SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Stationary Source Compliance

IMPLEMENTATION GUIDANCE DOCUMENT

SUBJECT: Price Reporting And Averaging For RTC Trades

Date Issued: September 12, 2007

Rule(s): Rule 2007 – Trading Requirements

Background

In Calendar Year 2006, the average annual price of the Compliance Year 2010 NOx RTCs traded exceeded the $15,000/ton threshold established by AQMD Rule 2015(b)(6). Therefore, the AQMD Governing Board directed staff to conduct a review of the compliance and enforcement aspects of the RECLAIM program in accordance with AQMD Rule 2015(b)(6). Additionally, the Governing Board directed staff to also perform a program review pursuant to California Health and Safety Code (H&SC) §39616(f) to ensure the most conservative evaluation and as a means to determine program review thresholds appropriate for trades involving blocks of RTCs with a specified start year and continuing into perpetuity (also known as infinite-year blocks or IYBs). The review found shortcomings in the existing price reporting and averaging methods for IYB trades which contributed to NOx RTC prices exceeding the threshold. As a result, a RECLAIM Working Group was convened which, among other things, developed a new reporting methodology for IYB trades that is more reflective of the market and minimizes the potential for price manipulation. A report entitled, "Evaluation and Review of the RECLAIM Program and Assessment of RTC Price Reporting," which included the results of the RECLAIM Working Group's efforts and recommended the new reporting methodology for IYB trades, was accepted and approved by the Governing Board on September 7, 2007.

This Implementation Guidance document provides further details regarding implementation of the new reporting method, as recommended in the report approved by the Governing Board. Under this reporting method, mixed reporting is disallowed; discrete trades and IYB trades are each reported as separate transactions on separate trade registration forms (Form 2007-2). Additionally, trades involving swaps are no longer included in the determination of average annual prices for RTCs while the prices of discrete trades and IYB trades are averaged separately.

New Price Reporting Methodology/Calculation for IYB Trades

Under the new reporting method, a new H&SC §39616(f) threshold (15 times the existing thresholds including CPI adjustments) was established for IYB trades by the Governing Board at its September 2007 meeting through Board Resolution No. 07-20. To obtain the average price per pound for IYB trades, the total value of the trade listed by the applicant is divided by the quantity of infinite year RTCs traded[1]. The average price calculation methodology for discrete

[1] If the negotiated terms of the trade involve multiple lots of infinite-year credits with the same price per pound for each lot, then that entire trade can be registered on a single Form 2007-2. However, if the negotiated terms of a trade

trades remains unchanged, with the exceptions that IYB trades and swap trades (whether they involve discrete or IYB RTCs), are excluded from calculations of average annual discrete RTC prices.

New Forms

Trading forms have been revised in order to accommodate the changes to the reporting of discrete, IYB, and swap trades. Revised Form 2007-2 - "Regional CLean Air Incentives Market Trading Credits (RTCs) Transaction Registration" was provided to the public in draft form on AQMD's website at the start of September 2007 and in final form(see Appendix A) September 18, 2007. The revised Form 2007-2 took effect immediately upon posting on AQMD's website. However, trading participants are provided a grace period to switch to the revised Form 2007-2 through September 23, 2007. Those trading participants that submit a trade registration on or after September 23, 2007 using the old Form 2007-2 for IYB or swap trades will be contacted to confirm the trade information as necessary. All IYB and swap trade registrations submitted following September 23 must use the revised Form 2007-2.

An extension of the grace period to September 30, 2007 is allowed for discrete year only trade registrations submitted using the old version of Form 2007-2, provided there are no ambiguities in discrete year only trade registrations. Any discrete-year only trade registrations submitted after this date on the old version of Form 2007-2 will not be accepted; trade registrations submitted on or after October 1, 2007 must use the revised Form 2007-2. Trade participants who submit registrations using the prior version of Form 2007-2 between September 1 and September 30 will be notified by e-mail of the need to use the revised form for future registrations.

If the applicant is reporting an IYB trade, the total value of the transaction must also be provided. Similarly, price reporting is also required for swap trades for purposes of market transparency even though such prices are not included in the calculation of average annual prices.

