

# Reverse Auctions

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# 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”

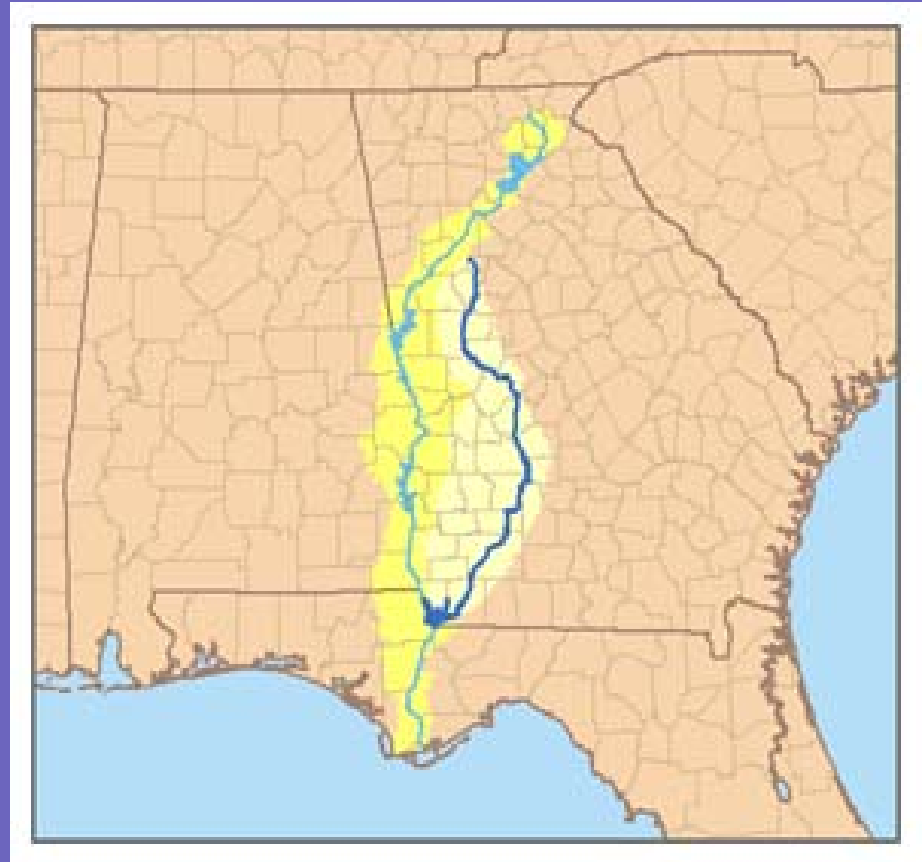
- Used for “procurement”—buyer solicits bids from sellers.
- New and limited use for water
- Many design issues
  - Open vs. sealed bids
  - Budget or quantity cap
  - Reserve price
- Key: design that attracts lots of bidders

# 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?

