

ICE NGX CANADA INC.
Rule Amendment Submission
May 29, 2020

1. The text of the amended provisions to the ICE NGX Canada Inc. (“ICE NGX”) Contracting Party Agreement (“CPA”) are attached as the Appendix. The CPA is part of ICE NGX’s rulebook. Additions to the text are underlined and deletions are struck through.
2. The date of intended implementation for these amendments is July 20, 2020 or such later date as determined by ICE NGX.
3. Attached, please find a certification that: (a) these rule amendments comply with the Commodity Exchange Act (the “Act”), and the Commission’s regulations thereunder; and (b) concurrent with this submission, ICE NGX posted on its website: (i) a notice of pending certification of the amendments with the Commission; and (ii) a copy of this submission.
4. A concise explanation and analysis of the operation, purpose, and effect of the amendments appears below.
5. There were no opposing views expressed regarding these amendments.
6. Confidential treatment is not requested.

CONCISE EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE, AND EFFECT OF THE RULE AMENDMENT AND ITS COMPLIANCE WITH APPLICABLE PROVISIONS OF THE ACT, INCLUDING CORE PRINCIPLES AND THE COMMISSION’S REGULATIONS THEREUNDER

Pursuant to Commission Rule 40.6(a)(7)(vi), the following is a concise explanation and analysis of the operation, purpose, and effect of the amendments to the ICE NGX CPA.¹

ICE NGX is making this submission to implement certain changes (the “Amendments”) to facilitate the listing for trading and clearing of a financially-settled Alberta power futures contract (the “ENMAX RRO product”), as further described below.

The ENMAX RRO product, including the manner of trading and clearing of the product, is highly similar to the AB FLR RRO% product currently offered by ICE NGX. In order to facilitate the introduction of the ENMAX RRO product, ICE NGX is also making certain non-substantive changes to rename the current AB FLR RRO% product as the EPCOR RRO product.

ICE NGX intends to implement the Amendments on July 20, 2020 (or on such later date as may be designated by ICE NGX). ICE NGX intends to launch the ENMAX RRO product on August 3, 2020 (or on such later date as may be designated by ICE NGX).

¹ As a registered FBOT, ICE NGX has submitted contemporaneously with this 40.6 rule amendment self-certification a notification under Commission Rule 48.8(b)(ii)(A) of a material change to its rules (i.e., the CPA) and a written request for new products under Commission Rule 48.10(a).



Terms and Conditions of the ENMAX RRO product

ICE NGX will provide the ENMAX RRO product to our customers to be settled in accordance with the same terms as the EPCOR RRO product, which is ICE NGX's other Alberta RRO power product offering.

Specifically, the ENMAX RRO Product is a financially-settled futures contract on RRO provider load, for which ENMAX Energy Corporation ("ENMAX") is the RRO provider. The ENMAX RRO product, like the EPCOR RRO product (formerly the AB FLR RRO% Contract), is traded as a percentage of the ENMAX load volume and provides for cash settlement based on the difference between the agreed-upon contract price and the cash price determined by the Alberta Electric System Operator ("AESO"). As the ENMAX RRO product is traded as a percentage of the ENMAX load volume, a Contracting Party's positions are determined based on estimated load amounts, with a final adjustment based upon the actual load volume. The estimated load volumes are adjusted by the actual load volumes at two, three, and five months following the contract tenor.

In accordance with the CPA, block trades will be permitted in addition to trading on the ICE NGX Trading System. The minimum block size will be 24 MWh or the equivalent in percentage of load. Block trades will occur off of the ICE NGX Trading System, and may typically be between ENMAX on the one hand and other market participants on the other hand. EPCOR may find its block trade counterparties through a number of methods, including periodic auctions. Block trades, including those executed via auction, will be entered into the exchange as block trades, and will be cleared by ICE NGX.

The Amendments provide that a Contracting Party that wishes to trade the ENMAX RRO product must be a signatory to a particular agreement with ENMAX, newly defined as the "ENMAX Agreement", in addition to the ICE NGX CPA. This requirement corresponds to the current requirement to enter into the EPCOR Agreement (as defined in the CPA) in order to trade the EPCOR RRO product, and the requirement to enter into the ICE Participant Agreement in order to trade on the ICE NGX Trading System.

Compliance with Core Principles

The ENMAX RRO product meets ICE NGX's product eligibility standards, developed in accordance with Core Principle C and the regulations thereunder, including, in particular, ICE NGX's ability to manage the risks associated with the ENMAX RRO product.

The Amendments also comply with Core Principle D - Risk Management and the rules thereunder, as the Amendments facilitate managing the risks relating to the clearing and settlement of the ENMAX RRO product in a corresponding manner to the clearing and settlement of the highly similar EPCOR RRO product currently offered for trading and clearing by ICE NGX.