In an effort to facilitate a smooth transition, an e-mail containing a link to the revised Form 2007-2 was sent to all RECLAIM market participants shortly after the September Governing Board meeting. Concurrently, the old Form 2007-2 was removed from the AQMD web server.

Discrete Year(s)-Only Trade Registrations

Reporting of Discrete Year(s)-Only Trade Registrations

- Discrete trades are trading transactions between a buyer and seller of a defined quantity and type of RTC, for specified "discrete" year(s), at a fixed price. These trades may include a single discrete year or multiple discrete years. RTCs transferred as discrete trades are valid for a specifically identified compliance year and are reported in dollars per pound per year as they were negotiated.
- Applicants reporting discrete trades must identify the trade type by selecting "No" when answering the question "Is this an infinite-year block trade?" on Form 2007-2. An example of how discrete trades are reported is found in Appendix A, Example 1A. Multiple discrete

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involve multiple lots of infinite-year credits with different prices per pound for different lots, then each lot of infinite-year credits with different prices per pound must be registered on separate Form 2007-2.

years may be reported as a single entry on this form provided that each of the discrete years traded is of the same RTC type (i.e., same cycle, zone, quantity and price) – see Example 1B.

AQMD Staff Processing & Tracking of Discrete Year(s)-Only Trades

- Discrete Year(s)-Only trade registrations submitted with a postmark on or before September 30, 2007 using the old Form 2007-2 will be accepted, provided there is no ambiguity in the trade.
- Discrete Year(s)-Only trades postmarked on or after October 1, 2007 must be submitted using the revised Form 2007-2. This type of trade submitted after the deadline using the old Form 2007-2 will be returned in its entirety to the sender.

Trade Posting

- AQMD continues to post individual trade registrations from the past 90 days. However, the file for posting contains three sheets (tabs) in order to list Discrete Year, IYB, and Swap trades separately. The "Discrete Year" tab in the trade posting remains unchanged from the prior posting format. The average price calculation for the RECLAIM Annual Report also remains the same except that IYB and swap trades are excluded.

IYB Trade Registrations

Reporting of Infinite Year Block (IYB) Trade Registrations

- IYB trades are trading transactions between a buyer and seller for RTCs that have a specified start year and continue into perpetuity. IYB trades include transactions of infinite-year only trades and trades combining individual years and IYB RTCs negotiated as a single deal. [Note: If the individual year RTC value was negotiated separately from the IYB RTC, two separate registrations must be submitted (see last bullet item under this heading).]
- Applicants reporting IYB trades identify the trade type by selecting "Yes" when answering the question "Is this an infinite-year block trade?" on Form 2007-2 and report only the total value of the negotiated IYB deal. Furthermore, data entry for the price per pound column is no longer necessary for IYB transactions. For instance, Appendix A, Example 2A represents an IYB trade where a trade agreement was made for IYB RTCs only. The total value of the negotiated deal is reported as $50,000 and the price per pound is entered as "N/A."
- Appendix A, Example 2B represents another variation of an IYB trade where a trade agreement that was negotiated as a single deal at a value of $30,000, combined individual year RTCs with IYB RTCs. The reporting of price for this transaction is similar to Example 2A in that the total value of the negotiated IYB deal is reported, and data entry for both the individual year and the IYB under the price per pound column is entered as "N/A."
- Finally, Appendix A Example 3 presents a trade of discrete year RTCs combined with IYB RTC's, where the trade agreement was negotiated separately for both the discrete year RTCs and the IYB RTCs. Unlike Examples 2A and 2B, since these trades were negotiated separately they must be reported on two separate trade registration forms, one for each type

of trade. In this particular example, the discrete trade is reported on Form 2007-2 as a single year trade with a price per pound value of $6.00 per pound. The IYB trade is reported on a separate Form 2007-2 with the total value of the IYB portion negotiated separately reported at the top part of the form and an "N/A" entry in the price per pound column.

