

Instructions for Set-up

Bidding Game Materials for each table

Round 1 Envelope

- 1 bid sheet
- 10 industry info sheets
- 1 expense tracker sheet
- 1 stack of fake money

Round 2 envelope

- 1 bid sheet
- 1 stack of fake money

Instructions for building Round 1, Round 2 envelopes

1. For each industry group, place the following amounts of money in the Round 1 and Round 2 Envelopes:

Bill Denomination	Industry Group 1 (High) - RED	Industry Group 2 (Medium) - BLUE	Industry Group 3 (Low) - GREEN
500	1	-	-
100	6	2	1
50	7	2	1
20	5	2	1
10	4	5	2
5	2	2	2
Total	1,600,000.00	400,000.00	200,000.00

2. Place a bid sheet in each envelope.
3. Paperclip the envelopes behind copies of the industry info sheet and bidding rules.

Instructions for Running the Bidding Game

1. Present the background information (est. time ~20 min.)
2. Introduce the rules of the game and the different sheets (on the slides est. time 5 min.) and
3. When you hit the **let's play slide** start here
4. Ok, we'll walk through round 1 together. Everyone within your tables take a second to designate a couple of roles. You need 2 bankers, someone to fill out the expense sheet, someone to run bids and money up to the ARB, and someone to be in charge of writing the bids down on the bid sheet. (1 min)
5. Everyone open their round 1 envelope. Count your money and write down your operating budget and amount of allowances down on the emissions and expense tracker sheet.
6. Knowing this information, everyone take 2 minutes to decide how much they wish to invest in emissions reduction technology, before we purchase allowances. You will need to fill out the bottom half of your bid sheet with the price per ton on your industry info card, and the total number of tons you wish to purchase. You can only purchase in the same quantities as you can buy allowances. (5,000, 10,000, 20,000 etc.). count the money for these investments and place them with the bid sheets for when you turn in the bid sheets to the ARB.
7. Now we – the ARB are going to give you some information about the upcoming auction. This year there are 450,000 allowances up for bid and the reserve price of the auction is \$10 dollars. (ANNOUNCE **In Round 2** – 400,000 for bid and the reserve price is \$15)
8. We will be using this excel to keep track of your bids and calculate the winning auction price. Bring excel sheet **Pt 1- Scoring Calculator** up on the screen
 - a. Explain the way that excel works. Number of allowances in the round in the upper left. Upper right calculates the total number of allowances sold and the market price.
 - b. In the table at the bottom, we enter the quantities that each team wants to buy at each price point (only one quantity per price point). The excel calculates the maximum number of allowances that it can sell for the lowest possible price without going over the total number of allowances available.

This means that if you bid for 10,000 allowances at 15 dollars and 5,000 at 20 dollars and the market price is \$10 or \$15 you would get 15,000 allowances. If the market price was \$20, you would get 5,000 allowances, and if the market price was \$25 you would get 0 allowances.

9. Now you and your team are going to take 5 minutes to decide how many allowances you wish to purchase, and at what prices you wish to bid. Remember you can only bid for 1 quantity at each price point, but you can (and should consider) bidding for multiple quantities and prices.
10. Alright – turn in your bid sheets and technology investment money. Have your runner bring those up to the front of the room and turn in to the ARB.
11. Type in all bid quantities on the excel at the correct price points. Read out the market clearing price and the total number of allowances sold. Read out each team's total number of allowances and the amount of money they owe the ARB – have them run the money up to the ARB for placement in the GGRF fund. Have them record the number of allowances purchased and the prices paid on the expense and emissions trackers respectively.
12. Have teams open their second envelope and announce the number of allowances for bid. (ROUND 2 – 400,000)
13. Have teams place their bids and submit (5 min)
14. Update the excel sheet, calculate the market clearing bid price and have teams turn in their money (5 min)
15. Have each team complete their expense tracker. Ask them if anyone did not meet their emissions goals? In the real world, companies also have the option to buy allowances from each other or off a market exchange as well but for simplicity's sake,, we are not going to do that in this game.
16. Sum the money in the GGRF fund and announce that; simultaneously, have teams total the amount of money they have left and announce the winning teams (5 min)

Discussion Game

Materials

10 individual Pt 2 GGRF sheets

1 table Pt 2 GGRF sheets

10 pencils/pens

Instructions for Running the Discussion Game

Have everyone stand up. Reach their hands up to the sky. shake it out. Now have everyone take off their industry hats. Put on their community advocacy hats.

All that money that we put into the GGRF fund now needs to be spent. Your job as community leaders and advocates is to decide the best way to spend the money. You each have a sheet in front of you listing the ways that the money has been spent in the past as well as some information on the benefits in each category of program (READ the info in each of the columns). 60% of the money has already been allocated to transportation and affordable housing. You need to decide how to spend the last 40 %. Take 5 min on your own and allocate that money on your individual blue sheet. Be able to justify your choices.

5 min later... okay. Now, within your table you all represent a body of community leaders in XXXX (whichever event site we are at) location. Based on the priorities you've defined personally, come up with an allocation of money that satisfies your table and write that on your table sheet. You have 10 minutes to discuss and to nominate someone to brief out to the rest of the room.

(after 10 min) Now we are going to hear from each of you about what you decided and why – teams brief out on what they decided.