



**MARKET MONITOR REPORT  
FOR AUCTION 69**

**Prepared for:**

**RGGI, Inc., on behalf of the RGGI Participating States**

**Prepared By:**



September 5, 2025

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This report was prepared by Potomac Economics (the contractor) in the course of performing work contracted for and sponsored by RGGI, Inc. on behalf of states participating in RGGI (Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania,<sup>1</sup> Rhode Island, and Vermont). The opinions expressed in this report do not necessarily reflect those of RGGI, Inc. or any of the states participating in RGGI, and reference to any specific product, service, process, or method does not constitute an implied or expressed recommendation or endorsement of it. Further, RGGI, Inc., the states participating in RGGI, and the contractor make no warranties or representations, expressed or implied, as to the fitness for particular purpose or merchantability of any product, apparatus, or service, or the usefulness, completeness, or accuracy of any processes, methods, or other information contained, described, disclosed, or referred to in this report. RGGI, Inc., the states participating in RGGI, and the contractor make no representation that the use of any product, apparatus, process, method, or other information will not infringe privately owned rights and will assume no liability for any loss, injury, or damage resulting from, or occurring in connection with, the use of information contained, described, disclosed, or referred to in this report.

The Regional Greenhouse Gas Initiative (RGGI) is the first mandatory market-based regulatory initiative in the U.S. to reduce greenhouse gas emissions. RGGI is a cooperative effort of New England and Mid-Atlantic states to reduce emissions of carbon dioxide (CO<sub>2</sub>) from the power sector.

RGGI, Inc. is a non-profit corporation created to provide technical and administrative services to the states participating in the Regional Greenhouse Gas Initiative.

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<sup>1</sup> While technically a RGGI participating state, Pennsylvania is currently awaiting adjudication from the state's Supreme Court as to whether it will be allowed to actively participate in RGGI & RGGI Inc. related activities.

## **MARKET MONITOR REPORT FOR AUCTION 69**

As the Market Monitor for the RGGI CO<sub>2</sub> allowance market, Potomac Economics monitors the conduct of market participants in the auctions and in the secondary market to identify indications of market manipulation or collusion. We also review the administration of the allowance auctions by Enel X. This report summarizes our findings regarding RGGI Auction 69, which was held on September 3, 2025.

We observed the auction as it occurred and have completed our review and analysis of its results. Based on our review of bids in the auction, we find no material evidence of collusion or manipulation by bidders.

Forty-seven bidders submitted bids in the auction for CO<sub>2</sub> allowances. Bids were submitted to purchase 2.8 times the initial offering of approximately 15.2 million allowances, resulting in a clearing price of \$22.25 per ton in the auction. Although the quantity for which bids were submitted above the CCR Trigger Price of \$17.03 per ton exceeded the initial offering, the Cost Containment Reserve (“CCR”) for 2025 was fully released in Auction 67, so no CCR allowances were sold in this auction. Compliance-Oriented Entities purchased 56 percent of the allowances in this offering. Ultimately, there was no indication of barriers to participation in the auction.

Based on our review of the administration of the market, we found that:

- The auction was administered in a fair and transparent manner in accordance with the noticed auction procedures and limitations and notifications to bidders.
- The auction results were consistent with the market rules and the bids received.
- Sensitive information was treated appropriately by the auction administrator.
- Although the auction interface was down intermittently during the event, there is no indication that participants were ultimately unable to submit bids.

In summary, the results of our monitoring of RGGI Auction 69 raise no material concerns regarding the auction process, barriers to participation in the auction, or the competitiveness of the auction results. The appendix provides additional information about the market for RGGI CO<sub>2</sub> allowances and outcomes of the auction.