AQMD Staff Processing & Tracking of Trades

- Any IYB trade postmarked after September 23, 2007 must be submitted using the revised Form 2007-2 with the new price reporting information. Any IYB trades postmarked after this deadline using the old trade registration form will not be processed and will be returned, in their entirety, to the sender so that new trade registrations using the new price reporting requirements are submitted to AQMD.
- Any trades postmarked between January 1, 2007 and September 23, 2007, inclusive of those two dates, using the old Form 2007-2 will be reevaluated. For any of these trades that are ambiguous about whether or not IYB credits or swaps were involved, staff will contact the trade participants to clearly determine the nature of those trades. This will enable staff to include average annual price data calculated by the new methodology in the next RECLAIM Audit Report.

Trade Posting

AQMD continues to post individual trade registrations from the past 90 days. However, those registrations using the prior reporting method and postmarked on or before September 23, 2007, will be provided in the existing posting format while registrations reported on revised Form 2007-2 will be posted in a separate file containing three sheets (tabs) in order to list Discrete, IYB, and Swap trades separately. The IYB sheet will list the total value for each registration. Also, IYB credits that are part of swap trades will be listed only in the sheet for swap trades. This revised posting file will replace the existing file that contains the existing posting file up to the time all existing transactions have been updated as stated above, or by December 7, 2007 at the latest. During the transition period, AQMD will post both files (the posting file with the existing format as well as the revised posting file with the new format/tabs).

Swap Trade Registrations

Reporting of Swap trades

- Swap trades are trading transactions where RTCs are traded for different RTCs (or other credits). These transactions represent a transfer of credits that carry the same values to both parties. In some cases, one party may agree to pay additional premiums or fees to balance the values.
- Form 2007-2 "Regional CLean Air Incentives Market Trading Credits (RTCs) Transaction Registration" is also used for swap trades. However, since these trades are defined as "like" RTCs traded for "like" RTCs for equivalent value, they may involve discrete RTCs, infinite RTCs, or both. The only added reporting procedure for swap trades is that a check box be marked to identify the trade as a swap trade.
- Price reporting for RTCs involved in swap trades is the same as for non-swap trades.

AQMD Staff Processing & Tracking of Trades

Any swap trade postmarked after September 23, 2007 must be submitted using the revised Form 2007-2 with the new price reporting information. Any swap trades postmarked after this deadline using the old trade registration form will not be processed and will be returned, in their entirety, to the sender so that new trade registrations using the new price reporting requirements are submitted to AQMD.

Trade Posting

AQMD continues to post individual trade registrations from the past 90 days. However, those registrations using the prior reporting method and postmarked on or before September 23, 2007, will be provided in the existing posting format while registrations reported on revised Form 2007-2 will be posted in a separate file containing three sheets (tabs) in order to list Discrete, IYB, and Swap trades separately. Swap trades will provide reported prices but these will not be included in the average annual price calculation. And, as mentioned before, IYB credits that are part of swap trades will be listed only in the Swap sheet. This revised posting file will replace the existing file that contains the existing posting file up to the time all existing transactions have been updated as stated above, or by December 7, 2007 at the latest. During the transition period, AQMD will post both files (the posting file with the existing format as well as the revised posting file with the new format/tabs).

Appendix A: Revised AQMD Form 2007-2

Appendix B: Web-Posting Illustrations Based on Appendix A Examples

APPROVED

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APPROVED AS TO FORM

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Appendix A

Regional CLean Air Incentives Market Trading Credits (RTCs) Transaction Registration

Form 2007-2

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Regional CLean Air Incentives Market Trading Credits (RTCs) Transaction Registration

Form 2007-2

Name of Buyer/Transferee_____ **Account ID#** _____

Name of Seller/Transferor_____ **Account ID#** _____

Pollutant: NOx ☐ or SOx ☐ (Identify one pollutant only) **Is this part of a Swap transaction? Yes ☐ or No ☐**

Is this form reporting the trade of an Infinite-Year-Block of RTCs? No ☐ Yes ☐

If "Yes," Total Value of Transaction $_____; Enter N/A in the "Price" column below; Report in this form only those RTCs that are traded as part of a single negotiated price. File separate forms to transfer any other RTCs that were negotiated for a separate price.

