

Auction Notice

California Cap-and-Invest Program and Québec Cap-and-Trade System

Joint Auction of Greenhouse Gas Allowances

On February 18, 2026

Update Issued on January 20, 2026

Auction Summary

This document, the Auction Notice for the California Cap-and-Invest Program and the Québec Cap-and-Trade System Joint Auction of Greenhouse Gas Allowances¹ issued on December 19, 2025 (Auction Notice), is the official notification for the February 18, 2026, joint greenhouse gas (GHG) allowance auction (February 2026 Joint Auction #46). The February 2026 Joint Auction #46 will offer years 2024, 2025, and 2026 vintage allowances in the Current Auction and year 2029 future vintage allowances in the Advance Auction. In the Compliance Instrument Tracking System Service (CITSS) and Auction Platform, the February 2026 Joint Auction #46 is identified by the title Joint Auction/Enchère liée #46.

Additional background information, detailed instructions, and examples are posted in two supporting documents to provide information for 2026 auction events. The [Detailed Auction Requirements and Instructions](#) document provides background information on the California Cap-and-Invest Program and the Québec Cap-and-Trade System as well as detailed requirements and instructions for participating in a joint auction, including eligibility, auction eligibility requirements, submitting a bid guarantee,² bidding, bid evaluation and settlement price determination, and a description of the process to complete auction financial settlement and transfer of allowances.

The [Auction Examples](#) document provides information and examples of how United States (U.S.) and Canadian currencies are managed, how to determine the amount of a bid guarantee, bid evaluation procedures for purchase limits, holding limits, and bid guarantees, and examples of auction bid fulfillment.

¹ The term “allowance” will be used throughout this document to refer to “allowance” as described in the California Regulation and to “emission unit” as defined in the Québec Regulation.

² The term “bid guarantee” will be used throughout this document to refer to “bid guarantee” as described in the California Regulation and to “financial guarantee” as defined in the Québec Regulation.

Date and Time of Auction

The February 2026 Joint Auction #46 is scheduled to take place on February 18, 2026 from 10:00 AM Pacific Time (PT) / 1:00 PM Eastern Time (ET) until 1:00 PM PT / 4:00 PM ET.

The February 2026 Joint Auction #46 will be conducted at the date and time indicated above through the electronic, internet-based Auction Platform.

The [Auction Platform](https://www.wci-auction.org) can be accessed at <https://www.wci-auction.org>.

Allowances Offered for Sale

The auction of allowances from the current and previous budget years is known as the Current Auction. The auction of future vintage allowances is known as the Advance Auction. The Current Auction and Advance Auction will occur simultaneously at the date and time identified in this Auction Notice.

Allowances offered for sale in the February 2026 Joint Auction #46 are issued under the California Cap-and-Invest Program and the Québec Cap-and-Trade System. The number of allowances listed for the Current Auction includes California and Québec allowances, allowances consigned by Québec,³ allowances consigned by California electrical distribution utilities and natural gas suppliers (consigning entities) and potentially other parties as described in the California Cap-and-Trade Regulation (California Regulation). In addition, the allowances listed for the Current Auction can include allowances that remain unsold from an undersubscribed Current Auction in prior quarters and are returned to auction after two consecutive Current Auctions have resulted in a settlement price above the Auction Reserve Price.⁴ Additional allowances may also be made available arising out of each of the jurisdictions' regulatory provisions, including allowances with earlier vintages than the current calendar year or allowances that have no vintage, such as Early Reduction Credits issued by Québec, and allowances from the Québec Minister's reserve account. The number of allowances that will be available for sale in the Current Auction and Advance Auction are provided in Table 1.

³ "Allowances consigned by Québec" refers to allowances that would have been distributed to Québec entities without charge but are instead offered for sale at auction pursuant to section 46.8.1 of the Environment Quality Act.

⁴ For specific treatment of unsold allowances in California's program, see the [Guidance on Treatment of Unsold Allowances](#) on the California auction webpage.

Table 1: Allowances Offered for Sale

Auction	Number of Allowances*
Current Auction	54,834,830 <u>54,975,757</u>
Advance Auction	6,481,750

*Underline and ~~strikethrough~~ text indicate changes as of January 20, 2026. The quantity of allowances with vintage 2026 has been updated due to adjustments in allocation free of charge for the Québec Cap-and-Trade System.

For the February 2026 Joint Auction #46, there will be multiple vintages offered within the Current Auction. When submitting bids for the Current Auction, all bids are placed as “Current” vintage. For allowances awarded in the Current Auction, allowances will be transferred to successful bidders according to the requirements of both the California Regulation and the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances (Québec Regulation). The number of allowances offered by vintage in the Current Auction conducted in February 2026 are provided in Table 2.

