

Mid-Kaweah Water Market Pilot

How will water market auctions be conducted?

Auctions are anonymous. Participants can submit bids or offers without their identities being revealed to other participants.

Offers to sell credits and bids to purchase credits are submitted using dedicated software.

Bids and Offers

An offer to sell allocation credits must include:

- Maximum number of acre feet being offered
- APN from which the allocation credits will be deducted
- Reservation price (the lowest price that a seller is willing to receive for an AF)

A bid to purchase credits must include:

- Maximum number of acre feet being sought
- APN to which the allocation credits will be added
- Maximum price the buyer is willing to pay for an AF

A participant may submit multiple bids or multiple offers in a single auction. A participant may not submit both a bid and an offer at the same time.

A Participant may edit or withdraw a bid or offer at any time before the auction closes at 5pm on the specified date.

Matching

The bid with the highest Maximum Price and the offer with the lowest Reservation Price will be matched first. The sale price is the midpoint between the buyer's Maximum Price and the seller's Reservation Price.

EXAMPLE 1 - lowest offer and highest bid are matched first, the sale price is the mid-point

Offer/Bid	Units	Price	Match	Total
Offer	50 AF	\$100/AF	sells 50 to A at \$150/AF	receives \$7,500
Bid A	50 AF	\$200/AF	buys 50 at \$150/AF	pays \$7,500
Bid B	50 AF	\$180/AF	no match	

EXAMPLE 2 - a single bid can be matched with multiple offers and vice versa

Offer/Bid	Units	Price	Match	Total
Offer A	30 AF	\$100/AF	sells 30 at \$150/AF	receives \$4,500
Offer B	30 AF	\$120/AF	sells 10 at \$160/AF	receives \$1,600
Bid	40 AF	\$200/AF	buys 30 from A at \$150/AF, buys 10 from B at \$160/AF	pays \$6,100

The Exchange Administrator will seek to facilitate all potential matches. For example, a single offer may be matched with multiple bids and a single bid may be matched with multiple offers.

With Water Market Questions, please contact H2Omarkets:

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