

**How to Bid in the EPA SO<sub>2</sub> Allowance Auctions  
32nd Annual Auctions  
March 26, 2024**

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 2024:	Mandatory forms available from the <a href="#">Clean Air Markets website</a>
March 5, 2024:	Deadline to offer allowances for auction
March 12, 2024:	Bidding begins
March 21, 2024:	Deadline for submitting bids and payment
<b>March 26, 2024:</b>	<b>Auction is held; results are posted on our <a href="#">website</a></b>
March 28, 2024:	Letter of Credit bidders must submit payment for winning bids
April 2024:	Refunds are issued for unsuccessful bids

**When will the EPA auctions be held?**

March 26, 2024.

**How many allowances will be sold?**

125,000 allowances are available in the spot auction (usable for compliance beginning in 2024), and 125,000 allowances are available in the seven-year advance auction (usable for compliance beginning in 2031). 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 2024 auctions, EPA must receive an [SO<sub>2</sub> Allowance Offer Form](#) by 4pm Eastern on March 5, 2024. **The form may be scanned and e-mailed to [CAMD\\_Auction@epa.gov](mailto:CAMD_Auction@epa.gov).**

## **Do I need an account in the CAMD Business System (CBS) in order to bid in the auction?**

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 21, 2024 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 us at [AskCAMD@epa.gov](mailto:AskCAMD@epa.gov).

## **How do I bid in the EPA auctions and what is the preferred payment method for bids?**

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. At the end of the bidding process through CBS, you will be prompted to select your method of payment. Please note, this is for records purposes only and you will not be submitting any payment through CBS. Of the available payment options, EPA strongly encourages bidders to make their bid payment via [Pay.gov](#). Of the Pay.gov payment methods, a credit/debit card is preferred in order to expedite full payment and possible refunds in the case of an unsuccessful bid. Alternatively, a certified check, Letter of Credit Form, or wire transfer payment to cover the total amount of all bids may be submitted to EPA. 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. If you wish to pay using Pay.gov, please select "Pay.gov" as your method of payment when prompted in CBS in order to proceed to review and submit your bid. After successful submission, either head to [Pay.gov](#) to complete your bid payment, or, if paying by alternate method, fill-out and send us the appropriate form. All bids and payments must be received by EPA by 4pm Eastern on March 21, 2024.

## **When will the forms needed to participate in the EPA Auctions be available?**

In February 2024, 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 26, 2024.

## **May I use a wire transfer of funds to cover the amount of 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 21, 2024. 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 2024.

**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 18, 2024 by emailing [CAMD\\_Auction@epa.gov](mailto: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 **March 28, 2024**. 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).