(Attach a separate form if more than 8 transfers are being registered)

Terms of RTC Transferred			Original Zone (Coastal or Inland)	Quantity (Pounds/year)	Price* ($/Pound)	Use Code (Buyer)	Generation Code (Seller)	Account Source Code (Seller)	Origin of Credits (Seller)	Certificate Serial Number (Seller)
Cycle	From Compliance Year*	To Compliance Year*								
	/ /	/ /								
	/ /	/ /								
	/ /	/ /								
	/ /	/ /								
	/ /	/ /								
	/ /	/ /								
	/ /	/ /								
	/ /	/ /								

* In the "From Compliance Year" Column, fill in the expiration date of the first compliance year RTCs. The "To Compliance Year" Column is used to enter (1) single year transaction, (2) perpetual stream transaction, or (3) multiple year transaction of RTCs of same zone, quantity, and price in a single line. For a single year transaction, mark this column "Single Year Trade". For a perpetual stream transaction, mark this column "All Years After". For a multiple year transaction, fill in the expiration date of the last compliance year. Use separate lines for transactions of different RTCs, quantities or prices. Transactions for all inclusive years between these two columns will be registered. **See reverse side for examples.**

Buyer Use Codes ***(only one code per transaction)***

- 01 Increase RTC Allocation account balance to satisfy annual compliance
- 02 Use under Rule 2005 - New Source Review for RECLAIM
- 03 Increase RTC certificate account balance without issuance of physical certificate.
- 04 Increase RTC certificate account balance with issuance of physical certificate
- 05 Retire RTCs from market without issuance of physical certificate
- 06 Retire RTCs from market with issuance of physical certificate
- 07 Facility Acquisition (Change of Ownership)

NOTE: RTCs in Certificate or Printed Certificate Account must be transferred to Allocation Account to be eligible for compliance use.

Seller Generation Codes

- 01** Process Change
- 02** Addition of Control Equipment
- 03** Production Decrease
- 04** Equipment or Facility Shutdown
- 06 Facility Acquisition (Change of Ownership)
- 07 RTCs for Future Compliance Year, cause of generation not yet been determined

** ***Selection of this Generation Code must be accompanied by the selection of Account Source Code "A" - Allocation Account.***

Seller Account Source Code
(only one code per transaction)

- A Allocation Account
- B*** Certificate Account
- C*** Printed Certificate (must list Certificate Serial number and attach certificate to this form)

*** ***This Account Source Code may be selected without providing a Generation Code.***

Origin of Credits
State Rule Number from which the credits were originally issued (e.g. Reg XX, R1631, R2506, etc.)

Answer the following Questions:

A. Is this transaction part of a pooled transactions or market?
☐ Yes → **Attach Form 2007-3 to identify participants (Part A Only)**
☐ No → **Go to Question B**

B. Is seller an agent, broker, or other intermediary representing the owner of RTC ?
☐ Yes → **Attach Form 2007-3 to identify Owner of RTC (Part B Only)**
☐ No → **Complete this form only**

Date when this transaction was agreed upon (trading transaction date): _____ → **Attach purchase agreement or transaction confirmation**

I certify that I am authorized to make this submission on behalf of the affected registered holders of the RTCs listed herein. I certify that the statements are true, accurate, and complete to the best of my knowledge.

_____
Authorized Representative of Buyer/Transferee *(Print Name)*

_____
Authorized Representative of Seller/Transferor *(Print Name)*

_____ _____
Signature **Date**

_____ _____
Signature **Date**

Submit this form and required documents with Transaction Registration Fee pursuant to Rule 301 [Fee Info (909) 396-3119] to
SCAQMD, RECLAIM Administration - RTC Transfers, P.O. 4830, Diamond Bar, CA 91765-0830

Instructions and Examples for Form 2007-2

RTC transaction types consist of discrete year(s) RTC trades, Infinite-Year-Block (IYB) RTC trades, and combination trades that include both discrete year(s) and IYB RTCs. The transaction types are defined by the negotiation terms and agreements.

For discrete year(s) only RTC trades, the trading parties identify the type of trade by selecting "No" when answering the question "Is this an Infinite-Year-Block RTCs transaction?" on Form 2007-2. (See Examples 1A & B).