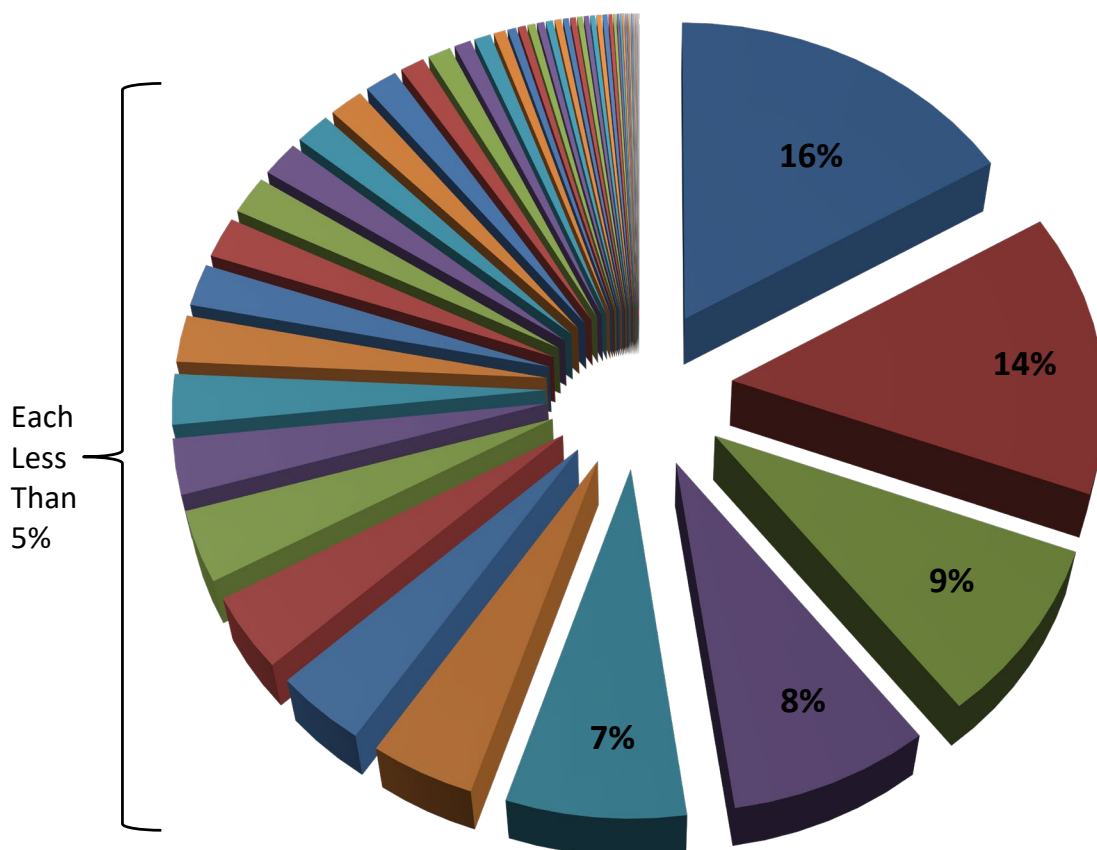
## APPENDIX

### A. DISPERSION OF PROJECTED DEMAND

*The wide dispersion of projected demand for RGGI allowances across compliance entities facilitates the competitive performance of the auction.*

The demand for CO<sub>2</sub> allowances is based on the requirement for each compliance entity in the RGGI footprint to obtain one CO<sub>2</sub> allowance for each short ton of CO<sub>2</sub> that it emits from the sale of electricity. The following figure shows the relative shares of projected demand for RGGI allowances by compliance entity in the sixth control period. The largest compliance entity represents 16 percent of the total projected demand for allowances. Nearly half of the projected demand is composed of entities that each account for less than 5 percent of the total demand. Participation by a large number of entities facilitates the competitive performance of the auction.

**Figure 1: Projected Demand for RGGI Allowances  
Shares by Compliance Entity**

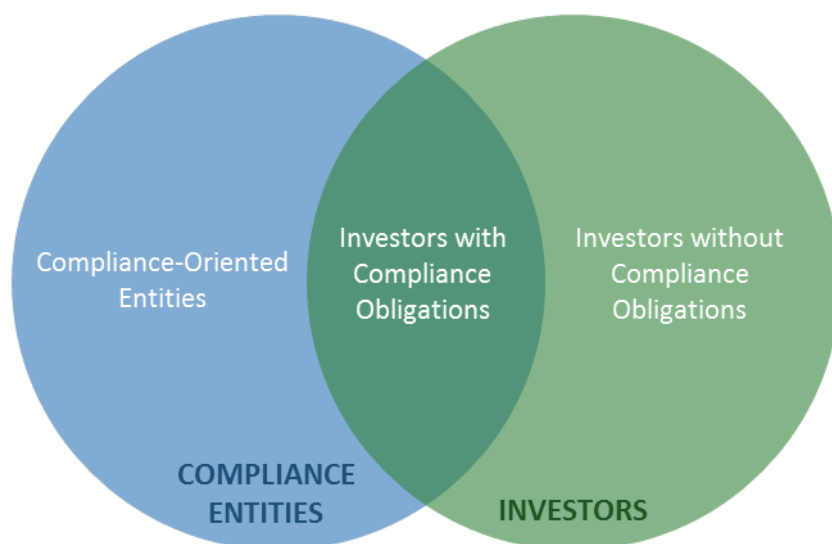


## B. SUMMARY OF PURCHASES OF ALLOWANCES IN AUCTION 69

*Awards were distributed across 35 bidders with 19 bidders purchasing 200,000 tons or more of which four purchased one million tons or more.*

