

# 2019 Annual Allowance Price Containment Reserve Notice

## California Cap-and-Trade Program Greenhouse Gas Allowance Price Containment Reserve Sales Issued on December 3, 2018

### Reserve Sale Summary

As part of the Cap-and-Trade Program, the California Air Resources Board (CARB) will offer sales of greenhouse gas (GHG) allowances from the Allowance Price Containment Reserve (Reserve) in any quarter that the Current Auction held in the preceding quarter resulted in a settlement price greater than or equal to 60% of the lowest Reserve tier price. Prior to the November 1 compliance obligation instrument surrender deadline, a sale of allowances from the Reserve (Reserve sale) will be held without regard to the settlement price in the Current Auction held in the preceding quarter. In a Reserve sale, CARB will offer allowances for sale in three fixed-price tiers.

Reserve sales are scheduled pursuant to the schedule in Appendix C and offered pursuant to Section 95913(d)(1) of the Cap-and-Trade Regulation. Refer to the [2019 Reserve Sale Summary of Potential Dates](#) available on the [CARB Reserve Sale Information](#) webpage for a schedule of activities associated with the 2019 Reserve sales.

**Table 1: 2019 Reserve Tier Prices and Allowances Currently in Reserve**

Reserve Tier	Tier Prices	Number of Reserve Allowances <sup>1</sup>
Tier 1	\$58.34 per allowance	13,537,000
Tier 2	\$65.65 per allowance	13,537,000
Tier 3	\$72.93 per allowance	34,428,247

Information on the specific quantity of Reserve allowances available for sale in each tier will be made available in a Reserve Sale Notice for any offered Reserve sale, which is posted at least 30 days prior to an offered Reserve sale on the CARB Reserve Sale Information webpage.

<sup>1</sup> Pursuant to Assembly Bill 398 (AB 398, Chapter 135, Statutes of 2017), CARB has set aside two-thirds of the allowances available in the Reserve as of December 31, 2017, to establish price containment points that will become effective on January 1, 2021. See Health & Safety Code section 38562(c)(2)(B). As of December 31, 2017, the Reserve contained 121,833,000 allowances, allocated from the existing pre-2021 allowance budgets. One third of the balance available as of December 31, 2017, is distributed equally among the three tiers. In addition, 20,891,247 allowances transferred to the Reserve pursuant to section 95911(g) will be offered at the highest-priced tier for the Reserve sales in 2019.

**Contact Information**

For further information about the Annual Allowance Price Containment Reserve Notice or participation in the 2019 Reserve sales, please contact Tobias Muench at [Tobias.Muench@arb.ca.gov](mailto:Tobias.Muench@arb.ca.gov) or (916) 322-3908.