

# Financial Services for Auction and Reserve Sale

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Request for Proposal RFP#: 2026-01

## RESPONSE TO PROPOSER'S QUESTIONS: JULY 10, 2026

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Interested parties are encouraged to visit the [WCI, Inc. website](#) for more information about our services, and to subscribe to the electronic mailing list.



## Responses to Proposers' Questions

The purpose of the [RFP 2026-01 - Financial Services for Auction and Reserve Sale](#) is to identify an experienced and qualified Contractor to develop and provide financial services administration ("Financial Services"), including all tasks detailed in the Attachment A: Statement of Work that are required to support WCI, Inc. Participating Jurisdictions Auctions and Reserve Sales (referred to as an "Auction" or "Auctions").

The intent of this document is to provide answers to Proposers' questions. In some cases, we reformulated questions and, where questions were similar, we combined multiple questions into one.

1. After winning bids are decided, we understand the auction winner needs to fund the Financial Services Administrator (FSA) within 14 days of the auction event. If the bid winner has posted a letter of credit (LoC) and does not fund the FSA within the 14-day deadline, is the FSA responsible to collect the cash by drawing on the LoC?

Yes, after the publication of auction results (i.e., auction certification), which typically occurs within 7 days after the event, entities that provided document bid guarantees (including LoC, letter of guarantee (LoG) or bonds) are required to submit cash payment for the amounts owed for their successful bids by wire transfer to the FSA within seven (7) days after certification of the Auction.

If cash is not received by the deadline date and time, the document bid guarantee must be drawn down to settle any amounts owed within seven (7) days after certification. All allowances awarded must be paid for by successful bidders to the FSA, and all excess bid guarantees must be returned by the FSA to the qualified bidders within 14 days after the event.

2. To open accounts for auction participants, the FSA would need to complete KYC/AML reviews on each participant. Additionally, the FSA would require each participant to enter into a bilateral deposit agreement that includes our standard terms and conditions /protections as an agent to open an account.
  - a. We would anticipate using the same deposit agreement template with each auction participant to ensure uniformity under the program. Is that acceptable?

The FSA should take the necessary steps to complete the required AML and KYC activities as required under the national, state or provincial laws applicable to each of the Participating Jurisdictions.

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A formal agreement between the FSA and each entity would be required only if required under laws applicable to the Participating Jurisdictions. A different bilateral deposit agreement between the FSA and entities from different Participating Jurisdictions would be required only if distinct laws are applicable in Participating Jurisdictions.

b. Would WCI, Inc. prefer to be consulted on the account opening agreement template we would plan to use?

Yes, WCI, Inc. and its Participating Jurisdictions would appreciate receiving a copy of the agreement template to provide an opportunity for their respective legal teams to review it.

3. Can you share any existing account opening agreement templates/account opening documents currently required for the program with the existing FSA so we can review if we can replicate them to the extent possible?

WCI, Inc. cannot share such documents. WCI, Inc. is not engaged in any of the auction-related transactions between the FSA, Auction Participants, and Participating Jurisdictions.

Both California's [Financial Services Administration FAQ](#) (updated December 19, 2025) and Washington's [Financial Services Administration Guidance](#) provide answers to common questions regarding the FSA accounts structure, and documents required from entities participating in WCI, Inc. Auctions.

4. Can you provide a detailed overview of the FX requirements under the program, including anticipated volumes of FX expected to be managed by the FSA? If the FSA is only able to support spot FX, will that suffice? Is there a requirement for when FX trade/transactions settle into Participating Jurisdictions accounts (after they've been initiated)?

The requirements regarding Currency Exchange are detailed in (p. 22) section 2.3 Processes and Procedures Required of the [RFP 2026-01 - Financial Services for Auction and Reserve Sale](#).

In addition:

- Participating Jurisdictions prefer to have both (Spot FX and pre-set rates) available.
- The FSA should operate on an execution-only basis. The Participating Jurisdictions will request one or more currency exchange(s) or quotes consistent with established currency exchange procedures to process any foreign exchange required to complete the distribution of proceeds from the Auction.
- The current model is that, immediately after an event is certified (i.e., results published), Participating Jurisdictions send instructions to the FSA specifying an amount and a direction (CAD to USD or USD to CAD) for trading via a Spot rate.

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- Usually, this first trade is executed on certification day, though it may take up to a week for the Participating Jurisdictions to instruct the FSA to execute this first trade.
- Once that first trade is executed, Participating Jurisdictions need pre-set rates available in the following days. Usually, a second trade at a pre-set rate completes the process in the days following certification.
- USD and CAD accounts should be available for each entity registered in Quebec so they can submit their bid guarantee in either currency. Entities can only submit guarantees in one currency per event. Entities can change currency between events.
- There must be at least one separate USD and one CAD account for each jurisdiction to receive proceeds after the auction.
- There is no specific requirement regarding the country location of the accounts.

The summary of Auction Proceeds – which are posted on [California](#), [Québec](#), and [Washington](#) websites – represents a significant portion (or proxy) of the total value of funds managed by the FSA during each auction or reserve sale. Currently, only Québec entities can submit their bid guarantees in either USD or CAD. California and Washington must receive all payments in USD, and Québec must receive all payments in CAD. Thus, the values of Québec proceeds can be used as a “high-end” proxy to estimate the total value of FS expected to be managed by the FSA.