This report summarizes participation in Auction 69. Participation in the RGGI market involves many different firms with various interests in RGGI allowances. Some participate in order to satisfy compliance obligations, others have investment interests, and still others participate for both purposes. To more effectively track the activity of different participants, we use several classifications for participant firms. Figure 2 summarizes the relationship between these classifications.

**Figure 2: Classifications of Participant Firms in the RGGI Marketplace**



- *Compliance-Oriented Entities* are compliance entities that appear to acquire and hold allowances primarily to satisfy their compliance obligations.
- *Investors with Compliance Obligations* are firms that have compliance obligations but which hold a number of allowances that exceeds their estimated compliance obligations by a margin suggesting they also buy for re-sale or some other investment purpose. These firms often transfer significant quantities of allowances to unaffiliated firms.<sup>2</sup>

<sup>2</sup> The assessment of whether a compliance entity holds a number of allowances that exceeds its compliance obligations by a margin that suggests they are also buying for re-sale or some other investment purpose is based on: (a) the entity's forecasted share of the total compliance obligations in the RGGI footprint through 2026, (b) the total number of allowances in circulation, and (c) consideration of the pattern of the entity's allowance transfers to unaffiliated firms versus affiliated firms. Since the designation of a compliance entity as an investor is based on a review of its transactions and holdings, the designation of a particular firm may change over time as more information becomes available.

- *Investors without Compliance Obligations* are firms without any compliance obligations.

These three categories form the basis for two overlapping groups.

- *Compliance Entities* – All firms with compliance obligations and their affiliates.<sup>3</sup> Combines the first and second of the above categories.
- *Investors* – All firms which are assessed to be purchasing for investment rather than compliance purposes. Combines the second and third of the above categories.

In Auction 69, Compliance Entities purchased 58 percent of the allowances sold. In the first 69 RGGI auctions, Compliance Entities purchased 72 percent of the allowances sold. In Auction 69, Compliance-Oriented Entities purchased 56 percent of the allowances sold.

After settlement of allowances sold in Auction 69:

- Fifty-nine percent of the allowances in circulation will be held by Compliance-Oriented Entities.
- Sixty-three percent of the allowances in circulation are believed to be held for compliance purposes. The number of allowances that are believed to be held for compliance purposes includes 100 percent of the allowances held by Compliance-Oriented Entities and a portion of allowances held by Investors with Compliance Obligations.

The following table shows the quantity of allowances purchased by each bidder. The identity of each bidder is masked, and the bidders are ranked according to the amount of allowances awarded, from largest to smallest.

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<sup>3</sup> Affiliates are firms that: (i) have a parent-subsidiary relationship with a compliance entity, (ii) are subsidiaries of a parent company that has a large interest in a compliance entity, (iii) have substantial control over the operation of a budget source and/or responsibility for acquiring RGGI allowances to satisfy its compliance obligations.

