates in RGGI, it may have additional requirements for previously qualified Applicants.

⁵ Note that a change to the RGGI COATS account constitutes a material change to the Qualification Application (see Section 2.1).

⁶ For more information regarding particular compliance accounts, contact the state(s) in which the associated CO₂ Budget Source is located (see Section 8).

documentation, and any other information related to a CO₂ Allowance Auction. The principal mode of communication is email.

While not required, it is recommended that the PAAR be the same person as the RGGI COATS authorized account representative.

While not required, it is recommended that the Applicant designate a SAAR. The SAAR does not have to be an employee of the Applicant, and along with the PAAR is authorized to (1) submit and cancel Bids; (2) submit a Qualification Application; (3) submit an Intent to Bid; and (3) act on behalf of the Applicant in the remediation of the Qualification Application and/or any Intent to Bid. The SAAR receives a unique username and password for the Auction Platform, and also receives all communications regarding the Qualification Application and any other information related to a CO₂ Allowance Auction. The principal mode of communication is email.

The integrity of each CO₂ Allowance Auction depends on each Authorized Auction Representative safeguarding confidential information and passwords used in each CO₂ Allowance Auction. An Authorized Auction Representative can represent more than one (1) Applicant; however the Applicants must each declare a direct or indirect Corporate or Bidding Association in the Qualification Application. Only a PAAR or SAAR may act on behalf of an Applicant in a CO₂ Allowance Auction. Both the PAAR and SAAR can submit Bids concurrently during an auction and both can cancel any Bid at their discretion, and the Auction Platform records who takes which action.

2.6 Qualification Application Review

The states offering allowances for sale in the Auction will review each Qualification Application and grant or deny qualification in the following manner:

1. The RGGI Portal will automatically confirm a successful submission of each Qualification Application via email. If an Applicant does not receive a same-day email confirmation, it should contact the Auction Manager.
2. Failure to provide any of the required information will result in the Qualification Application being deemed incomplete or otherwise deficient. An Applicant will be notified via email if its Qualification Application has been deemed incomplete or deficient and will be provided with the reason(s) for the determination and an opportunity to remediate, in accordance with the Auction Schedule.
3. When a Qualification Application is found to be incomplete or deficient, in order to participate in an Auction, the Applicant must remediate the application, such as by providing additional information or correcting inconsistencies between associated Applicants. Failure to remediate the Qualification Application in the timeframe laid out in the Auction Schedule may result in denial of the application.
4. Each state offering allowances for sale in the Auction will make a determination to grant or deny qualification to each Applicant.
5. Each Applicant will be notified via email in accordance with the Auction Schedule, as to whether its Qualification Application has been granted or denied.

2.7 Intent to Bid Submittal and Review

To participate in an Auction, each Applicant must submit an Intent to Bid in accordance with the Auction Schedule and the instructions in the RGGI Portal – Training and Support Tutorial.

Each state offering allowances for sale in the Auction will determine the completeness and accuracy of each Intent to Bid as described below:

1. The RGGI Portal will automatically confirm submission of each Intent to Bid via email. If an Applicant does not receive an email confirmation that day, it should contact the Auction Manager.
2. Failure to provide any of the required information will result in the Intent to Bid⁷ being declared incomplete. Failure of an Applicant to submit a Qualification Application that is required as a result of a material change will result in the Applicant's Intent to Bid being deemed incomplete or otherwise deficient. An Applicant will be notified via email if its Intent to Bid has been deemed incomplete or otherwise deficient and will be provided with the reason(s) for the determination and an opportunity to remediate, in accordance with the Auction Schedule.
3. In the case of a deficient Intent to Bid, in accordance with the Auction Schedule, the Applicant must:
 - A. Remediate the Intent to Bid, such as by providing additional or complete information.
 - B. Remediate the Intent to Bid and/or submit a new Qualification Application, such as by providing additional information or correcting inconsistencies between applications from associated Applicants. Failure to remediate in the timeframe laid out in the Auction Schedule may result in the Applicant's Intent to Bid being deemed incomplete, and the Applicant being ineligible to participate in the Auction.
4. Each state offering allowances for sale in the Auction will make a determination as to the completeness of each Applicant's Intent to Bid.
5. Each Applicant will be notified via email in accordance with the Auction Schedule, as to whether its Intent to Bid is approved.

2.8 Potential Bidder

Each Applicant whose Intent to Bid has been approved is referred to as a "Potential Bidder."

2.9 Financial Security

To participate in the Auction, financial security, in United States dollars (USD), must be received in accordance with the Auction Schedule. The amount of financial security provided for the Auction will be used to set bidding limitations, as further explained in Section 6.2.2.

Only three forms of financial security are acceptable: (1) a bond issued by a United States financial institution, (2) cash in the form of a wire transfer or certified funds, such as a certified bank check or cashier's check, or (3) an irrevocable letter of credit (ILOC) issued by a financial institution with a United States banking license. Potential Bidders may combine any of these forms of financial security. Each Potential Bidder must provide information regarding its 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.

⁷ Please note that for Applicants with Corporate or Bidding Associations, submission of a new Qualification Application by an associated Applicant could impact the qualification status of the other associated Applicants. In the event of inconsistent information regarding Corporate or Bidding Associations, all associated Applicants that submit a Qualification Application and/or Intent to Bid for an Auction will be sent a remediation notice.

Interest will not be paid on any financial security. Each Potential Bidder should allow sufficient time for the delivery of financial security by the deadline in the Auction Schedule.

RGGI, Inc. acts as agent for the Participating States for financial settlement of RGGI CO₂ Allowance Auctions. All cash financial security is held in an account at The Bank of New York Mellon controlled by RGGI, Inc., as agent for each state offering allowances for in the Auction and subject to the terms in the Auction Notice. As part of the financial settlement of each Auction, excess cash financial security will be promptly returned to bidders.

The Auction Manager receives and maintains any ILOCs and bonds submitted as financial security, on behalf of RGGI, Inc. As part of the financial settlement of the Auction, ILOCs and bonds will be cancelled no later than the expiration date in the Auction Schedule.

2.9.1 Financial Security by Bond

The form of bond is provided in Appendix A and on the Auction Website as a Microsoft Word document. To the extent a bond differs from the form provided in the Auction Notice, the Potential Bidder assumes the risk that the bond may be rejected. The party named as “Principal” in the bond must be identical to the entity named in the Applicant’s Qualification Application and Intent to Bid. The bond must comply with the Bond Expiration Date.

- Bond Expiration Date: No earlier than Thursday, March 27, 2025.

The executable bond, issued by a United States financial institution as indicated above, must be received by the Auction Manager in accordance with the Auction Schedule. The financial institution must submit it either (1) electronically as a PDF document, which is the preferred delivery format, or (2) in hardcopy.

If selected, the electronic form of a bond shall serve as the operative instrument and will not need to be followed by a hard copy. A color PDF of the bond must be sent to:

RGGI CO₂ Budget Trading Programs Auction Manager
Email: auktionmanager.enelxnorthamerica@enel.com

Alternatively, if selected, the hard copy of a bond must be sent to:

RGGI CO₂ Budget Trading Programs Auction Manager
c/o RGGI, Inc.
90 Church Street
4th Floor
New York, NY 10007
Phone: 703.795.8927

Bonds, whether in electronic or hardcopy format, will be returned no later than the Bond Expiration Date. Bonds with an expiration date extending beyond the Bond Expiration Date will continue to be held by RGGI, Inc. as valid financial security for any future CO₂ Allowance Auction up to the bond’s expiration date, unless otherwise requested.⁸

⁸ Provided such bond meets the minimum expiration date outlined in the applicable Auction Notice of the subsequent CO₂ Allowance Auction(s).

2.9.2 Financial Security by Cash (Wire Transfer)

All Potential Bidders will receive an email with details for submitting cash by wire transfer, including the Receiving Bank's address, Originating Bank Information, Beneficiary name and account number, and ABA routing number. The Potential Bidder is responsible for obtaining confirmation from its financial institution that The Bank of New York Mellon has received the financial security and deposited it in the proper account.