Infinite Year Block (IYB) RTC trades are categorized as IYB only RTCs (Example 2A), combined single year(s) and IYB RTCs (Example 2B), and combined IYB RTCs negotiated as a single deal (Example 2C). For these trades, the parties identify the type by selecting "Yes" to the question "Is this form reporting the trade of an Infinite-Year-Block of RTCs?", report the total value of transaction in the space provided, and enter "N/A" when reporting "Price ($/Pound)". Example 2B represents how to report a trade agreement where combined single year(s) and IYB RTCs were negotiated as a single deal with a total price for the entire trade. Example 2C depicts how to report a trade agreement involving multiple IYBs where the entire deal was negotiated at a total price.

For trades that included both discrete years and IYB RTCs where the value for the single years RTCs and IYB RTCs are negotiated separately, two trade transaction registrations are required – one registration for the discrete years RTCs portion of the agreement and a second registration for the IYB RTCs portion of the agreement. (See Example 3). ***Please contact RECLAIM Administration at 909/396-3119 if you are uncertain if you should submit one or two trade registrations.***

EXAMPLE 1: Discrete Year(s) RTC Trades

A: For trade agreement of discrete year RTCs only

- 300 lbs. of Cycle 1, Coastal Zone, Compliance Year 2007 RTCs at $2.50 per pound per year
- 500 lbs. of Cycle 1, Inland Zone, Compliance Year 2008 RTCs at $4.00 per pound per year

Is this form reporting the trade of an Infinite-Year-Block of RTCs? No ☒ Yes ☐
If "Yes," Total Value of Transaction $_____; Enter N/A in the "Price" column below; Report in this form only those RTCs that are traded as part of a single negotiated price. File separate forms to transfer any other RTCs that were negotiated for a separate price.

Terms of RTC Transferred			Original Zone (Coastal or Inland)	Quantity (Pounds/year)	Price* ($/Pound)	Use Code (Buyer)	Generation Code (Seller)	Account Source Code (Seller)	Origin of Credits (Seller)	Certificate Serial Number (Seller)
Cycle	From Compliance Year*	To Compliance Year*								
1	12/31/2007	Single Year Trade	Coastal	300	$2.5000	1	01	A	REG XX	N/A
1	12/31/2008	Single Year Trade	Inland	500	$4.0000	1	07	A	REG XX	N/A

B: For trade agreement of multiple consecutive discrete years of the same type of RTCs (i.e. same cycle, zone, quantity and price), the years can be combined into one line

- 1,000 lbs. of Cycle 1, Coastal Zone, Compliance Year 2008 RTCs at $4.00 per pound per year
- 1,000 lbs. of Cycle 1, Coastal Zone, Compliance Year 2009 RTCs at $4.00 per pound per year
- 1,000 lbs. of Cycle 1, Coastal Zone, Compliance Year 2010 RTCs at $4.00 per pound per year

Is this form reporting the trade of an Infinite-Year-Block of RTCs? No ☒ Yes ☐
If "Yes," Total Value of Transaction $_____; Enter N/A in the "Price" column below; Report in this form only those RTCs that are traded as part of a single negotiated price. File separate forms to transfer any other RTCs that were negotiated for a separate price.

Terms of RTC Transferred			Original Zone (Coastal or Inland)	Quantity (Pounds/year)	Price* ($/Pound)	Use Code (Buyer)	Generation Code (Seller)	Account Source Code (Seller)	Origin of Credits (Seller)	Certificate Serial Number (Seller)
Cycle	From Compliance Year	To Compliance Year								
1	12/31/2008	12/31/2010	Coastal	1000	$4.0000	1	07	A	REG XX	N/A

EXAMPLE 2: Infinite-Year-Block (IYB) RTC Trade

A: For trade agreement of IYB RTCs only

- 500 lbs. of Cycle 1, Coastal Zone, Compliance Year 2011 through perpetuity
- Total value of $50,000 for the trade

Note: Enter "N/A" for the column under Price ($/Pound) for this trade.

Is this form reporting the trade of an Infinite-Year-Block of RTCs? No ☐ Yes ☒
If "Yes," Total Value of Transaction $____50,000____; Enter N/A in the "Price" column below; Report in this form only those RTCs that are traded as part of a single negotiated price. File separate forms to transfer any other RTCs that were negotiated for a separate price.