**Table 1: Quantity of Allowances Awarded by Bidder**

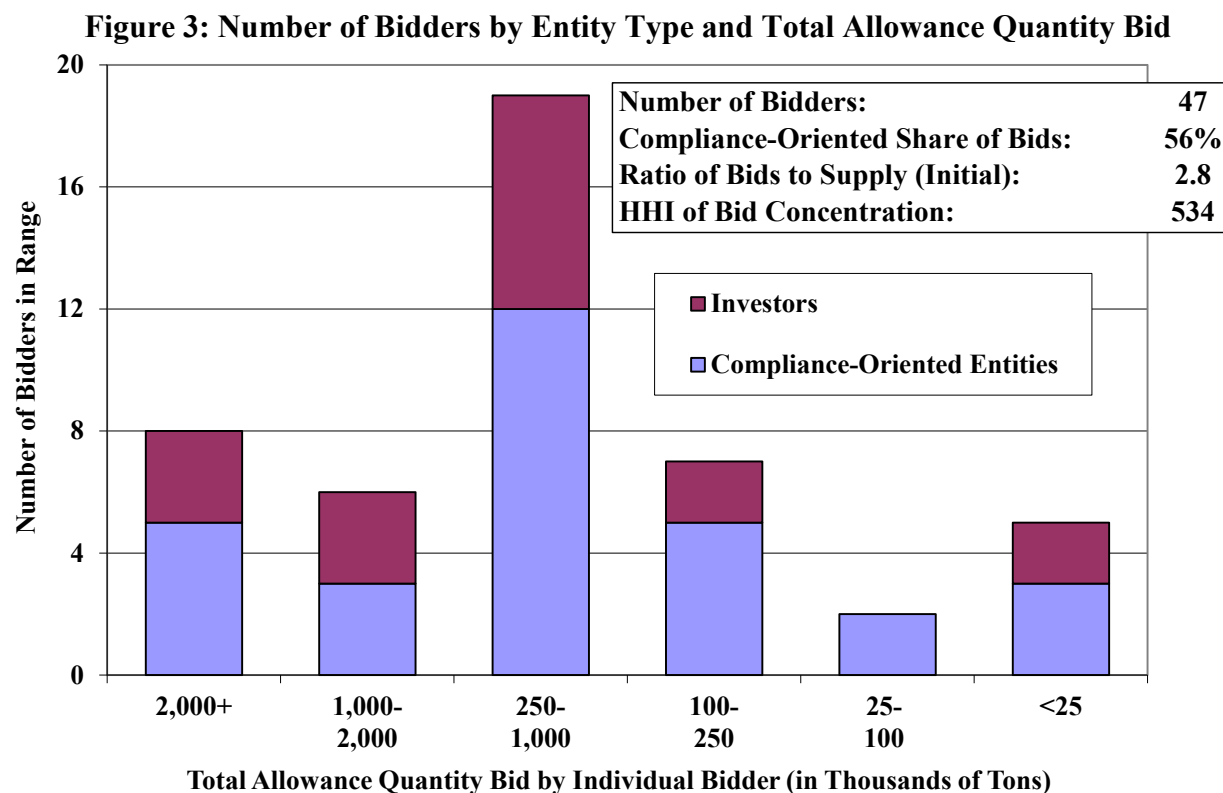
<b>Bidder</b>	<b>Number of Allowances Awarded</b>	<b>Bidder</b>	<b>Number of Allowances Awarded</b>
<b>Bidder 1</b>	<b>2,400,000</b>	<b>Bidder 19</b>	<b>209,000</b>
<b>Bidder 2</b>	<b>2,000,000</b>	<b>Bidder 20</b>	<b>176,000</b>
<b>Bidder 3</b>	<b>1,484,000</b>	<b>Bidder 21</b>	<b>173,000</b>
<b>Bidder 4</b>	<b>1,100,000</b>	<b>Bidder 22</b>	<b>170,000</b>
<b>Bidder 5</b>	<b>959,000</b>	<b>Bidder 23</b>	<b>150,000</b>
<b>Bidder 6</b>	<b>800,000</b>	<b>Bidder 24</b>	<b>132,000</b>
<b>Bidder 7</b>	<b>775,000</b>	<b>Bidder 25</b>	<b>130,000</b>
<b>Bidder 8</b>	<b>710,000</b>	<b>Bidder 26</b>	<b>100,000</b>
<b>Bidder 9</b>	<b>505,000</b>	<b>Bidder 27</b>	<b>93,000</b>
<b>Bidder 10</b>	<b>432,000</b>	<b>Bidder 28</b>	<b>88,000</b>
<b>Bidder 11</b>	<b>398,000</b>	<b>Bidder 29</b>	<b>87,000</b>
<b>Bidder 12</b>	<b>325,000</b>	<b>Bidder 30</b>	<b>42,000</b>
<b>Bidder 13</b>	<b>321,000</b>	<b>Bidder 31</b>	<b>37,000</b>
<b>Bidder 14</b>	<b>316,783</b>	<b>Bidder 32</b>	<b>20,000</b>
<b>Bidder 15</b>	<b>277,000</b>	<b>Bidder 33</b>	<b>17,000</b>
<b>Bidder 16</b>	<b>269,000</b>	<b>Bidder 34</b>	<b>10,000</b>
<b>Bidder 17</b>	<b>250,000</b>	<b>Bidder 35</b>	<b>1,000</b>
<b>Bidder 18</b>	<b>221,000</b>		