Unused wire transfer balances will be returned via Automated Clearing House (ACH) credit in accordance with the Auction Schedule.

Each Potential Bidder should check with its financial institution to determine whether its account can receive an ACH credit. Accurate and complete ACH information is necessary to ensure the transaction is completed on a timely basis. If an ACH transaction fails, the Auction Manager will contact the bidder to resolve the issue, and resubmit the ACH transaction no fewer than ten (10) business days after the first ACH transaction.

2.9.3 Financial Security by Cash (Certified Funds)

Certified funds in the form of a certified bank check or cashier's check must be received by the Auction Manager in accordance with the Financial Security Deadline. For a certified bank check or cashier's check, a Potential Bidder should contact the Auction Manager via phone or email for submission instructions.

Phone: 703.795.8927

Email: auctionmanager.enelxnorthamerica@enel.com

All checks must be made out to "Regional Greenhouse Gas Initiative, Inc. As Agent" and will be deposited into RGGI, Inc.'s account at The Bank of New York Mellon. The financial security will be credited at the time the check clears.

Each Potential Bidder submitting cash by certified bank check or cashier's check must provide information regarding its 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. This information must be submitted on or before the day the certified bank check or cashier's check is mailed to the Auction Manager and no later than 5:00 PM ET on the Financial Security Deadline to ensure that the financial security is credited to the appropriate Potential Bidder.

Unused cash balances will be returned via ACH credit in accordance with the Auction Schedule.

The Auction Manager may request that a newly qualified potential bidder submit its bank account number and ABA routing number through the RGGI Portal prior to the Financial Security Deadline. Any such request will be communicated to the Applicant via email.

Each Potential Bidder should check with its financial institution to determine whether its account can receive an ACH credit. Accurate and complete ACH information is necessary to ensure the transaction is completed on a timely basis. If an ACH transaction fails, the Auction Manager will contact the bidder to resolve the issue.

2.9.4 Financial Security by Irrevocable Letter of Credit

An executable ILOC, issued by the Potential Bidder's financial institution, must be received by the Auction Manager in accordance with the Auction Schedule. The financial institution must submit it either (1) electronically as a PDF, which is the preferred delivery format, or (2) in hardcopy.

If selected, electronic format of an ILOC shall serve as the operative instrument and will not need to be followed by a hard copy. A color PDF of the ILOC must be sent to:

RGGI CO₂ Budget Trading Programs Auction Manager
Email: auctionmanager.enelxnorthamerica@enel.com

Alternatively, if selected, the hard copy of the ILOC must be sent to:

RGGI CO₂ Budget Trading Programs Auction Manager
c/o RGGI, Inc.
90 Church Street
4th Floor
New York, NY 10007
Phone: 703.795.8927

The form of ILOC is provided in Appendix B and on the Auction Website as a Microsoft Word document. To the extent the submitted ILOC differs from the form provided in the Auction Notice, the Potential Bidder assumes the risk that the submitted ILOC may be rejected. The party named as "Applicant" in the ILOC must be identical to that named in the Applicant's Qualification Application and Intent to Bid. The ILOC must comply with the ILOC Expiration Date.

- ILOC Expiration Date: No earlier than Thursday, March 27, 2025.

ILOCs, whether in electronic or hardcopy format, will be returned no later than the ILOC Expiration Date. ILOCs with an expiration date extending beyond the ILOC Expiration Date will continue to be held by RGGI, Inc. as valid financial security for any future CO₂ Allowance Auction up to the ILOC's expiration date, unless otherwise requested.⁹

2.10 Auction Participation Notification

Each Potential Bidder that has successfully met the financial security requirements outlined in Section 2.9 may bid in the Auction. Each Potential Bidder will be notified in accordance with the Auction Schedule whether or not it is approved to participate. If the Applicant does not receive an email confirmation in accordance with the schedule, it should contact the Auction Manager.

3 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.

⁹ Provided such ILOC meets the minimum expiration date outlined in the applicable Auction Notice of the subsequent CO₂ Allowance Auction(s).

To maintain the integrity of the Auction, an Applicant may not publicly release Confidential Information regarding the Auction. If the Applicant has retained an advisor to assist the Applicant with bidding strategy in the Auction who is providing similar assistance to another Applicant, or who will be privy to Confidential Information relative to any other Applicant, then the Applicant must establish and ensure appropriate protections against the advisor serving as a conduit of information or coordination between or among Applicants.

An Applicant may designate as confidential information submitted in the Qualification Application and Intent to Bid by checking the appropriate field in the Qualification Application and Intent to Bid forms contained in the RGGI Portal. Such designated information will be held as confidential by the Participating States to the extent permitted by applicable state laws, except that after the close of the auction, the Participating States may release aggregate information concerning the Auction results as well as the names of Potential Bidders.

3.1 Limitation on Communication

If the Applicant has entered into, or expects to enter into, a Corporate Association or Bidding Association as described in Sections 6.2.3.1 through 6.2.3.4, the Applicant must disclose that association on its Qualification Application and Intent to Bid forms. Applicants may not communicate Confidential Information with any party other than those with which they have identified a Corporate Association or Bidding Association, except as requested by the Auction Manager to remediate a Qualification Application.

4 Market Monitor

RGGI, Inc. has retained the services of an independent market monitor to monitor the auction, CO₂ Allowance holdings, and CO₂ Allowance transactions, among other activities. The market monitor observes bidder behavior in each auction and reports to the Participating States any activities that may have a material impact on the integrity, efficiency and performance of the auction.

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

5 Pre-auction Process

This section describes pre-auction activities that will occur following the release of this Auction Notice.

5.1 Auction Tutorials

Tutorials focused on the auction format, the RGGI Portal, RGGI COATS, and the overall qualification process are available on the Auction Website, <https://www.rggi.org/auctions/auction-materials>.

5.2 Electronic Question Submittal

The Auction Website includes a link allowing Applicants to submit questions and comments regarding the auction process. A blank email message, addressed to the Auction Manager, will be generated by clicking on the link. Questions can also be sent directly to auctionmanager.enelxnorthamerica@enel.com, in accordance with the Auction Schedule. Email

is the sole means to submit a question or comment regarding an Auction Notice, Qualification Application, or Intent to Bid.

To the extent any relevant questions are submitted that are not currently addressed in the Frequently Asked Questions (FAQs), the FAQ document will be updated and reposted on the Auction Website, <https://www.rggi.org/auctions/auction-materials>, in accordance with the Auction Schedule.

5.3 Auction Platform Username and Password

For new Applicants, the PAAR and SAAR will be provided with username(s) and password(s) after completion of the general information section of the Qualification Application on the Auction Platform, for use in completing the application process. Usernames and passwords do not expire and will provide continuous access to the Auction Platform. Note that access to the Auction Platform does not automatically include access to bidding functions for the Auction; all other participation requirements must be met in order to access bidding functions.

For any username or password issues, contact the Auction Manager at:

Phone: 703.795.8927

Email: auctionmanager.enelxnorthamerica@enel.com

5.4 Auction Platform Training Sessions

Optional training on the Auction Platform will only be provided for Potential Bidders for each Auction, in accordance with the Auction Schedule. Potential Bidders may request a training session by contacting the Auction Manager. Training materials and directions on how to participate in the Auction Platform training will be provided prior to the training session.

6 Auction Process

This section provides information on how the auction will be conducted.

6.1 Auction Overview

The auction will be conducted using an electronic, internet-based platform that bidders will use to submit Bids in a uniform-price, sealed-bid auction format. All Bids are ranked by bid price from high to low. Then, Cumulative Demand is noted after each Bid is evaluated, starting with the highest price.

Starting in 2021, the ECR mechanism is active in the auctions. The ECR is designed to secure additional emissions reductions if the demand for allowances is close to the Initial Offering. The ECR represents a budget (i.e., fixed number) of ECR Allowances which, under specific circumstances, will be withheld from the Initial Offering (see Section 1.4, Tables 2 and 3).

