

Auction Notice

Nova Scotia Cap-and-Trade Program

Auction of Emission Allowances

On December 2, 2020, 12:00 PM AT to 3:00 PM AT

Auction Summary

This document is the official notification for the December 2020 Auction of Emission Allowances (December 2020 Auction) taking place on December 2, 2020.

In the Compliance Instrument Tracking System Service (CITSS) and the Auction Platform, the December 2020 Auction will be identified by the title “December 2020 Auction”.

Additional background information, detailed instructions, and examples are posted on [Nova Scotia Environment’s climate change website](#) under the “Participating in auctions” heading. These include

1. [Auction Participant Training](#): A copy of the training presentation that Nova Scotia Environment delivers via webinar before each auction of emission allowances
2. [Auction FAQ](#): Frequently asked questions related to auctions of emission allowances
3. [Auction User Guide](#): Provides a detailed walkthrough of the Auction Platform
4. [Auction Examples](#): Provides a detailed description of how bid valuations are determined, settlement procedures, and how bidding limitations are applied in the Auction Platform
5. [Detailed Auction Requirements and Instructions](#): Provides instructions on how to apply and participate in auctions of emission allowances
6. [Consignment Guidelines](#): Provides instructions on how to consign allowances to auctions of emission allowances

Date and Time of Auction

The December 2020 Auction is scheduled to take place on December 2, 2020 from 12:00 PM Atlantic Time (AT) until 3:00 PM AT.

The December 2020 Auction will be conducted at the date and time indicated above through the electronic, internet-based Auction Platform.

The Auction Platform can be accessed at <https://www.wci-auction.org/ns>

Allowances Offered at Auction

Emission allowances offered for auction in the December 2020 Auction are issued under the Nova Scotia Cap-and-Trade Program. All emission allowances that will be available in the December 2020 Auction are 2019 vintage.

There are **542,000** emission allowances available for auction in the December 2020 Auction.

How emission allowances are displayed in the Auction Platform

The Auction Platform displays two separate options for bidding. They are

1. Current Auction: Consists of allowances with vintages equal to the current year.
2. Advance Auction: Consists of emission allowances with vintages equal to future years.
Nova Scotia will not auction future vintage emission allowances. Therefore, participants should NOT bid in the Advance Auction.

The display of both a Current Auction and Advance Auction is a hard-coded requirement of the Auction Platform, which is shared by other Western Climate Initiative (WCI) jurisdictions that hold both Current Auctions and Advance Auctions. Due to this requirement of the Auction Platform, 1 future vintage will display for the Advance Auction. This is simply for system functionality purposes, and this future vintage emission allowance is not available for auction. **Any bids placed in the Advance Auction will be unsuccessful.**

Auction Reserve Price

The auction reserve price refers to the minimum price for which bids can be placed in the auction, as defined under Section 70 of the *Cap-and-Trade Program Regulations*.

The minimum price set for the December 2020 Auction is **\$20.00 CDN per emission allowance**.

Auction Eligibility

Entities registered in Nova Scotia's Cap-and-Trade Program that meet the following requirements will be eligible to participate in the December 2020 Auction:

1. They have a CITSS General Holding Account that has not been suspended or closed
2. They have not exceeded their purchase limits for the calendar year

Auction Application Submittal

An entity is required to submit an auction application in CITSS by **Monday November 2, 2020 at 11:59 PM AT**.

CITSS can be accessed at <https://www.wci-citss.org/>

Information submitted in the auction application process in CITSS includes the following:

1. Confirmation of the auction event in which the participant intends to bid
2. Information on the form(s) of bid guarantee and return instructions
3. Completion of an attestation

After entering the information listed above, auction applications are then confirmed and submitted in CITSS.

Auction eligibility information also includes information submitted in the process of obtaining a CITSS account:

1. Corporate identity, ownership, and structure of the applicant
2. The existence of any business relationships
3. An allocation of the holding limit among related persons, if applicable

For further information on submitting auction applications in CITSS, please refer to the Detailed Auction Requirements and Instructions document on Nova Scotia Environment’s climate change website.

Bid Guarantee Submittal

After submitting an auction application in CITSS, entities are required to submit a bid guarantee by **November 20, 2020 at 7:00 PM AT**.

Bid guarantees can either be submitted as cash, a letter of credit, or a letter of guarantee.

For further information on submitting bid guarantees, please refer to both the Detailed Auction Requirements and Instructions document and the Example Letter of Credit and Letter of Guarantee on Nova Scotia Environment’s climate change website.