### C. DISPERSION OF BIDS IN AUCTION 69

*Bids were submitted by 30 Compliance-Oriented Entities and 17 Investors. In our review of the bids and the qualification process, we found no material evidence of anti-competitive conduct or inappropriate barriers to participation.*

The following figure summarizes the quantity of allowances for which bids were submitted by each bidder. Eight Compliance-Oriented Entities and six Investors submitted bids for a large quantity of allowances (i.e., at least 1 million tons). Overall, Compliance-Oriented Entities accounted for 56 percent of the quantity of allowances for which bids were submitted. The quantity of allowances for which bids were submitted was 2.8 times the Initial Offering. In the previous auction, the quantity of allowances for which bids were submitted was 2.5 times the Initial Offering.

The bid quantities were widely distributed among the 47 bidders. The concentration of bids, using the Herfindahl-Hirschman Index (“HHI”), was relatively low at 534. The HHI is a standard measure of concentration calculated by squaring each entity’s percent share and then summing the squares across all entities (i.e., the index ranges from 0 to 10,000).





#### D. SUMMARY OF BID PRICES IN AUCTION 69

*Bids were submitted across a wide range of prices in the auction and the clearing price of \$22.25 was relatively consistent with average bid prices submitted.*

The following table reports several statistics regarding the bid prices for bids submitted in Auction 69. The median and mean bid prices are weighted by the quantity of each bid.

<b>Bid Prices:</b>	
<b>Minimum</b>	<b>\$2.62</b>
<b>Maximum</b>	<b>\$50.01</b>
<b>Average (Median)</b>	<b>\$21.55</b>
<b>Average (Mean)</b>	<b>\$20.03</b>
<b>Clearing Price:</b>	<b>\$22.25</b>

## **E. NAMES OF POTENTIAL BIDDERS IN AUCTION 69**

In accordance with Sections 2.8 and 3 of the Auction Notice for CO<sub>2</sub> Allowance Auction 69, the Participating States are releasing the names of Potential Bidders in Auction 69. The states defined potential bidders as: “Each Applicant that has been qualified and submitted a complete *Intent to Bid*.” The list of 58 Potential Bidders is as follows:

Anew Environmental, LLC	Kleen Energy Systems, LLC
Astoria Energy, LLC	KMC Thermo, LLC
Braeswood Climate Partners, LP	Koch Supply & Trading, LP
Caithness Long Island, LLC	LMR Multi-Strategy Master Fund Limited
Calpine Energy Services, LP	Lockport Energy Associates, L.P.
Carbon Lighthouse Association	Macquarie Energy, LLC
Castleton Commodities Merchant Trading L.P.	Massachusetts Muni. Wholesale Elec. Co.
Cogen Technologies Linden Venture, L.P.	Mercuria Energy America, LLC
Consolidated Edison Comp. of NY, Inc.	Morgan Stanley Capital Group, Inc.
Constellation Energy Generation, LLC	National Grid Generation LLC dba National Grid
Cooler, Inc.	Nautilus Power, LLC
CPV Maryland, LLC	Newark Energy Center
CPV Shore, LLC	NextEra Energy Marketing, LLC
CPV Towantic, LLC	NRG Business Marketing LLC
CPV Valley, LLC	Old Dominion Electric Cooperative
Cricket Valley Energy Center, LLC	Pacific Summit Energy LLC
Delaware City Refining Company, LLC	Parkway Generation, LLC
DRW Investments LLC	PetroChina International (America), Inc.
DTE Energy Trading, Inc.	Power Authority of the State of New York
Dynegy Marketing and Trade, LLC	Red Oak Power, LLC
Empire Generating Co., LLC	Revere Power, LLC
Energy Center Dover	Shell Energy North America (US), LP
Engelhart CTP Energy Marketing, LLC	Statkraft US, LLC
Fortistar North Tonawanda Inc	Taunton Municipal Lighting Plant
Global Carbon Opportunity (SPV) Fund LLC	Trafigura Trading LLC
Hartree Partners, LP	Uniper Global Commodities North America LLC
Indeck-Corinth Limited Partnership	Village of Freeport
J. Aron & Company	Vitol Inc.
Kendall Green Energy LLC	World Carbon Fund