Table 2: Current Auction Allowances Offered for Sale by Vintage

Vintage Year	Number of Allowances*
2024	13,217
2025	7,204,285
2026	47,617,328 <u>47,758,255</u>
Total Current Auction Budget	54,834,830 <u>54,975,757</u>

*Underline and ~~strikethrough~~ text indicate changes as of January 20, 2026. The quantity of allowances with vintage 2026 has been updated due to adjustments in allocation free of charge for the Québec Cap-and-Trade System.

Annual Auction Reserve Prices

The Annual Auction Reserve Prices⁵ refer to the minimum prices set and released annually by each jurisdiction in accordance with Section 95911 of the California Regulation and Article 49 of the Québec Regulation. The respective Annual Auction

⁵ The term “Annual Auction Reserve Price” will be used throughout this document to refer to the “minimum price” as defined in the Québec Regulation.

Reserve Prices for California (CA) and Québec (QC) will be used to determine the Auction Reserve Price for each joint auction, the day prior to the joint auction event.

The Annual Auction Reserve Prices for CA and QC are provided in Table 3 below. The CA Annual Auction Reserve Price is presented in United States Dollars (USD). The QC Annual Auction Reserve Price is presented in Canadian Dollars (CAD). The Auction Reserve Price will be determined as the higher of the Annual Auction Reserve Prices established in U.S. and Canadian dollars after applying the established Auction Exchange Rate (USD to CAD FX Rate).

The Auction Exchange Rate (USD to CAD FX Rate) in effect the day of a joint auction and for financial settlement by qualified bidders will be determined the business day prior to each joint auction as the most recently available daily average exchange rate for U.S. and Canadian dollars as published by the Bank of Canada, and will be displayed in the Auction Platform.

This Auction Exchange Rate (USD to CAD FX Rate) and Auction Reserve Price are required for joint auction currency management and are described in further detail in the [Detailed Auction Requirements and Instructions](#) document.

Table 3: 2026 Annual Auction Reserve Prices

Auction	CA Annual Auction Reserve Price (USD)	QC Annual Auction Reserve Price (CAD)
Current Auction	\$27.94	\$26.47
Advance Auction	\$27.94	\$26.47

Auction Eligibility

All entities eligible to participate in an auction under the California Cap-and-Invest Program or Québec Cap-and-Trade System are eligible to participate in a joint auction. California covered entities, opt-in covered entities, and voluntarily associated entities (CA entities) are eligible to participate in a joint auction. Québec emitters and participants (QC entities) are eligible to participate in a joint auction.

An entity⁶ must be registered under the California Cap-and-Invest Program or Québec Cap-and-Trade System and have a CITSS General Holding Account that has not been

⁶ The term “entity” refers to the companies and individuals registered under the respective cap-and-trade programs of California and Québec. Under Québec’s cap-and-trade program, entities are known as emitters and participants.

suspended or revoked⁷ to be eligible for approval to participate in an auction.

Auction Application Submittal

An entity is required to submit an auction application in CITSS at least 30 days prior to an auction in which it intends to participate.⁸ [CITSS](https://www.wci-citss.org) can be accessed at <https://www.wci-citss.org>. Information submitted in the auction application process in CITSS includes the following:

- a) Confirmation of the auction event in which the participant intends to bid
- b) Information on the form(s) of bid guarantee, currency, and return instructions
- c) Completion of an Attestation

After entering the information listed above, auction applications are then confirmed and submitted in CITSS.

Auction eligibility information also includes information submitted in the process of obtaining a CITSS account:

- a) Corporate identity, ownership, and capital structure of the applicant
- b) The existence of any direct or indirect corporate associations
- c) An allocation of the purchase limit and holding limit among associated entities, if applicable

Auction eligibility is described in further detail in the [Detailed Auction Requirements and Instructions](#) document.

Auction Schedule

Table 4 presents the current schedule for activities associated with the February 2026 Joint Auction #46 (Auction Schedule). Any changes to the Auction Schedule will be communicated through an updated Auction Notice and by email to the Primary Account Representative (PAR) and Alternative Account Representatives (AARs) of California and Québec registered entities that have been qualified bidders in past events or that have submitted an event application to an upcoming event.

⁷ The account must not be revoked or suspended in accordance with Sections 95814(a), 95832(f)(4), 95835(c)(2), 95921(g)(3), or 96011 of the California Regulation and Section 46 of the Québec Regulation. A revoked account has a status of “Closed” in CITSS.

⁸ For CA Entities, an auction application is submitted to provide an entity’s notice of intent to bid pursuant to Section 95912(e) of the California Regulation.