#### 5. Can WCI, Inc. provide access to a demo environment of the Market Registry platform (CITSS application) in advance of the RFP deadline?

Access to a demo environment could be provided during the Contractor transition period.

In the meantime, proposers are invited to consult sections II & IV, of the [California-Québec Joint Auction Participant Training Presentation](#) (updated December 19, 2025), which respectively described the auction application process, and the auction results & financial settlement process, and provides various information and associated screenshots from CITSS and [WCI, Inc. Auction Platform](#), regarding the financial services delivery instruction, the submission of financial bid guarantees, payment requirements and bid guarantee return, etc. Similar and complementary information is also available in the [Washington GHG Auction Participant Training](#) (Published December 8, 2022).

#### 6. Can WCI, Inc. provide example files that the FSA would be expected to update with account information? Are files populated in a specific manner (i.e., Excel, database applications, directly into the Market Registry, etc.)?

Please refer to section 2.1 Market Registry Integration, section 2.2 Auction Platform Integration, and sections 2.5 and 3.3 regarding Reporting Requirements of the ongoing [RFP 2026-01 - Financial Services for Auction and Reserve Sale](#) for file format and content specifications of the different files downloaded or updated/uploaded by the FSA.

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Also, as illustrated and further detailed in “Figure 1. Typical Auction Timeline and Actions from the Financial Services Administrator (FSA)” on p. 7:

- Before the Auction/Reserve Sale, the FSA must:
  - #1. Daily download the Events Application Report (CSV format) from the Market Registry.
  - #4. Daily report of cash and holding files (Excel format) for validation and reporting of bid guarantee status for all event applicants
  - #5. Upload cash & holding data (Excel format) into the Market Registry.
- After the Auction/Reserve Sale, the FSA must:
  - #8. Download the Financial Settlement Report (Excel format) and begin the financial settlement process (including providing information for currency exchange to Participating Jurisdictions).
  - #11. Daily, provide a financial settlement reconciliation report (Excel format) to the Participating Jurisdictions. There are two (2) files used for reporting by uploading data directly into the Market Registry:
    - a) Financial Services Account information and cash holdings: This Excel file is used to upload each entity's Financial Services account number and cash holdings. The file includes up to one record for each entity.
    - b) Upload Entity Document Bid Guarantee holdings: This Excel file is used to upload each entity's non-cash, document bid guarantee holdings. The file includes one record for each document bid guarantee received from each entity.
  - #13. Submit the interim Financial Reconciliation Report (Excel format) to Participating Jurisdictions by secure FTP (indicating all funds received, bid guarantees returned, and currency exchange completed).
  - 14. Submit Final Financial Reconciliation Report (Excel format) to Participating Jurisdictions by secure FTP, indicating all funds received, bid guarantees returned, currency exchange completed, and proceeds paid.
- For Consigning Services, currently applicable only to California and Washington, Entity Consignment Data reports (either in Excel or CSV format) are required before and after each auction to track and validate wiring instructions for consigning entities in each Auction.

There is no API currently in place.

## 7. What percentage of the value of bid guarantees is initially secured by cash vs. document bid guarantees (i.e. letters of credit (LoC), letters of guarantee (LoG), bonds)?

The summary of Auction Proceeds – which are posted on [California](#), [Québec](#), and [Washington](#) websites – represents a significant portion (or proxy) of the total value of funds managed by the FSA during each auction or reserve sale.

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WCI, Inc. Participating Jurisdictions Public Market Data*	2025
Total Annual Proceeds	
- California-Québec Joint Auctions (4 events)	6.3 billion USD
- Washington Stand-Alone Auctions (4 events)	2.0 billion USD
- Washington Reserve Sales (2 events)	440 million USD

\*WCI, Inc. internal compilation from its Participating Jurisdictions Public Market Data. More details can be found in the Auction Results Reports and other public market data available on each Participating Jurisdiction's website: [California](#), [Québec](#), and [Washington](#).

The distribution of submitted bid guarantees by type can vary significantly across auctions.

- In general, from a **volume perspective** (i.e., number of bid guarantees), the majority of bid guarantees are submitted in cash, while the remaining are submitted as letters of credit.
- From a **value perspective**, the distribution by type (i.e. cash vs document bid guarantees) can vary significantly across auctions, depending on whether it is a joint auction, a stand-alone auction (i.e., for a single Participating Jurisdiction), or an auction for a new program. For **joint auctions**, a substantial portion of the **total value** of submitted bid guarantees is from letters of credit, while the remaining value of submitted bid guarantees is from cash.

Distribution of Bid Guarantees over the Last Two Years (8 California-Quebec Joint Auctions)*	Cash (Fund Transfer)	Document (LoC, LoG, or bonds)
Average Volume per Event (Number)	50	40
Average Value of Individual Bid Guarantees**	6 million USD	70 million USD
Average Overall Value	300 million USD	2.8 billion USD

\* The values presented in this table are rounded approximate values, not exact values.

\*\*The value of individual bid guarantees submitted varies greatly, i.e., in the range of \$20,000 to \$60 million for cash, and \$300,000 to \$400 million for document bid guarantees. A substantial portion of bid guarantees submitted is for an amount less than \$50 million.