Starting in 2014, the CCR mechanism is active in the auctions. The CCR is designed to moderate the price of CO₂ Allowances if the demand for allowances significantly exceeds the Initial Offering. The CCR contains a number of CO₂ Allowances in addition to the Initial Offering which, under specific circumstances, will be offered for sale (see Section 1.4, Tables 2 and 4).

The following steps detail the process to determine the results of the auction. The first step is the establishment of the Interim Clearing Price. The second step determines whether any ECR Allowances are withheld or CCR Allowances are released, the resulting number of allowances

actually sold, and the final clearing price. The third and final step entails awarding the CO₂ Allowances.

Step 1: The Interim Clearing Price

The Interim Clearing Price is determined using the ranked Bids. There are two potential scenarios:

1. If Total Demand is less than or equal to the Initial Offering, the Interim Clearing Price will equal the minimum reserve price.
2. If Total Demand is greater than the Initial Offering, the Interim Clearing Price will equal the bid price of the Marginal Bid(s).^{10,11}

Step 2: Triggering the ECR or CCR and the Final Clearing Price

The ECR and CCR Trigger Prices and the size of the ECR and CCR have been provided in Section 1.2. If both the ECR and CCR have been exhausted, the Final Clearing Price is equal to the Interim Clearing Price. If either the ECR or the CCR has not been exhausted, the Interim Clearing Price established under Step 1 will determine whether the ECR or CCR is triggered, the number of ECR Allowances to be withheld or CCR Allowances to be released, and the final auction clearing price. There are three (3) potential scenarios, which are mutually exclusive:

1. If the Interim Clearing Price is at or greater than the ECR Trigger Price and at or less than the CCR Trigger Price, no ECR Allowances are withheld and no CCR Allowances are released, and the Final Clearing Price is equal to the Interim Clearing Price.
2. If the Interim Clearing Price is less than the ECR Trigger Price, ECR Allowances are withheld from the Initial Offering until either:
 - a. The Final Clearing Price equals the ECR Trigger Price. Once this occurs, no more ECR Allowances are withheld from the Initial Offering and the Final Clearing Price equals the ECR Trigger Price, or
 - b. The ECR withholding limit is reached. In this case the Final Clearing Price is the bid price of the Marginal Bid(s).¹²
3. If the Interim Clearing Price is greater than the CCR Trigger Price, CCR Allowances will be released for sale until either:
 - a. The Final Clearing Price equals the CCR Trigger Price. Once this occurs, no more CCR Allowances are released and the Final Clearing Price equals the CCR Trigger Price, or

¹⁰ If multiple Bids cause Cumulative Demand for CO₂ Allowances to be greater than or equal to the Initial Offering at the same price, then all of the tied Bids are considered Marginal Bids.

¹¹ In the unlikely event that Cumulative Demand at the Marginal Bid(s) exactly equals the Initial Offering, the Interim Clearing Price will be the bid price after the Marginal Bid(s).

¹² In the unlikely event that at Step 2 Cumulative Demand at the Marginal Bid(s) exactly equals the number of CO₂ Allowances offered for sale (Initial Offering minus ECR Allowances, if any), the Final Clearing Price is the bid price of the Bid after the Marginal Bid(s).

- b. The CCR is exhausted. In this case the Final Clearing Price is the bid price of the Marginal Bid(s).¹³

Step 3: CO₂ Allowance Awards

Once the Final Clearing Price has been established, CO₂ Allowance awards are made using the ranked Bids according to the following two scenarios:

1. If Cumulative Demand at the Final Clearing Price equals the number of CO₂ Allowances made available for sale (Initial Offering plus CCR Allowances or minus ECR Allowances, if applicable), then CO₂ Allowances are awarded to all Bids greater than or equal to the Final Clearing Price, even if there are multiple Bids with the same bid price.
2. If Cumulative Demand at the Final Clearing Price does not equal the number of CO₂ Allowances offered for sale (Initial Offering plus CCR Allowances or minus ECR Allowances, if applicable), then CO₂ Allowances are awarded to all Bids with bid prices greater than the Final Clearing Price. In addition, CO₂ Allowances are awarded to Marginal Bid(s) according to the following possible options:
 - a. If there is one Marginal Bid at the clearing price, that Bid will be partially fulfilled with the remaining available supply.
 - b. If there are multiple Marginal Bids, the tie will be resolved by a random process (see information provided later in this Section and Section 6.1.1). Each tied Marginal Bid will be assigned a number that is randomly generated by a computer. CO₂ Allowances will be awarded to Bids in increasing order by the value of their assigned random number until remaining available supply is exhausted. If the last accepted tied Marginal Bid is for more CO₂ Allowances than are available, that Bid will be partially fulfilled with the remaining available supply.

Other features of the auction are as follows:

- All Bids that exist in the Auction Platform via bidder 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 as a multiple of 1,000.
- Bidders can submit an unlimited number of Bids; however, only one Bid may be submitted for any given price.
- Bidders can cancel or change their Bids at their discretion until the bidding window closes.

The acceptance of a Bid by the Participating States through their agent constitutes a binding contract for the purchase of the awarded CO₂ Allowances, subject to applicable state and federal law. As detailed in Section 7.1, the Final Clearing Price for the auction will be posted at <https://www.rggi.org> in accordance with the Auction Schedule. Immediately following posting of the Final Clearing Price, bidders can log on to the Auction Platform (<https://rggi.exchange.apps.enelx.com>) to view the number of CO₂ Allowances they have been

¹³ In the unlikely event that at Step 2 Cumulative Demand at the Marginal Bid(s) exactly equals the number of CO₂ Allowances offered for sale (Initial Offering plus CCR Allowances, if any), the Final Clearing Price is the bid price of the Bid after the Marginal Bid(s).

awarded, if any. The total cost of the awarded CO₂ Allowances represents the amount that will be paid or drawn from the bidder’s financial security.

Table 5 illustrates the Bids from a uniform-price, sealed-bid auction format¹⁴ for 100,000 CO₂ Allowances. All Bids are ranked by bid price from high to low and Cumulative Demand is noted at each Bid.

Table 5: Uniform-price, Sealed-bid Auction Format Example

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

Bidders B’s Bid for CO₂ Allowances at \$7.40 causes Cumulative Demand to exactly equal the supply of CO₂ Allowances offered for sale in the auction, so this Bid is the Marginal Bid. The Interim Clearing Price is the bid price of the Bid after the Marginal Bid, or \$7.10 per CO₂ Allowance. Provided that the Interim Clearing Price is not less than the ECR Trigger Price or greater than the CCR Trigger Price, the Final Clearing Price will equal the Interim Clearing Price, \$7.10 per CO₂ Allowance. In this case, CO₂ Allowances will be awarded to all Bids with bid prices greater than \$7.10 per CO₂ Allowance and this is the price that will be paid for all allowances sold at the auction.

In summary, bidders would receive the following awards:

- Bidder A – 41,000 CO₂ Allowances at a price of \$7.10 per allowance for a total cost of \$291,100.00.
- Bidder B – 17,000 CO₂ Allowances at a price of \$7.10 per allowance for a total cost of \$120,700.00.
- Bidder C – 0 CO₂ Allowances
- Bidder D – 21,000 CO₂ Allowances at a price of \$7.10 per allowance for a total cost of \$149,100.00.
- Bidder E – 21,000 CO₂ Allowances at a price of \$7.10 per allowance for a total cost of \$149,100.00.

¹⁴ This is merely an example. The values and numbers used in the example have been selected to illustrate the auction format and features and in no way should be interpreted as a forecast or prediction of any CO₂ Allowance Auction.

Table 6 illustrates the Bids from a uniform-price, sealed-bid auction format¹⁵ and is designed to highlight the tiebreaking process as well as what happens when the number of CO₂ Allowances offered for sale is not sufficient to satisfy all the demand at a bid price (i.e., marginal tied bids). This example shows an auction of 100,000 CO₂ Allowances. All Bids are ranked by bid price from high to low and Cumulative Demand is noted at each Bid.