Terms of RTC Transferred			Original Zone (Coastal or Inland)	Quantity (Pounds/year)	Price* ($/Pound)	Use Code (Buyer)	Generation Code (Seller)	Account Source Code (Seller)	Origin of Credits (Seller)	Certificate Serial Number (Seller)
Cycle	From Compliance Year	To Compliance Year								
1	12/31/2011	All Years after	Coastal	500	N/A	1	01	A	REG XX	N/A

B: For trade agreement that combined individual year(s) and IYB RTCs negotiated as a single deal with a total value for the entire trade

- 400 lbs. of Cycle 1, Coastal Zone, Compliance Year 2010 RTCs
- 300 lbs. of Cycle 1, Coastal Zone Compliance Year 2011 through perpetuity
- Total value of $30,000 for the entire trade

Note: No separate prices were negotiated for the individual year portion of the trade; enter "N/A" for the column under Price ($/Pound) for this trade.

Is this form reporting the trade of an Infinite-Year-Block of RTCs? No ☐ Yes ☒
If "Yes," Total Value of Transaction $____30,000____; Enter N/A in the "Price" column below; Report in this form only those RTCs that are traded as part of a single negotiated price. File separate forms to transfer any other RTCs that were negotiated for a separate price.

Terms of RTC Transferred			Original Zone (Coastal or Inland)	Quantity (Pounds/year)	Price* ($/Pound)	Use Code (Buyer)	Generation Code (Seller)	Account Source Code (Seller)	Origin of Credits (Seller)	Certificate Serial Number (Seller)
Cycle	From Compliance Year	To Compliance Year								
1	12/31/2010	Single Year Trade	Coastal	400	N/A	1	01	A	REG XX	N/A
1	12/31/2011	All Years after	Coastal	300	N/A	1	01	A	REG XX	N/A

C: For trade agreement that combined IYB RTCs reported with different values negotiated as a single deal with a total value for the entire trade

- 500 lbs. of Cycle 1, Coastal Zone, Compliance Year 2011 through perpetuity
- 400 lbs. of Cycle 2, Coastal Zone, Compliance Year 2011 through perpetuity
- Total value of $95,000 for the entire trade

Note: Enter "N/A" for the column under Price ($/Pound) for this trade. In cases where separate prices were negotiated for each IYB trade, two transaction registrations are required.

Is this form reporting the trade of an Infinite-Year-Block of RTCs? No ☐ Yes ☒
If "Yes," Total Value of Transaction $____95,000____; Enter N/A in the "Price" column below; Report in this form only those RTCs that are traded as part of a single negotiated price. File separate forms to transfer any other RTCs that were negotiated for a separate price.

Terms of RTC Transferred			Original Zone (Coastal or Inland)	Quantity (Pounds/year)	Price* ($/Pound)	Use Code (Buyer)	Generation Code (Seller)	Account Source Code (Seller)	Origin of Credits (Seller)	Certificate Serial Number (Seller)
Cycle	From Compliance Year	To Compliance Year								
1	12/31/2011	All Years after	Coastal	500	N/A	1	01	A	REG XX	N/A
2	6/30/2011	All Years after	Coastal	400	N/A	1	01	A	REG XX	N/A

EXAMPLE 3: Trade of Discrete Year RTCs with IYB RTCs

For trade agreement that included both discrete year RTCs and IYB RTCs

- 300 lbs. of Cycle 1, Coastal Zone, Compliance Year 2011 RTCs at $6.00 per pound per year
- 500 lbs. of Cycle 1, Coastal Zone Compliance Year 2012 through perpetuity with total value of $40,000 for the IYB RTCs

Note: **TWO** transaction registrations are needed for this trade – one registration for the discrete portion of the trade and one registration for the IYB portion of the trade. For the IYB registration enter "N/A" for the column under Price ($/Pound):

Registration A: Discrete portion of the trade agreement

Is this form reporting the trade of an Infinite-Year-Block of RTCs? No ☒ Yes ☐
If "Yes," Total Value of Transaction $_____; Enter N/A in the "Price" column below; Report in this form only those RTCs that are traded as part of a single negotiated price. File separate forms to transfer any other RTCs that were negotiated for a separate price.