You can also contact the Financial Services Administrator directly at

Phone: (212) 250-2885

Email: db.wcisupport@db.com

Auction Schedule

Table 1 presents the current schedule for activities associated with the December 2020 Auction. Any changes to the auction schedule will be communicated through an updated Auction Notice and by email to the Account Representatives of Nova Scotia entities that have applied for this auction.

Table 1: Auction Schedule

Activities	Due Date	Time (AT)*
Auction Notice released Auction application period opens	Friday October 2, 2020	1:00 PM AT
Online Training webinar	Thursday October 8, 2020	1:00 PM AT – 3:00 PM AT
Deadline for entities intending to participate in the auction to submit entity information changes and related entity disclosures**	Friday October 23, 2020	
Auction application period closes	Monday November 2, 2020	11:59 PM AT

All bid guarantees due to Financial Services Administrator	Friday November 20, 2020	No later than 7:00 PM AT
Auction participants approved and account representatives notified	Friday November 27, 2020	4:00 PM AT
Auction held	Wednesday December 2, 2020	Bidding window open from 12:00 PM (Noon) AT – 3:00 PM AT
Auction certified Auction Summary Results Report released Auction results available to qualified bidders	Wednesday December 9, 2020	12:00 PM (Noon) AT
Financial settlement in cash due to Financial Services Administrator	Wednesday December 16, 2020	No later than 7:00 PM AT
Earliest date for bid guarantee expiration	Monday December 28, 2020 (26 days after auction)	
Distribution of auction proceeds completed	Tuesday December 29, 2020	
Transfer of allowances into CITSS Accounts	Tuesday December 29, 2020	
Auction Public Proceeds Report released	Tuesday December 29, 2020	

* All times in CITSS and the Auction Platform display in Eastern Time (ET)

** The Detailed Auction Requirements and Instructions document describes relevant changes and disclosures

Procedures for Conducting the Auction

Each auction will be conducted through the electronic, internet-based Auction Platform that bidders use to submit bids in a single-round, sealed-bid auction format.

As described above, each entity must submit an auction application in CITSS. Financial Services Delivery Instructions will be available from CITSS, and all final bid guarantees must be received by the Financial Services Administrator no later than **November 20, 2020 at 7:00 PM AT**. Nova Scotia Environment will approve or reject applicants to participate in an auction at least two (2) business days before the scheduled auction date.

Procedures for conducting the auction are described in further detail in the Detailed Auction Requirements and Instructions document with specific examples provided in the Auction Examples document on Nova Scotia Environment’s climate change website.

Form and Manner for Submitting Bids

Participants will be able to submit bids manually and upload bid templates in a pre-defined Excel template in the Auction Platform during the bidding window.

Bid quantities can only be submitted in multiples of 1,000 allowances (i.e., **1 bid lot equals 1,000 allowances**). When placing bids, the price that is submitted is on a per allowance basis and applies to all allowances within the bid lot(s).

The form and manner for submitting bids are described in further detail in the Detailed Auction Requirements and Instructions document with specific examples provided in the Auction Examples document.

As mentioned above, the Auction Platform is hard-coded to display a Current Auction and an Advance Auction. **Any bids placed in the Advance Auction will be unsuccessful.**

Auction Participant Training Materials

An Auction Participant Training presentation is available on Nova Scotia Environment's climate change website. This presentation includes information on regulatory requirements for auction eligibility, the auction application process, bid guarantee submission, bid submission, settlement price determination, and the financial settlement processes for auctions.

Training materials are also available from the Auction Platform, and include Frequently Asked Questions (FAQs), the Auction Participant Training presentation, and an Auction and Reserve Sale Platform User Guide.

Auction Training Webinar

Nova Scotia Environment will hold a training webinar to describe how to apply for an Auction and how to submit bids in the Auction Platform, as well as how to submit a bid guarantee. The details for the auction training webinar are provided below.

Date: Thursday October 8, 2020

Time: 1:00 PM AT – 3:00 PM AT

Participants can register for the webinar at

<https://attendee.gotowebinar.com/register/5662989968218853133>

Additional Information

Additional information on the Nova Scotia Cap-and-Trade Program is available on [Nova Scotia Environment's climate change website](#).

Auction Contact Information

For further information about participating in the December 2020 Auction, please contact Andrew Webber at (902) 221-2126 or andrew.webber@novascotia.ca