Table 6: Tiebreaking Process Example

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	

Bidders E, D, A, and B's Bid for CO₂ Allowances at \$6.75 causes Cumulative Demand to be greater than the supply of CO₂ Allowances offered for sale in the auction, so these Bids are the Marginal Bids and the Interim Clearing Price is the bid price of the Marginal Bids, or \$6.75 per CO₂ Allowance. Provided that the Interim Clearing Price is not less than the ECR Trigger Price or greater than the CCR Trigger Price, the Final Clearing Price will equal the Interim Clearing Price, \$6.75 per allowance. In this case, CO₂ Allowances will be awarded to all Bids with bid prices greater than \$6.75 per CO₂ Allowance, and this is the price that will be paid for all allowances sold at the auction.

To complete the auction, the tie amongst the Marginal Bids, highlighted in blue, must be broken and the successful bidders awarded CO₂ Allowances. Breaking the tie is accomplished by assigning a random number to each tied Bid (see Section 6.1.1). The CO₂ Allowances are awarded to each tied bidder in order by increasing value of their assigned random number until no CO₂ Allowances are left.

Bidder D received the random number 1; therefore the remaining CO₂ Allowances (21,000) are awarded to that bidder first. Bidder D's Bid for 5,000 CO₂ Allowances can be fully satisfied, leaving 16,000 CO₂ Allowances remaining to be awarded. Bidder A received the random number 2. Bidder A's Bid for 15,000 CO₂ Allowances can also be fully satisfied, leaving 1,000 CO₂ Allowances remaining to be awarded. Bidder E received the random number 3. Bidder E's Bid for 10,000 CO₂ Allowances cannot be fully satisfied and receives the remaining 1,000 CO₂ Allowances. No other bidder tied at the Marginal Bid is awarded any CO₂ Allowances since the supply is exhausted.

In summary, bidders would receive the following awards.

¹⁵ See Footnote 14.

- Bidder A – 32,000 CO₂ Allowances at a price of \$6.75 per allowance for a total cost of \$216,000.00.
- Bidder B – 8,000 CO₂ Allowances at a price of \$6.75 per allowance for a total cost of \$54,900.00.
- Bidder C – 18,000 CO₂ Allowances at a price of \$6.75 per allowance for a total cost of \$121,500.00.
- Bidder D – 19,000 CO₂ Allowances at a price of \$6.75 per allowance for a total cost of \$128,250.00.
- Bidder E – 23,000 CO₂ Allowances at a price of \$6.75 per allowance for a total cost of \$155,250.00.

Table 7 illustrates the Bids from a uniform-price, sealed-bid auction format¹⁶ and is designed to highlight the withholding of ECR Allowances from the Initial Offering, the establishment of the interim and Final Clearing Prices, and the award of allowances. This example shows an auction of 100,000 CO₂ Allowances. The ECR withholding limit is 50,000 CO₂ Allowances and the ECR Trigger Price is \$6.00. All Bids are ranked by bid price from high to low and Cumulative Demand is noted at each Bid.

Table 7: ECR Allowance Withholding Example

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	
Bidder A	\$5.05	12,000	112,000	< Interim Clearing Price
Bidder C	\$5.00	40,000	152,000	
Bidder D	\$4.25	16,000	168,000	
Bidder A	\$4.15	13,000	181,000	

Step 1: The Interim Clearing Price

Bidder C’s Bid for CO₂ Allowances at \$5.25 causes Cumulative Demand to exactly equal the Initial Offering (i.e., the CO₂ Allowances that are offered for sale upon the opening of the auction). The Interim Clearing Price is the bid price of the Bid after the Marginal Bid, or \$5.05 per CO₂ Allowance.

Step 2: Triggering the ECR or CCR and the Final Clearing Price

Since the Interim Clearing Price is below the ECR Trigger Price of \$6.00, ECR Allowances are withheld from the Initial Offering until:

¹⁶ See Footnote 14.

- The Final Clearing Price equals the ECR Trigger Price; or
- The ECR withholding limit is reached.

Incremental amounts of ECR Allowances equal to the demand at each successively higher bid price are withheld from the Initial Offering. In this case, 8,000 CO₂ Allowances are withheld at the \$5.25 bid price, 11,000 CO₂ Allowances are withheld at the \$5.75 bid price, 9,000 CO₂ Allowances are withheld at the \$5.80 bid price, and 8,000 CO₂ Allowances are withheld at the \$5.85 bid price. The next highest bid price is \$6.00, which is the ECR Trigger Price, so no further allowances are withheld. In this example, based on the ECR triggering, a total of 36,000 ECR Allowances are withheld from the Initial Offering. The Initial Offering is reduced from 100,000 CO₂ Allowances to 64,000 CO₂ Allowances. After the withholding of the ECR Allowances, the Final Clearing Price is \$6.00, which is the ECR Trigger Price.

Step 3: CO₂ Allowance Awards

Once the Final Clearing Price has been established, CO₂ Allowance awards are made using the ranked Bids. Since Cumulative Demand at the Final Clearing Price exactly equals the number of CO₂ Allowances available for sale (Initial Offering less ECR Allowances), then CO₂ Allowances are awarded to all Bids with a bid price greater than or equal to the Final Clearing Price.

The total quantity of CO₂ Allowances sold is reduced by 36,000, from 100,000 to 64,000 CO₂ Allowances. The remaining 14,000 ECR Allowances remain available to potentially be withheld in the next RGGI Auction unless the current auction is the last for the calendar year. The decreased supply of CO₂ Allowances results in a higher Final Clearing Price (\$6.00 per CO₂ Allowance rather than \$5.05 per CO₂ Allowance).

In summary, bidders receive the following awards.

- Bidder A – 20,000 CO₂ Allowances at a price of \$6.00 per allowance for a total cost of \$120,000.00.
- Bidder B – 13,000 CO₂ Allowances at a price of \$6.00 per allowance for a total cost of \$78,000.00.
- Bidder C – 0 CO₂ Allowances
- Bidder D – 11,000 CO₂ Allowances at a price of \$6.00 per allowance for a total cost of \$66,000.00.
- Bidder E – 20,000 CO₂ Allowances at a price of \$6.00 per allowance for a total cost of \$120,000.00.

Table 8 illustrates the Bids from a uniform-price, sealed-bid auction format¹⁷ and is designed to highlight the release of CCR Allowances from the CCR, establishment of the interim and Final Clearing Prices, and the award of allowances. This example shows an auction of 100,000 CO₂ Allowances. The CCR contains 50,000 CO₂ CCR Allowances and the CCR Trigger Price is \$13.00. All Bids are ranked by bid price from high to low and Cumulative Demand is noted at each Bid.

¹⁷ See Footnote 14.

Table 8: CCR Allowance Release Example

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	

Step 1: The Interim Clearing Price

Bidder D’s Bid for CO₂ Allowances at \$13.70 causes Cumulative Demand to exactly equal the Initial Offering (i.e., the CO₂ Allowances that are offered for sale upon the opening of the auction), so that Bid is the Marginal Bid. The Interim Clearing Price is the bid price of the Bid after the Marginal Bid, or \$13.50 per CO₂ Allowance.

Step 2: Triggering the ECR or CCR and the Final Clearing Price

Since the Interim Clearing Price is above the CCR Trigger Price, CCR Allowances are released from the CCR to supplement the Initial Offering. 10,000 CO₂ Allowances are released at the \$13.50 bid price, 9,000 CO₂ Allowances are released at the \$13.45 bid price, 10,000 CO₂ Allowances are released at the \$12.30 bid price, 7,000 CO₂ Allowances are released at the \$13.05 bid price, and 12,000 CO₂ Allowances are released at the \$13.00 bid price. In total, 48,000 CO₂ Allowances are released from the CCR. After this release of CO₂ Allowances, the Final Clearing Price is \$13.00, which is the CCR Trigger Price.

