



FOIA CONFIDENTIAL TREATMENT REQUESTED

January 31, 2022

VIA CFTC PORTAL

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st St., N.W.
Washington, D.C. 20581

Re: Amendment to ICE NGX Canada Inc. Rules - Submission Pursuant to Section 5c(c)(1) of the Commodity Exchange Act and CFTC Regulation § 40.6(a)

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, ("Act") and Commodity Futures Trading Commission ("Commission") Regulation 40.6(a), ICE NGX Canada Inc. ("ICE NGX") is submitting this self-certification to amend the ICE NGX Risk Management Framework ("RMF"). The RMF is a "rule" as that term is defined under Commission Regulation 40.1(j). ICE NGX intends to implement these amendments on February 15, 2022, or such later date as ICE NGX may designate.

ICE NGX has respectfully requested confidential treatment for the RMF amendments which were submitted concurrently with this submission.

1. Overview

ICE NGX is making this submission to implement certain changes to the ICE NGX RMF (the "Amendments") with respect to enhancing ICE NGX's Liquidity Risk Framework.

2. Details of Rule Changes

ICE NGX's enhanced Liquidity Risk Framework sets out the calculation of liquidity requirements, including stress testing, liquidity resources, in both cases for both regulatory purposes and prudent risk management purposes.

ICE NGX's current Liquidity Stress Testing Framework focuses on the liquidity requirements that would result from non-payment of daily settlement variation pay obligations – which currently applies to Canadian Financially Settled Power products only. This is consistent with CFTC Regulation 39.11(e), which requires ICE NGX to have sufficient liquidity resources to fulfill its obligations during a one-day settlement cycle, including cash or treasuries in an amount equal to or greater than the average of average daily settlement variation pay.

ICE NGX is enhancing its Liquidity Resources Framework to include:



- as liquidity requirement, the monthly settlement obligations for all ICE NGX products; and
- additional liquidity resources to meet the enhanced liquidity requirements.

3. Compliance with Core Principles

ICE NGX reviewed the Amendments and determined that they comply with the rules and regulations of the Commission. In this regard, ICE NGX reviewed the derivatives clearing organization (“DCO”) core principles (each a “Core Principle”) and determined that the Amendments are potentially relevant to the following Core Principles and applicable regulations of the Commission thereunder.

Compliance (Core Principle A): The Amendments are consistent with Core Principle A - Compliance and Commission Regulation 39.10, as the Amendments enhance ICE NGX’s policies and procedures for complying with Commission regulations.

Financial Resources (Core Principle B): The Amendments are consistent with Core Principle B - Financial Resources and Commission Regulations

- 39.11(e)(1)(i), as the Amendments enhance ICE NGX’s management of its liquidity risks through enhanced measuring and monitoring of its liquidity requirements and enhanced liquidity resources;
- 39.11(e)(1)(ii), as:
 - the Amendments set out the manner in which ICE NGX determines its liquidity requirement and liquidity that ICE NGX holds sufficient liquidity resources to satisfy its obligations as a central counterparty during a one-day settlement cycle;
 - the RMF continues to specify that ICE NGX holds liquidity resources in the form of cash in an amount greater than the average of average daily settlement variation pay; and
 - the RMF continues to set out ICE NGX’s process for calculating the average of average daily settlement variation pay, which is in accordance with CFTC Regulations 39.11(e)(1)(ii)(A)-(C);
- 39.11(e)(iii), as the Amendments take into account ICE NGX’s committed credit facility in the liquidity resources available to satisfy ICE NGX’s liquidity requirements;
- 39.11(3), as the Amendments clarify that the committed credit facility take into account in the liquidity resources for the purposes of CFTC Regulation 39.11(e)(1) is separate and distinct from the liquid resources allocated to satisfy the requirements under § 39.11(e)(2).

Reporting (Core Principle J): The Amendments are consistent with Core Principle J - Reporting and Commission Regulation 39.19(c)(4)(ii), as the RMF continues to specify that ICE NGX monitor on a daily basis its liquidity resources that satisfy the requirements under § 39.11(e) and



report to the Commission if there is a decrease of 25 percent or more in the total value of those liquidity resources.

4. Certifications

ICE NGX certifies that the proposed Amendments discussed in this submission comply with the Commodity Exchange Act, including the Core Principles and the Regulations of the Commission thereunder. ICE NGX is not aware of opposing views expressed regarding the Amendments. ICE NGX further certifies that, concurrent with this filing, a copy of this submission was posted to ICE NGX's website.

Yours truly,

A handwritten signature in black ink, appearing to read 'M. McGregor', is written over a horizontal line.

By: Martin McGregor
Title: General Counsel and Chief Compliance Officer
Date: January 31, 2021