How to Bid in the EPA SO₂ Allowance Auctions
30th Annual Auctions
March 29, 2022

In order to reduce acid rain, Title IV of the Clean Air Act Amendments of 1990 (CAAA) established the Acid Rain Program, which uses an innovative, market-based allowance trading system to reduce sulfur dioxide emissions. The CAAA mandated that EPA hold yearly auctions of a small portion of allowances (2.8 percent) that are reserved from the total allowances allocated to utilities each year. The auctions are intended to help signal price information to the allowance market and provide a public source of allowances for new utilities that are not allocated allowances. Utilities, environmental groups, allowance brokers and anyone else interested in purchasing allowances can participate in the EPA auctions. Allowances sold at the auctions will be sold to the highest bidder until no allowances remain. EPA cannot set a minimum acceptable price for allowances in the auctions and bidders are not restricted as to the quantity or price of their bid.

Important Dates

- **February 2022:** Mandatory forms available from the Clean Air Markets website
- **March 8, 2022:** Deadline to offer allowances for auction
- **March 15, 2022:** Bidding begins
- **March 24, 2022:** Deadline for submitting bids and payment
- **March 29, 2022:** Auction is held; results are posted on our website
- **April 1, 2022:** Letter of Credit bidders must submit payment for winning bids
- **April 2022:** Refunds are issued for unsuccessful bids

When will the EPA auctions be held?

March 29, 2022

How many allowances will be sold?

125,000 allowances are available in the spot auction (usable for compliance beginning in 2022), and 125,000 allowances are available in the seven-year advance auction (usable for compliance beginning in 2029). Additional allowances may be available if EPA receives any allowance offers.

Who runs the EPA auctions?

The EPA handles all aspects of the auctions. **All bids, forms and payments must be submitted to EPA.**

Can I offer some of my allowances to be sold in the EPA auctions?

Yes, utilities that are allocated allowances, or others that have purchased allowances can offer their allowances for sale in the EPA auctions and can also set a minimum price for those allowances. However, offered allowances will be sold after the allowances from the reserve, therefore they will be sold at a lower price than the allowances from the reserve. To offer allowances in the 2022 auctions, EPA must receive an SO₂ Allowance Offer Form by 4pm Eastern on March 8, 2022. **The form may be scanned and e-mailed to CAMD_Auction@epa.gov.**
Do I need an account in the CAMD Business System (CBS) before I bid in the EPA auctions?

Yes, to be able to bid in the EPA auctions, you must have an account in EPA's CBS. Affected sources are automatically given facility accounts in CBS. All others wanting to bid in the EPA auctions must open a General Account in CBS by submitting a General Account Form prior to bidding. A bidder must also be a primary or alternate representative, or an allowance transfer agent, and have submitted an Electronic Signature Agreement. EPA strongly encourages bidders to complete the necessary registration well ahead of the March 24, 2022 bid submission deadline to avoid any potential delays. If you have questions concerning General Accounts, or need assistance setting up a General Account or CROMERR Subscriber Agreement, please contact Craig Hillock at (202) 343-9105, or e-mail hillock.craig@epa.gov.

How do I bid in the EPA auctions?

Anyone can bid in the EPA auctions by opening an account in EPA's CBS, registering as a CBS user and submitting a bid on-line using CBS. In addition to submitting your bid on-line, EPA must receive a certified check, Letter of Credit Form, or wire transfer to cover the total amount of all bids. EPA will only accept an EPA Letter of Credit Form that is signed by a bank that is a member of the Federal Reserve and is a participant in the FEDWIRE funds transfer system. All bids and payments must be received by EPA by 4pm Eastern on March 24, 2022.

When will the forms needed to participate in the EPA auctions be available?

In February 2022, the General Account Form and the EPA auction forms can be obtained from the Clean Air Markets Program website.

How will I know the results of the EPA auctions?

EPA will post the results on the Acid Rain Program Auctions Website at 12:00 PM Eastern on March 29, 2022.

May I use a wire transfer of funds to cover my bids?

Yes, you may use a wire transfer of funds to cover the amount of your bids instead of using a cashier’s check or an EPA Letter of Credit Form. If you are submitting more than one bid form, you may use one wire transfer to cover the total amount of all the bids. The funds must be wired to EPA Account: TREAS NYC/(68010099)EPA, ABA #021030004 no later than 4pm Eastern on March 24, 2022. EPA uses the Automated Clearing House (ACH) payment system to issue refunds to unsuccessful bidders, so it is important to provide an ABA number for ACH payments (not for wire transfers) on the EPA Allowance Auction Additional Information for Wire Transfers Form. This form must be submitted so EPA can refund money for unsuccessful bids. EPA estimates that refunds for any unsuccessful bids will be made in April of 2022.

How do I pay with a Certified Check?

Notice must be given to EPA of your intent to pay with a certified or cashier’s check by March 21, 2022 by emailing CAMD_Auction@epa.gov. Make the certified or cashier’s check payable to “U.S. EPA.” Send your certified check along with the EPA Allowance Auction Additional Information for Certified Checks form.
How do I pay with a Letter of Credit?

Complete and submit the [EPA Letter of Credit form](#). If you are submitting multiple bids, you may use a single Letter of Credit as long as the amount covers the total dollar amount for all bids submitted. EPA will accept only EPA Letter of Credit forms signed by banks that maintain an account with any Federal Reserve Bank or Branch and are on-line participants in the FEDWIRE funds transfer system. The issuing bank may not alter or add to the form in any way but may photocopy the form onto its own stationery if so desired. By signing the EPA Letter of Credit form, the issuing bank guarantees that EPA will receive full payment for allowances awarded at the allowance auctions if the bank's client is a winning bidder and fails to pay for the allowances in the required time.

**When do I pay for allowances won at the auctions if I use a Letter of Credit Form to guarantee payment?**

If a winning bidder uses an EPA Letter of Credit Form, that bidder must wire funds to EPA’s bank account or ensure that EPA receives a certified check for the full amount owed by no later than 4pm Eastern on **April 1, 2022**. If payment is not received by that time, EPA will demand payment from the bank that signed the EPA Letter of Credit Form.

**Who do I contact for more Information?**

To obtain additional information on the EPA auctions, e-mail [CAMD_Auction@epa.gov](mailto:CAMD_Auction@epa.gov).