Step 3: CO₂ Allowance Awards

Once the Final Clearing Price has been established, CO₂ Allowances are awarded using the ranked Bids. Since Cumulative Demand at the Final Clearing Price exactly equals the number of CO₂ Allowances available for sale (Initial Offering plus CCR Allowances), then CO₂ Allowances are awarded to all Bids with a bid price greater than or equal to the Final Clearing Price.

The total quantity of CO₂ Allowances sold is increased by 48,000, from 100,000 to 148,000 CO₂ Allowances. The remaining 2,000 CCR Allowances remain available to potentially be released in the next RGGI Auction unless the current auction is the last for the calendar year. The increased supply of CO₂ Allowances results in a lower Final Clearing Price (\$13.00 per CO₂ Allowance rather than \$13.50 per CO₂ Allowance). In summary, bidders would receive the following awards.

- Bidder A – 61,000 CO₂ Allowances at a price of \$13.00 per allowance for a total cost of \$793,000.00.

- Bidder B – 22,000 CO₂ Allowances at a price of \$13.00 per allowance for a total cost of \$286,000.00.
- Bidder C – 10,000 CO₂ Allowances at a price of \$13.00 per allowance for a total cost of \$130,000.00.
- Bidder D – 22,000 CO₂ Allowances at a price of \$13.0 per allowance for a total cost of \$286,000.00.
- Bidder E – 33,000 CO₂ Allowances at a price of \$13.00 per allowance for a total cost of \$429,000.00.

6.1.1 Random Number Generation

The Auction Platform utilizes the built-in random number generation capabilities of Microsoft.net, specifically, the random number generator implemented in Microsoft.net's Random class. Microsoft.net's random number generator, seeded with an integer representing the current time and date from the user's computer, will produce a sequence of numbers that meet the statistical requirements for randomness.¹⁸

6.2 Bid Limitations

The Auction Platform will automatically reject a Bid that violates any of the bid limitations outlined below.

6.2.1 Minimum Reserve Price Bid Limitation

The minimum reserve price for 2025 is provided in Section 1.2. As specified in Participating State regulations, the minimum reserve price in calendar year 2014 was \$2.00. Each calendar year thereafter, the minimum reserve price is 1.025 multiplied by the minimum reserve price from the previous calendar year, rounded to the nearest whole cent.

The Auction Platform will automatically reject any Bid entered with a bid price lower than the minimum reserve price.

6.2.2 Financial Security Bid Limitation

The value of a bidder's Bids cannot exceed the amount of that bidder's financial security allocated to the auction. The value of a bidder's Bids is the maximum value the bidder would be liable to pay in a uniform-price auction format. To calculate this value, each bidder's Bids are ranked by bid price from high to low and the bidder's Cumulative Demand is noted at each bid price. Each subsequent bid price is multiplied by the bidder's individual Cumulative Demand at that bid price to calculate a maximum bid value. The largest bid value calculated and therefore the maximum cost, is the total value of the bidder's Bids at that bid price and is counted against the financial security bid limit. The Auction Platform will automatically reject a Bid that would cause the maximum bid value of a bidder's Bids to exceed the amount of a bidder's financial security.

The example in Table 9 demonstrates the way the value of a bidder's Bids is calculated.

¹⁸ <https://docs.microsoft.com/en-us/dotnet/api/system.random?view=netframework-4.7.2>. Last accessed December 9, 2024.

Table 9: Maximum Bid Value of Bidder's Bids Example

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 ₂ Allowances and pays at most \$8.00 per CO ₂ Allowance	\$136,000.00
Bidder A	\$7.50	50,000	67,000	If this Bid is accepted, Bidder A wins 67,000 CO ₂ Allowances and pays at most \$7.50 per CO ₂ Allowance	\$502,500.00 ←
Bidder A	\$5.50	17,000	84,000	If this Bid is accepted, Bidder A wins 84,000 CO ₂ Allowances and pays at most \$5.50 per CO ₂ Allowance	\$462,000.00
Bidder A	\$5.00	15,000	99,000	If this Bid is accepted, Bidder A wins 99,000 CO ₂ Allowances and pays at most \$5.00 per CO ₂ Allowance	\$495,000.00
				Bidder A's maximum bid value is counted against the financial security bid limitation	\$502,500.00
Bidder B	\$6.85	10,000	10,000	If this Bid is accepted, Bidder B wins 10,000 CO ₂ Allowances and pays at most \$6.85 per CO ₂ Allowance	\$68,500.00
Bidder B	\$6.25	20,000	30,000	If this Bid is accepted, Bidder B wins 30,000 CO ₂ Allowances and pays at most \$6.25 per CO ₂ Allowance	\$187,500.00
Bidder B	\$6.05	21,000	51,000	If this Bid is accepted, Bidder B wins 51,000 CO ₂ Allowances and pays at most \$6.05 per CO ₂ Allowance	\$308,550.00
Bidder B	\$6.00	22,000	73,000	If this Bid is accepted, Bidder B wins 73,000 CO ₂ Allowances and pays at most \$6.00 per CO ₂ Allowance	\$438,000.00 ←
				Bidder B's maximum bid value is counted against the financial security bid limitation	\$438,000.00
Bidder C	\$7.70	21,000	21,000	If this Bid is accepted, Bidder C wins 21,000 CO ₂ Allowances and pays at most \$7.70 per CO ₂ Allowance	\$161,700.00
Bidder C	\$6.00	5,000	26,000	If this Bid is accepted, Bidder C wins 26,000 CO ₂ Allowances and pays at most \$6.00 per CO ₂ Allowance	\$156,000.00
Bidder C	\$5.50	20,000	46,000	If this Bid is accepted, Bidder C wins 46,000 CO ₂ Allowances and pays at most \$5.50 per CO ₂ Allowance	\$253,000.00 ←
Bidder C	\$5.10	1,000	47,000	If this Bid is accepted, Bidder C wins 47,000 CO ₂ Allowances and pays at most \$5.10 per CO ₂ Allowance	\$239,700.00
				Bidder C's maximum bid value is counted against the financial security bid limitation	\$253,000.00

In summary, the following illustrates the value of each bidder's Bids counted against their financial security bid limitation.

- Bidder A – \$502,500.00.
- Bidder B – \$438,000.00.
- Bidder C – \$253,000.00.

6.2.3 Quantity of CO₂ Allowances Bid Limitation

The maximum number of CO₂ Allowances that any Applicant or group of associated Applicants may bid for in a single auction is 25% of the Initial Offering. This limitation shall not be increased by CCR Allowances.

Bid limitations and Corporate and Bidding Associations will remain in effect until changed by the concerned parties.

Any change to an Applicant's previously disclosed Corporate or Bidding Associations, including changes to bid limitations, constitutes a material change requiring the filing of a new Qualification Application.

Each Applicant must comply with Section 3.1 (Limitation on Communication). 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 a CO₂ Allowance Auction. Corporate and Bidding Associations that must be reported in the Qualification Application are listed below. Failure to disclose any of these types of associations may result in denial or revocation of an Applicant's qualification status. However, an Applicant does not need to disclose a bidding association if it is the same as one of the Applicant's corporate associations.

The Auction Platform will automatically reject any Bid that would cause the quantity of a bidder's Bids to exceed the amount allowed by Corporate and Bidding Associations.

6.2.3.1 Identifying Direct and Indirect Corporate Associations

Corporate Associations, either direct or indirect, must be reported in the Qualification Application.

- An Applicant has a "direct Corporate Association" with another Applicant if one of the Applicants:
 - Holds more than 20% of any class of listed shares, the right to acquire such shares, or any option to purchase such shares of the other Applicant;
 - Holds or can appoint more than 20% of common directors of the other Applicant;
 - Holds more than 20% of the voting power of the other Applicant; or
 - Controls the other Applicant's affairs through some other means, for example, the terms of a general partnership agreement.
- An Applicant has an "indirect Corporate Association" with another Applicant if both Applicants have a direct Corporate Association with a common third party, or through a longer line of direct Corporate Associations.

