

Reverse Auctions

Mary Kelly

Senior Counsel

Center for Rivers and Deltas

Reverse Auctions

- What are they?
- How have they been used in other places with respect to water?
- How might they be used in Texas?

“Reverse”

- Used for “procurement”—buyer solicits bids from sellers.
- New and limited use for water
- Many design issues
 - Open vs. sealed bids
 - Budget or quantity cap
 - Reserve price
- Key: design that attracts lots of bidders

Considerations

- Geographic scale
- Purpose
- Nature of the right offered for “sale”
 - Restrictions (including admin approval)
 - Forbearance v. temporary v. permanent

Georgia/Flint River

- 2001 to 2002
- Forbearance
- Varying designs
- Required by legislation



Deschutes River



- 2003 to 2004
- Columbia Basins Water Transaction Program
- Detailed results analysis available
- For temporary instream use

Texas

- Meeting multiple needs in systems under drought pressures
- Environmental flows
- Texas Water Trust future role?

