

Nova Scotia Cap-and-Trade Program

Auction of Emission Allowances
For August 22, 2023

Auction Notice

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Auction of Emission Allowances

On August 22, 2023, 12:00 PM AT to 3:00 PM AT

Auction Summary

This document is the official notification for the August 2023 Auction of Emission Allowances (August 2023 Auction) taking place on August 22, 2023.

The August 2023 Auction will offer vintage years 2019, 2021, and 2022 emission allowances. In the Compliance Instrument Tracking System Service (CITSS) and the Auction Platform, the August 2023 Auction will be identified by the title “August 2023 Auction”.

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

1. [Auction Participant Training](#): A copy of the training presentation that the Nova Scotia Department of Environment and Climate Change 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 August 2023 Auction is scheduled to take place on **August 22, 2023 from 12:00 PM Atlantic Time (AT) until 3:00 PM AT**.

The August 2023 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 August 2023 Auction are issued under the Nova Scotia Cap-and-Trade Program. Emission allowances that will be available in the August 2023 Auction are of 2019, 2021, and 2022 vintages.

There are a total of 750,000 emission allowances available for auction in the August 2023 Auction. The number of allowances offered by vintage year are shown in the table below.

Vintage Year	Number of Allowances
2022	748,868
2021	932
2019	200
Total for August 2023 Auction	750,000

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 all allowances at the August 2023 Auction is \$25.72 CDN per emission allowance.

Auction Eligibility

All entities registered in Nova Scotia's Cap-and-Trade Program that have a CITSS General Holding Account that has not been suspended or closed are eligible to participate in the August 2023 Auction.

Auction Application Submittal

An entity is required to submit an auction application in CITSS by **Monday July 24, 2023, 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 with other auction participants.
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 and Climate Change's website.

Bid Guarantee Submittal

After submitting an auction application in CITSS, entities are required to submit a bid guarantee by **Thursday August 10, 2023, at 7:00 PM AT.**

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

The Financial Services Administrator will accept electronic copies of either a letter of credit or a letter of guarantee. To submit an electronic copy of a bid guarantee, the issuing bank should deliver the electronic document with wet signatures (pdf) by email to db.wcisupport@db.com and include the following statement in the email.

"This [Letter of Credit or Letter of Guarantee] signed by the issuing bank is legally valid and enforceable. The issuing bank is transmitting this [Letter of Credit or Letter of Guarantee] to the beneficiary by electronic transmission (PDF via email) to DB.WCISUPPORT@DB.COM. For the avoidance of doubt, any electronic PDF version of this [Letter of Credit or Letter of Guarantee] received by the beneficiary shall be the operative instrument and may be used by the beneficiary as it would be a hardcopy original. The beneficiary is able to submit a draw request on the operative instrument. In addition, when applicable, the beneficiary will reply to all addressees on this email to confirm cancellation of the electronic operative instrument. The Reply email will serve as the return of the bid guarantee."

For further information on submitting bid guarantees, please refer to the Detailed Auction Requirements and Instructions document on Nova Scotia Environment and Climate Change's website.

The Financial Services Administrator can be contacted directly at:

Phone: (714) 247-6167

Email: db.wcisupport@db.com

Auction Schedule

The table below presents the current schedule for activities associated with the August 2023 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.

Activities	Due Date	Time (AT)*
Auction Notice released Auction application period opens	Friday June 23, 2023	1:00 PM AT
Online Training webinar	Wednesday July 5, 2023	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**	Thursday July 13, 2023	4 PM AT
Auction application period closes	Monday July 24, 2023	11:59 PM AT
All bid guarantees due to Financial Services Administrator	Thursday August 10, 2023	No later than 7:00 PM AT
Auction participants approved and account representatives notified	Friday August 18, 2023	4:00 PM AT
Auction held	Tuesday August 22, 2023	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	Tuesday August 29, 2023	12:00 PM (Noon) AT
Financial settlement in cash due to Financial Services Administrator	Wednesday September 6, 2023	No later than 7:00 PM AT
Earliest date for bid guarantee expiration	Tuesday September 19, 2023	
Distribution of auction proceeds completed	Wednesday September 20, 2023	
Transfer of allowances into CITSS Accounts	Wednesday September 20, 2023	
Auction Public Proceeds Report released	Wednesday September 20, 2023	

* 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 by no later than **August 10, 2023, at 7:00 PM AT**. The Nova Scotia Department of Environment and Climate Change will approve or reject applicants to participate in an auction within two (2) business days of the scheduled auction date.

Procedures for conducting the auction are described in further detail in the Detailed Auction Requirements and Instructions document. Specific examples are provided in the Auction Examples document on the Nova Scotia Department of Environment and Climate Change's website.

Form and Manner for Submitting Bids

Participants will be able to submit bids manually and upload bid templates using 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**).

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.

Auction Participant Training Materials

An Auction Participant Training presentation is available on the Nova Scotia Department of Environment and Climate Change's 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

The Nova Scotia Department of Environment and Climate Change 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: Wednesday July 5, 2023

Time: 1:00 PM AT – 3:00 PM AT

Participants can register for the webinar at:

<https://attendee.gotowebinar.com/register/3187699045607221085>

Additional Information

Additional information on the Nova Scotia Cap-and-Trade Program is available on [the Nova Scotia Department of Environment and Climate Change's website](#).

Auction Contact Information

For further information about participating in the August 2023 Auction, please contact Andrew Webber at (902) 221-2126 / andrew.webber@novascotia.ca or Michelle Miller at (902) 456-0286 / michelle.miller@novascotia.ca