If the Applicant has a direct or indirect Corporate Association with another Applicant, it must be disclosed in the Qualification Applications of both parties. This requirement includes, but is not limited to, Corporate Associations with a corporate parent, subsidiary, or sister company. For

direct or indirect Corporate Associations, the information that must be disclosed in the Qualification Application includes:

- The name of the other Applicant with which the Applicant in question has a direct or indirect Corporate Association;
- The Applicant's bid limitation as a percentage of the Initial Offering (see Section 6.2.3.2); and
- The type of Corporate Association (i.e., direct or indirect) and a brief description of the association, which may include the following:
 - Corporate parent
 - Subsidiary
 - Sister company
 - Partnership
 - Other (provide a concise description)

6.2.3.2 Use of Direct and Indirect Corporate Associations

The apportionment of the bid limitation (maximum 25% of the Initial Offering) among bidders with a Corporate Association, as submitted in each bidder's approved Qualification Application, will be used to limit the quantity of CO₂ Allowances in Bids submitted by each of the bidders in a Corporate Association. The 25% limitation applies to each Corporate Association of which an Applicant is a part. An Applicant that is in more than one Corporate Association must separately allocate the designated bid limitation among the Applicants in each group. In the event the Applicant is in one or more Corporate Associations, the Applicant's self-reported bid limitation percentage must be identical to the bid limitation percentage reported for that Applicant by the other corporately associated Applicants in their Qualification Applications.

An Applicant's bid limitations will not be adjusted after its Qualification Application has been approved and will remain static during each auction unless the Applicant's updated Qualification Application is submitted and approved for a subsequent auction.

The FAQs include an example of how Corporate Associations are used.

6.2.3.3 Identifying Bidding Associations

Bidding Associations must be reported in the Qualification Application.

- An Applicant has a "Bidding Association" with another party if it:
 - a) Has agreed to provide assistance with financing to the other party;
 - b) Is partnered with the other party for bidding purposes;
 - c) Has entered into any explicit or implicit agreements, arrangements, or understandings of any kind with the other party relating to the CO₂ Allowances offered for sale at the auction; or
 - d) Shares or expects to share Confidential Information with the other party.

A Bidding Association exists where the Applicant and another party have agreed in principle, regardless of whether the agreement has been put in writing. Each Applicant with a Bidding Association must identify the other party or parties in the Bidding Association in its Qualification

Application, and must describe the purpose of the association, including how the Bidding Association meets one or more of the above criteria.

An arrangement by an Applicant with another party for the provision of auction-related logistical or clerical services that will not include the exchange of Confidential Information is not considered a Bidding Association and need not be reported.

As set forth in Section 3.1 above, after the Qualification Application and Intent to Bid submittal deadline, an Applicant may not communicate Confidential Information with any other Applicant or party that has not been appropriately disclosed in its Qualification Application, except as requested by the Auction Manager to remediate a Qualification Application.

For all Bidding Associations, the information that must be disclosed in the Qualification Application includes:

- The type of Bidding Association described in a, b, c, d, or e above;
- The name of the other party or parties;
- Whether or not the other party is an Applicant (either “Yes” or “No”);
- The Applicant’s position any transaction of allowances, (either “Purchaser” or “Recipient”); and
- The quantity or percentage of CO₂ Allowances covered by the Bidding Association.

6.2.3.4 Use of Bidding Associations

The maximum number of CO₂ Allowances that any Applicant may bid on in a single auction is 25% of the CO₂ Allowances offered for sale in that auction.

Accordingly, if the Applicant has a Bidding Association with another Applicant under which either Applicant (the “Purchaser”) is authorized to bid on CO₂ Allowances on behalf of the other (the Recipient”) the information provided in each Applicant’s approved Qualification Application will be used to limit the quantity of CO₂ Allowances that may be bid on by the Recipient. For instance, if the Qualification Applications indicate that Applicant A is authorized to bid for 1 million CO₂ Allowances on behalf of Applicant B, the maximum number of CO₂ Allowances that Applicant B may bid on will be reduced by 1 million. If the purchasing authorization is expressed as a percentage, rather than a number quantity, the maximum 25% bid limitation will be apportioned between the Applicants. The number of allowances or the percentage that may be bid on by each Applicant must be identical on the Qualification Applications of the associated Applicants. As set forth in Section 3.1, communication of Confidential Information is limited to the specific number of CO₂ Allowances that are the subject of the Bidding Association.

If a Bidding Association exists that does not involve a specific number or percentage of CO₂ Allowances, the 25% bid limitation will be apportioned between the associated Applicants.

An applicant’s bid limitations will not be adjusted after its Qualification Application has been approved and will remain static during each auction unless the Applicant’s updated Qualification Application with the appropriate material change is submitted and approved for a subsequent auction. The FAQs include an example of how Bidding Associations are used.

6.3 Auction Window

Each Auction will open at 9:00 AM and close at 12:00 PM ET in accordance with the Auction Schedule. Bidders will be able to log on to the Auction Platform typically the day prior to this and view the details of the auction; however, Bids may only be submitted between 9:00 AM and 12:00 PM ET.

7 Post-auction Process

7.1 Release of the Auction Final Clearing Price

The Final Clearing Price for each Auction will be posted at <https://www.rggi.org/> at 10:00 AM in accordance with the Auction Schedule. In the event of a delay, a message will be posted at <https://www.rggi.org/> providing the new time for the release. Immediately following the posting of the Final Clearing Price, bidders can log on to the Auction Platform (<https://rggi.exchange.apps.enelx.com/>). Each bidder will see the number of CO₂ Allowances it has been awarded, if any.

7.2 Financial Settlement

Financial settlement of each Auction will commence immediately after release of the Final Clearing Price. The Auction Platform provides each bidder with the total cost of the CO₂ Allowances it has been awarded, if any. This represents the amount that will be paid or drawn from the bidder's financial security. Each key financial settlement event and activity is discussed below.

7.2.1 Optional Cash (Wire Transfer) Settlement

Each successful bidder that has submitted an ILOC or bond will be provided an opportunity to settle its award transaction(s) with cash via a wire transfer rather than by a draw against its ILOC and/or bond. Wire transfers must be in USD and must be received by The Bank of New York Mellon no later than 5:00 PM in accordance with the Auction Schedule. The details for submitting cash by wire transfer are emailed to all potential bidders no later than 5:00 PM in accordance with the Auction Schedule. If a wire transfer for the full award amount is received by the time and date deadline, a bidder's ILOC and/or bond will not be drawn against. Any amount of an award not settled with cash via a wire transfer will be settled through a draw against the submitted ILOC or bond in accordance with the Auction Schedule.

No action is required if a bidder wishes settlement to be made by drawing against its ILOC or bond.

7.2.2 Return of Financial Security

See Sections 2.9.1 through 2.9.4 for information about how the unused portions of each type of financial security is returned after each Auction.

7.3 CO₂ Allowance Transfer

CO₂ Allowances will be transferred to each winning bidder's RGGI COATS general account in accordance with the Auction Schedule. All winning bidders will be notified via email when this transfer is complete.

CO₂ Allowances will be transferred in lots. For the Auction, the Initial Offering will consist of 15,392 lots of 1,000 CO₂ Allowances and one lot of 222 CO₂ Allowances.¹⁹ Each lot will consist of CO₂ Allowances from each state offering allowances for sale in the Auction in proportion to the percentages outlined in Table 2 as closely as practicable. The lot of 222 CO₂ Allowances will be the final lot awarded and the bidder awarded this lot will pay 222 times the Final Clearing Price for this lot.

A bidder will not be able to specify which lot(s) will be transferred.

8 Participating States Contact Information

For further information about a particular state’s participation in the Auction, please use the contact information in Table 10. For questions regarding the auction process, see Section 5.2.