Table 4: Auction Schedule

Activities	Due Date	Time - Pacific Time (PT) / Eastern Time (ET)
Auction Notice released/ Auction application period opens	Friday, December 19, 2025	12:00 PM (Noon) PT / 3:00 PM ET
Deadline for entities intending to participate in the joint auction to submit entity information changes and related entity disclosures*	Friday, January 9, 2026	
Auction application period closes	Tuesday, January 20, 2026	8:59 PM PT / 11:59 PM ET
All bid guarantees received by Financial Services Administrator	Friday, February 6, 2026	No later than 3:00 PM PT / 6:00 PM ET
Auction participants approved and PAR and AARs notified	Friday, February 13, 2026	
Auction Exchange Rate and Auction Reserve Price Posted to Auction Platform	Tuesday, February 17, 2026	
Auction held	Wednesday, February 18, 2026	Bidding window open from 10:00 AM – 1:00 PM PT / 1:00 PM – 4:00 PM ET
Joint Auction Summary Results Report released	Wednesday, February 25, 2026	12:00 PM (Noon) PT / 3:00 PM ET
Auction Certified / Auction results available to qualified bidders	Wednesday, February 25, 2026	12:00 PM (Noon) PT / 3:00 PM ET
Financial settlement in cash due to Financial Services Administrator	Wednesday, March 4, 2026	No later than 3:00 PM PT / 6:00 PM ET
Earliest date for bid guarantee expiration	Monday, March 16, 2026 (26 days after auction)	
Distribution of auction proceeds completion	Tuesday, March 17, 2026	
Transfer of allowances into CITSS Accounts	Tuesday, March 17, 2026	
California and Québec Post-Joint Auction Public Proceeds Reports released	Tuesday, March 17, 2026	

*The Detailed Auction Requirements and Instructions document describes relevant changes and disclosures.

Procedures for Conducting the Auction

Each quarterly joint auction will be conducted through the electronic, internet-based Auction Platform that bidders use to submit bids in a single-round, sealed-bid auction format.

As described above, each entity must submit an auction application in CITSS. Financial Services Delivery Instructions will be available from CITSS, and all final bid guarantees must be received by the Financial Services Administrator by no later than the date and time listed in the Auction Schedule. The Jurisdictions will approve or reject applicants to participate in an auction within two (2) business days of the scheduled auction date.

Procedures for conducting the auction are described in further detail in the [Detailed Auction Requirements and Instructions](#) document with specific examples provided in the [Auction Examples](#) document.

Form and Manner for Submitting Bids

Auction participants will be able to submit bids manually and upload bid schedules in a pre-defined Excel template in the Auction Platform during the bidding window. Bid quantities can only be submitted in multiples of 1,000 allowances, i.e. 1 bid lot equals 1,000 allowances. Bids for both the Current Auction and the Advance Auction will be accepted during the same scheduled 3-hour bidding window. The form and manner for submitting bids are described in further detail in the [Detailed Auction Requirements and Instructions](#) document with specific examples provided in the [Auction Examples](#) document.

Auction Participant Training Materials

An [Auction Participant Training](#) presentation for CA entities is available on the California Air Resources Board (CARB) [Auction Information](#) webpage. An [Auction Participant Training](#) presentation for QC entities is available in French on the Québec Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs⁹ (MELCCFP) [Carbon Market](#) webpage. Each presentation includes information on regulatory requirements for auction eligibility, the auction application process, bid guarantee submission, bid submission, settlement price determination, and financial settlement processes for auctions.

Training materials are also available from the Auction Platform, and include a calendar of upcoming activities, Frequently Asked Questions (FAQs), the Auction Participant Training presentation, and an Auction and Reserve Sale Platform User Guide. Training

⁹ Ministry of the Environment, the Fight against Climate Change, Wildlife and Parks.

materials are available in English for CA entities and both English and French for QC entities.

Additional Information

Additional information on the California Cap-and-Invest Program and the Québec Cap-and-Trade System is available on the jurisdiction webpages as follows:

California

[Cap-and-Invest Program](https://ww2.arb.ca.gov/our-work/programs/cap-and-trade-program): <https://ww2.arb.ca.gov/our-work/programs/cap-and-trade-program>

[Auction Information](https://ww2.arb.ca.gov/our-work/programs/cap-and-trade-program/auction-information): <https://ww2.arb.ca.gov/our-work/programs/cap-and-trade-program/auction-information>

[CITSS Registration and Guidance](https://ww2.arb.ca.gov/our-work/programs/cap-and-trade-program/citss-registration-and-guidance): <https://ww2.arb.ca.gov/our-work/programs/cap-and-trade-program/citss-registration-and-guidance>

For questions regarding the California Cap-and-Invest Program, please contact the California Air Resources Board Cap-and-Invest Hotline at (916) 322-2037.

Québec

[Carbon Market](http://www.environnement.gouv.qc.ca/changementsclimatiques/marche-carbone_en.asp):

http://www.environnement.gouv.qc.ca/changementsclimatiques/marche-carbone_en.asp

Auction Contact Information

For further information about participation in the February 2026 Joint Auction #46, please contact one of the following:

California Cap-and-Invest Program

California Air Resources Board, CITSS Help Desk

CACITSSHelpDesk@arb.ca.gov

(916) 324-7659

Québec Cap-and-Trade System

Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs

EncheresGES-qc@environnement.gouv.qc.ca

418-521-3868, option 2

1-833-522-0935, option 2

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