Terms of RTC Transferred			Original Zone (Coastal or Inland)	Quantity (Pounds/year)	Price* ($/Pound)	Use Code (Buyer)	Generation Code (Seller)	Account Source Code (Seller)	Origin of Credits (Seller)	Certificate Serial Number (Seller)
Cycle	From Compliance Year	To Compliance Year								
1	12/31/2011	Single Year Trade	Coastal	300	$6.0000	1	01	A	REG XX	N/A

Registration B: IYB portion of the trade agreement

Is this form reporting the trade of an Infinite-Year-Block of RTCs? No ☐ Yes ☒
If "Yes," Total Value of Transaction $____40,000____; Enter N/A in the "Price" column below; Report in this form only those RTCs that are traded as part of a single negotiated price. File separate forms to transfer any other RTCs that were negotiated for a separate price.

Terms of RTC Transferred			Original Zone (Coastal or Inland)	Quantity (Pounds/year)	Price* ($/Pound)	Use Code (Buyer)	Generation Code (Seller)	Account Source Code (Seller)	Origin of Credits (Seller)	Certificate Serial Number (Seller)
Cycle	From Compliance Year	To Compliance Year								
1	12/31/2012	All Years after	Coastal	500	N/A	1	01	A	REG XX	N/A

Appendix B

RTC Trade Registrations Posting Examples

8/29/2007

Discrete Year Trade Registrations Received Within the Past 90 Days

Registration Number	Seller ID	Seller Name	Buyer ID	Buyer Name	Emittant	RTC Expiring	Zone	Quantity (lbs)	Price ($/lbs)	Trade Status	Trade Status Date	Date Received
Example 1A	123	SELLER NAME	456	BUYER NAME	NOx	Dec - 2007	Coastal	300	$ 2.50	Processing trade; Complet	9/10/2007	9/8/2007
Example 1A	123	SELLER NAME	456	BUYER NAME	NOx	Dec - 2008	Inland	500	$ 4.00	Processing trade; Complet	9/10/2007	9/8/2007
Example 1B	123	SELLER NAME	456	BUYER NAME	NOx	: - 2008 to 2	Coastal	1,000	$ 4.00	Processing trade; Complet	9/10/2007	9/8/2007
Example 3A	123	SELLER NAME	456	BUYER NAME	NOx	Dec - 2011	Coastal	300	$ 6.00	Processing trade; Complet	9/10/2007	9/8/2007

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Infinite Year Block (IYB) Trade Registrations Received Within the Past 90 Days

Registration Number	Seller ID	Seller Name	Buyer ID	Buyer Name	Emittant	RTC Expiring	Zone	Quantity (lbs)	Price ($/lbs)	Total Value ($)	Trade Status	Trade Status Date	Date Received
Example 2A	123	SELLER NAME	456	BUYER NAME	NOx	11 and all y	Coastal	500	$ 100.00	$ 50,000.00	Processing trade; Complet	9/10/2007	9/8/2007
Example 2B	123	SELLER NAME	456	BUYER NAME	NOx	Dec - 2010	Coastal	400	$ -		Processing trade; Complet	9/10/2007	9/8/2007
Example 2B	123	SELLER NAME	456	BUYER NAME	NOx	11 and all y	Coastal	300	$ 100.00	$ 30,000.00	Processing trade; Complet	9/10/2007	9/8/2007
Example 3B	123	SELLER NAME	456	BUYER NAME	NOx	12 and all y	Coastal	500	$ 80.00	$ 40,000.00	Processing trade; Complet	9/10/2007	9/8/2007

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Swap Trade Registrations Received Within the Past 90 Days

Registration Number	Seller ID	Seller Name	Buyer ID	Buyer Name	Emittant	RTC Expiring	Zone	Quantity (lbs)	Price ($/lbs)	Corresponding Registration Numbers	Trade Status	Trade Status Date	Date Received
Swap 1	123	Seller Name	456	Buyer Name	NOx	Dec - 2007	Coastal	50,000	$ 1.50	Swap 2	Processing trade; Complet	9/10/2007	9/8/2007
Swap 2	456	Seller Name	123	Buyer Name	NOx	Dec - 2008	Coastal	45,000	$ 1.67	Swap 1	Processing trade; Complet	9/10/2007	9/8/2007

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