Table 10: Contact Information

State	Contact Information
Connecticut	Michael Malmrose michael.malmrose@ct.gov 860.827.2933
Delaware	Valerie Gray valerie.gray@delaware.gov 302.739.9419
Maine	Erle Townsend erle.townsend@maine.gov 207.287.6115
Maryland	Luke Wisniewski luke.wisniewski@maryland.gov 410.537.4231
Massachusetts	Rachel Evans rachel.evans@mass.gov 617.626.7326
New Hampshire	Craig Wright craig.a.wright@des.nh.gov 603.271.1088
New Jersey	Anthony Bevacqua anthony.bevacqua@dep.nj.gov 609.940.5750
New York	Frank Ciampa frank.ciampa@nyserda.ny.gov 518.862.1090
Pennsylvania	TBD
Rhode Island	Dena Gonsalves dena.gonsalves@dem.ri.gov 401.537.4377
Vermont	Mary Jo Krolewski Mary-Jo.Krolewski@vermont.gov 802.828.1171

¹⁹ If the CCR is triggered, each winning bidder will receive a pro rata share of the released CCR Allowances.

9 Definitions

Capitalized terms within this Auction Notice are defined as follows.

Auction Platform. The website that hosts the RGGI auction of CO₂ Allowances, located at <https://rggi.exchange.apps.enelx.com>.

Auction Tutorials. Presentations posted on the Auction Website that provides details of the auction format, RGGI COATS, and the overall qualification process.

Auction Website. The website that hosts relevant documents referenced in this Auction Notice, located at <https://www.rrgi.org/auctions/auction-materials>.

Bid. The offer of a price per CO₂ Allowance, or bid price, and a quantity of CO₂ Allowances, or bid quantity.

CO₂ Allowance. A limited authorization by a Participating State under the CO₂ Budget Trading Program to emit up to one ton of CO₂.

CO₂ Budget Source. A source that includes one or more CO₂ Budget Units.

CO₂ Budget Trading Program. A multi-state CO₂ air pollution control and emissions reduction program established as a means of reducing emissions of CO₂ from CO₂ Budget Sources.

CO₂ Budget Unit. A unit that is subject to the CO₂ Budget Trading Program requirements.

CO₂ Cost Containment Reserve Allowance or CCR Allowance. A CO₂ Allowance that is offered for sale at an auction in specific circumstances to contain the cost of CO₂ Allowances. CO₂ CCR Allowances are separate from and additional to the Initial Offering.

CO₂ Cost Containment Reserve Trigger Price, or CCR Trigger Price. The price at which CO₂ CCR Allowances are offered for sale at auction.

CO₂ Emissions Containment Reserve Allowance or ECR Allowance. A CO₂ Allowance that is withheld from sale at an auction for the purpose of additional emission reduction in the event of lower than anticipated emission reduction costs.

CO₂ Emissions Containment Reserve Trigger Price, or ECR Trigger Price. The price below which CO₂ Allowances will be withheld from sale.

Cumulative Demand. The sum of all bid quantities with bid prices greater than or equal to a Bid at a particular price.

Final Clearing Price. The price at which all CO₂ Allowances purchased in the auction will be sold.

Initial Offering. The quantity of CO₂ Allowances offered for sale at auction by the Participating States, excluding CO₂ CCR Allowances.

Interim Clearing Price. The bid price of the Marginal Bid(s) at the close of the auction.

Marginal Bid. The Bid that causes Cumulative Demand for CO₂ Allowances to be greater than or equal to the Initial Offering.

Minimum Reserve Price. The minimum acceptable bid price for a CO₂ Allowance offered at auction.

RGGI COATS. The RGGI CO₂ Allowance Tracking System is the platform that enables the allocation, award, and transfer of CO₂ Allowances to account holders.

RGGI COATS Authorized Account Representative.

- For a compliance account, the natural person who is authorized by the owners and operators of the CO₂ Budget Source to represent and legally bind each owner and operator in matters pertaining to the CO₂ Budget Trading Programs; and
- For a general account, the natural person who is authorized to transfer CO₂ Allowances held in the general account.

RGGI Portal. The location on the Auction Platform for the submission of the Qualification Application, Intent to Bid, and financial security information.

RGGI Portal – Training and Support Tutorial. The online presentation of detailed instructions on how to submit the Qualification Application, Intent to Bid, and financial security information.

Total Demand. The sum of the quantities of all Bids in the auction.

Appendix A – Form of Bid Bond

The form of bond is provided in this appendix. A Potential Bidder providing financial security with a bond must arrange that the financial institution submit it either (1) electronically in portable document format (PDF), which is the preferred delivery format, or (2) in hardcopy.

If (1) is selected, the PDF of the bond must be sent to:

RGGI CO₂ Budget Trading Programs Auction Manager
Email: auctionmanager.enelxnorthamerica@enel.com

If (2) is selected, the hard copy of the bond must be sent to:

RGGI CO₂ Budget Trading Programs Auction Manager
c/o RGGI, Inc.
90 Church Street
4th Floor
New Year, NY 10007
Phone: 703.795.8927

See Section 2.9.1 for more information.

Bid Bond Form

BY THIS BOND

_____ as Principal, and

Name of Bidder

Name of Surety

Legal Title of Surety

Address of Surety

as Surety ("the Surety"), are held and firmly bound unto RGGI, Inc., as Obligee in the sum of _____ ("the Bond Penalty"), for the payment of which sum, well and truly to be made, we, the said Principal and Surety, bind ourselves, our successors and assigns, jointly and severally, firmly by these presents.

WHEREAS the Principal has submitted a Qualification Application, dated the ____ day of _____, 20__, to the Auction Manager acting on behalf of RGGI, Inc., to become a Potential Bidder in the CO₂ Allowance Auction.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if the Principal has a winning bid(s) in the CO₂ Allowance Auction and fails to satisfy its financial obligations by transferring sufficient funds by the time and date deadline in the CO₂ Allowance Auction Notice; then within two (2) business days of receipt of written demand from RGGI, Inc., the Surety shall pay, in immediately available funds, the demanded portion of the Bond, up to its full amount. The written demand of RGGI, Inc. shall include (a) the dollar amount to be forfeited; (b) a statement that the demand arises from the occurrence of the above condition; and (c) RGGI, Inc.'s banking instructions for payment. Any demand to the Surety for payment of all or part of the Bond Penalty must be dated and sent by overnight courier to the specified address for receipt on or before Thursday, March 27, 2025.

The Surety and the Principal hereby agree that their obligation will remain in full force until Thursday, March 27, 2025.

Thereafter this Bond shall be void.

This Bond shall be construed and interpreted in accordance with and governed by the laws of the State of New York, without regard to choice-of-law principles. The Principals and Surety waive trial by jury and consent to the jurisdiction of the state and federal courts of New York for any action relating to this Bond.

IN TESTIMONY WHEREOF, the Principal and the Surety have caused these presents to be executed in their respective names this ____ day of _____ 20__.

Principal: _____
Corporate Seal (where appropriate)

Surety: _____

Authorized Signature

Authorized Signature

Printed name and title

Printed name and title

I hereby certify that the Surety has an insurer financial strength rating of at least "A" by Standard & Poor's or insurance financial strength rating of at least "A2" by Moody's.

Surety: _____

Signature

Printed name and title

Appendix B – Form of Irrevocable Letter of Credit

The form of irrevocable letter of credit (ILOC) is provided in this appendix. A Potential Bidder providing financial security with an ILOC must arrange that the financial institution submit it either (1) electronically in portable document format (PDF), which is the preferred delivery format, or (2) in hardcopy.

If (1) is selected, the PDF of the ILOC must be sent to:

RGGI CO₂ Budget Trading Programs Auction Manager
Email: auctionmanager.enelxnorthamerica@enel.com

If (2) is selected, the hard copy of the ILOC must be sent to:

RGGI CO₂ Budget Trading Programs Auction Manager
c/o RGGI, Inc.
90 Church Street
4th Floor
New York, NY 10007
Phone: 703.795.8927

See Section 2.9.4 for more information.

