

How to Win

The team that meets all of their allowances while spending the least amount of money, wins!

Set Up – ROUND 1

Round 1 Envelope contains:

10 – Industry Info Sheets
1 – Bid Sheet

1 – Emissions and Expense Tracker
1 – Envelope with Operating Budget Funds

1. Distribute an Industry Info sheet to each member of the team
 2. Select (1) person to record the bids and deliver the bid sheet to CARB when prompted
 3. Select (1) person to complete the emissions and expense tracker
 4. Select (1) person to manage the money and (1) person to deliver the money to CARB
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To Play

Review Industry Info Sheet with your team

Make note of how many allowances you need to purchase and how much money is in your envelope on your Emissions and Expense Tracker under the Round 1 column (First line in each section)

Please note: You should not fill out the allowances purchased or cost per allowance sections until the auction is over

Based on Allowances to Purchase and your operating budget, determine how much your team can afford to bid to meet your goal

For example: Industry X needs to purchase 40,000 Allowances and has an Operating Budget of \$800,000. **IF** they bid for 40,000 allowances at \$25/per allowance that = \$1 million which exceeds their budget and that would be an invalid bid.

IF they bid for 40,000 allowances at \$20/per allowance that = \$800,000 which meets their budget and can be submitted to CARB

BUT if CARB determines that the bid amount is \$25/per allowance, the team would get NO allowances this round and would have to make up for it in Round 2 (All unspent money and unpurchased allowances carry over to the next round)

Once your team agrees on the bid amounts, send someone up to the front of the room to give the bid sheet to the CARB. **Do not include the money with your bid;** CARB will prompt you for the funds once the auction is complete

CARB will collect all bids and declare a cost per allowance. Determine how many allowances you won in the auction and record the information on your Emissions and Expense Tracker. If you didn't win all or any of your allowances, you have another chance in Round 2! See next page...

Bidding Rules

1. Bids must be placed in the quantities listed on the bid sheet (5,000; 10,000; 20,000; 40,000; 80,000; 160,000)
 2. Bids can only be placed for the amounts listed in the bid sheet (\$10, \$15, \$20, \$25, \$30)
 3. Only one bid at each price point is permitted (Only one bid per row and per column)
 4. Any bids for values larger than the amount of money that the industry has will not be filled.
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Set Up – ROUND 2

Round 2 Envelope contains:

1 – Bid Sheet

1 – Envelope with Operating Budget Funds

To Play

Review the Emissions and Expense tracker to determine how many allowances you need to buy during Round 2; enter under the second column (first row in each section)

If you did not purchase all of your allowances needed in Round 1, your goal is to purchase the allowances still needed for both rounds

Please note: Any money not spent in Round 1 can be used during Round 2

Based on Allowances to Purchase and your operating budget, determine how much you can afford to bid to meet your goal for ALL allowances needed

For example: Industry X needed to purchase 40,000 allowances in Round 1 but only won 20,000 allowances at \$20/per allowance so they need to purchase 60,000 allowances total in Round 2 (Round 1 Deficit: 20,000 + Round 2 Needed: 40,000). Their budget was \$800,000 for Round 1 and they only spent \$400,000 so they have a total of \$1.2 million to purchase the 60,000 allowances needed (Round 1 Not Spent: \$400,000 + Round 2 Budget: \$800,000)

Once your team agrees on the bid amounts, send someone up to the front of the room to give the bid sheet to the CARB. **Do not include the money with your bid;** CARB will prompt you for the funds once the auction is complete

CARB will collect all bids and declare a cost per allowance. Determine how many allowances you won in the auction and record the information on your Emissions and Expense Tracker