Form of Irrevocable Letter of Credit

Irrevocable Letter Of Credit No. _____

Date: _____, 20__

Beneficiary:

RGGI, Inc.
90 Church Street, 4th Floor
New York, NY 10007

Ladies and Gentlemen:

By The Order Of:

[Applicant]

[Applicant's Address]

1. We, [Name of Bank], hereby establish in your favor this Irrevocable Letter of Credit ("Letter of Credit") for the account of _____ ("Applicant"), in the amount of USD \$_____, effective immediately and available to you at sight upon demand by you at our counters at _____ (Location) and expiring on _____ [expiration date must be no earlier than Thursday, March 27, 2025], unless terminated earlier in accordance with the provisions hereof or otherwise extended.
2. This Letter of Credit is issued at the request of the Applicant, and we hereby irrevocably authorize you to draw on us, in accordance with the terms and conditions hereof, up to the maximum amount of this Letter of Credit, subject to reduction as provided in Paragraph 12 hereof. This Letter of Credit may be drawn by presenting the following documents ("Requisite Documents"):
 - a. Your Sight Draft drawn on us in the form of Annex 1 hereto ("Sight Draft"); and
 - b. A dated Payment Certificate signed by your duly authorized officer in the form of Annex 2 hereto ("Payment Certificate").
3. Demands presented by facsimile or email (to facsimile number/email address _____) are acceptable: provided that any such demand presented by facsimile or email and confirmed by telephone to _____. We will promptly accept or reject demands via telephone or email provided with the Sight Draft.
4. A partial or full drawing hereunder may be made by you on any Business Day on or prior to the expiration of this Letter of Credit by delivering the Sight Draft and Payment Certificate, by no later than 11:00 A.M. (New York, NY time) on such Business Day to _____ (Bank), _____.
5. We hereby agree to honor a drawing hereunder made in compliance with the terms and conditions of this Letter of Credit by transferring in immediately available funds the

amount specified in the Sight Draft delivered to us in connection with such drawing to such account at such bank in the United States as you may specify in your Sight Draft delivered to us pursuant to Paragraph 4. We will transfer funds by 5:00 P.M. (New York, NY time) on the next Business Day of such drawing if the Requisite Documents are delivered prior to 11:00 A.M. (New York, NY time) on a Business Day pursuant to Paragraph 9. We will transfer the funds at the opening of business on the second Business Day succeeding the date of such drawing if the Requisite Documents are delivered on or after 11:00 A.M. (New York, NY time) on any Business Day pursuant to Paragraph 9.

6. Only you may submit a Payment Certificate and Sight Draft under this Letter of Credit.
7. All bank charges including but not limited to, fees or commissions, shall be for Applicant's account.
8. This Letter of Credit shall automatically terminate and be delivered to us for cancellation on the earliest of (i) the making by you and payment by us of the drawings in an amount equal to the maximum amount available to be made hereunder, (ii) the date we receive from you a Certificate of Expiration in the form of Annex 3 hereto, and (iii) the above-stated expiration date hereof.
9. As used herein:

"Applicant" shall mean an Applicant to the CO₂ Allowance Auction who has successfully completed the CO₂ Allowance Auction Qualification Application.

"Business Day" shall mean any day on which commercial banks are not authorized or required to close in New York, NY and any day on which payments can be effected on the Fedwire system.
10. This Letter of Credit is not transferable, and except as otherwise expressly stated herein, this Letter Of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 revision), International Chamber Of Commerce Publication 600 (Provided, however, that drawings permitted hereunder shall not be deemed to be drawings by installments within Article 32 of the UCP) and as to matters not governed by the UCP, shall be governed by and construed in accordance with the laws of the State of New York and applicable U.S. Federal Law.
11. This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, changed, amplified or limited by reference to any document, instrument or agreement referred to herein, except for Annexes 1 through 3 hereto and the notices referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except as set forth above.
12. The amount which may be drawn by you under this Letter of Credit shall be automatically reduced by the amount of any drawings paid through us referencing this Letter of Credit. Partial drawings are permitted hereunder.
13. We hereby agree with you that each duly completed Sight Draft and Payment Certificate drawn under and in compliance with the terms of this Letter of Credit will be duly

honored upon presentation to us on or before the expiry date. Our obligation under this Letter of Credit is our individual obligation, and is in no way contingent upon reimbursement with respect thereto.

14. In the event of act of God, riot, civil commotion, insurrection, war, terrorism or any strikes or lock outs, or any cause beyond our control, that interrupts our business, and causes the place for presentation of this Letter of Credit to be closed for business on the last day of presentation, the expiration date of this Letter of Credit shall be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

[Based on the mode of delivery select either clause 15 option A or clause 15 option B. Delete this text and the unselected option in the final executable version of the Letter of Credit]

[Option A]

15. This original Letter of Credit has been sent to you via electronic mail. The electronic transmission of this letter of credit and any subsequent amendment(s), if any, shall serve as the operative instrument(s) and will not be followed by a hard copy. The Beneficiary may use the electronic PDF file of this Letter of Credit No. _____ as it would a hardcopy original. The aggregate amount paid to you during the validity of this Letter of Credit will not exceed the amount of this Letter of Credit.

[Option B]

15. This original Letter of Credit has been sent to you c/o RGGI, Inc. , 90 Church Street, 4th Floor, New York, NY 10007. The aggregate amount paid to you during the validity of this Letter of Credit will not exceed the amount of this Letter of Credit.

Very truly yours,

[Signature]

Name: _____

Title: _____

[Issuing Bank Name]

[Issuing Bank Address]

Annex 1 Irrevocable Letter of Credit

Sight Draft

Letter of Credit No.: _____

Date of Letter of Credit: _____

Date of Draft: _____

To: (Bank)
(Address)

Attention: _____

For Value Received

Pay on Demand to: RGGI, Inc., U.S. _____ Dollars (U.S. \$ _____). The amount of this draft does not exceed the amount available to be drawn by the Beneficiary under the Letter of Credit.

We acknowledge that, upon your honoring the drawing herein requested, the amount of the Letter of Credit available for drawing shall be automatically decreased by an amount equal to this drawing.

Charge to account of [Applicant].

Drawn under [Name of Bank] Letter of Credit No. _____.

Funds to be wired to:

ABA Routing Number: _____

Receiving Bank: _____

Beneficiary: _____

Originating Bank
Information (OBI Field): _____

Very truly yours,

RGGI, Inc.

By _____
Name:
Title:
Date:

**Annex 2 Irrevocable Letter of Credit
Payment Certificate**

To:

[Issuing Bank]

[Address]

Re: Irrevocable Letter of Credit No: _____ [Insert]

The undersigned, a duly authorized officer of the undersigned Beneficiary, hereby certifies to [Issuing Bank], with reference to the Irrevocable Letter of Credit No: [Insert] ("Letter of Credit"), that the Applicant has winning bid(s) in the CO₂ Allowance Auction and RGGI, Inc. is authorized and entitled to draw any amount up to the maximum allowed by the attached Letter of Credit.

The terms used herein which are not specifically defined herein are defined in the Letter of Credit, a copy of which is annexed hereto.

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this Payment Certificate as of the ____ day of _____.

Very truly yours,

RGGI, Inc.

By _____

Name:

Title:

Date:

**Annex 3 Irrevocable Letter of Credit
Certificate of Expiration**

Letter of Credit No.: _____

Date: _____, 20__

To: (Bank)

(Address)

Attention: _____

Ladies and Gentlemen:

[Based on the mode of delivery selected for Letter of Credit clause 15, please select the appropriate option below. Delete this text and the unselected option in the final executable version of the Annex 3 Irrevocable Letter of Credit Certificate of Expiration.]

[Option A]

The undersigned hereby certifies to you that the above referenced Letter of Credit may be cancelled without payment. Attached hereto is an electronic copy of said Letter of Credit, marked cancelled.

[Option B]

The undersigned hereby certifies to you that the above referenced Letter of Credit may be cancelled without payment. Attached hereto is said Letter of Credit, marked cancelled.

Very truly yours,

RGGI, Inc.

By _____

Name:

Title:

Date:

cc: _____ (Applicant)