These Amendments are appended as Attachment A; additions are underlined and deletions are struck through.



CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY EXCHANGE ACT, 7 U.S.C. §7A-2 AND COMMODITY FUTURES TRADING COMMISSION RULE 40.6, 17 C.F.R. §40.6

I hereby certify that:

- (1) the amended provisions of the Contracting Party Agreement comply with the Commodity Exchange Act, and the Commodity Futures Trading Commission's regulations thereunder; and
- (2) concurrent with this submission, ICE NGX Canada Inc. posted on its website: (a) a notice of pending certification of these rules with the Commission; and (b) a copy of this submission.

A handwritten signature in black ink, appearing to read 'G. Abbott', positioned above a horizontal line.

Greg Abbott (May 29, 2020 09:09 MDT)

By: Greg Abbott
Title: President & COO
Date: May 29, 2020

APPENDIX

**AMENDMENTS TO THE TERMS AND CONDITIONS OF THE
ICE NGX CONTRACTING PARTY AGREEMENT**

[Note: Insertions are underlined, deletions are struck through.]

1.1 General

cccccc. “Post-Settlement Load Adjustment Amount” means the amount payable by or to a Contracting Party with respect to an ENMAX Post-Settlement Load Adjustment or an EPCOR Post-Settlement Load Adjustment, as applicable, as set forth in Schedule “E”;

**AMENDMENTS TO SCHEDULE "A" - NATURAL GAS OPTIONS AND GAS AND POWER
FINANCIALLY SETTLED FUTURES TRANSACTIONS**

Transaction and Forward Transaction Fees – Financial Power Futures Transactions

Alberta Hourly	CAD/MWh	\$0.10
All other Alberta Financial Power and Heat Rate	CAD/MWh	\$0.02
Ontario Financial Power and Heat Rate	CAD/MWh	\$0.02
EPCOR RRO	CAD/MWh	\$250 per 1% lot
ENMAX RRO—LFM	CAD/MWh	\$312.50 per 1% lot

AMENDMENTS TO SCHEDULE "D" - ICE NGX PRODUCT LIST

[Note: Insertions are underscored; deletions are struck through]

ICE NGX Electricity Products - Canada

Product Name on ICE	Hub Name	NGX Product = NGX; NGX Cleared Product = ICE	Phys or Fin	Product Type	Unit/Currency	Floating Price - Index 1	Floating Price - Index 2	Index 1 Publication	Index 2 Publication	Accessed via WebICE and trades/ Clears as NGX:	OTC Clears thru DCO As (EFRP)	Minimum Futures Block Size (Mwh or % equivalent)
NGX Fin FUT EPCOR RRO (%), FP for AESO Flat, (CA/MWh), Alberta	Alberta AB EPCOR RRO%	NGX	FIN	FP-DS	CAD/MWh		AEFP		AESO	Financially Settled Future	Financially Settled Future	24
NGX Fin FUT ENMAX RRO (%), FP for AESO Flat, (CA/MWh), Alberta	<u>Alberta</u>	<u>NGX</u>	<u>FIN</u>	<u>FP-DS</u>	<u>CAD/MWh</u>		<u>AEFP</u>		<u>AESO</u>	<u>Financially Settled Future</u>	<u>Financially Settled Future</u>	<u>24</u>

AMENDMENTS TO SCHEDULE "E" - NATURAL GAS OPTIONS AND GAS AND POWER FINANCIALLY SETTLED FUTURES TRANSACTIONS

[Note: Insertions are underscored; deletions are struck through]

1. RELATIONSHIP TO AGREEMENT

...

- c. To the extent that a Contracting Party intends to have access to, and to enter orders for ENMAX RRO Daily Financially Settled Futures Transactions by way of the ICE NGX Trading System, ICE NGX Clearing System, or such other method or media permitted by the Exchange, the Contracting Party represents that it has entered into an ENMAX Agreement and remains in good standing under such agreement which constitutes a valid and binding legal obligation of the Contracting Party with ENMAX, during such time as the Contracting Party has outstanding obligations relating to ENMAX RRO Daily Financially Settled Futures Transactions. For clarity, this Agreement does not govern the relationship between Exchange and Contracting Parties with respect to having access to and transacting with ENMAX off of the ICE NGX Trading System. In the event of conflict between this Agreement and the ENMAX Agreement where the conflict relates to trading on the ICE NGX Trading System or to clearing or settlement on the ICE NGX Clearing System, the Agreement shall prevail.

...

9. Definitions:

...

- p. "ENMAX Agreement" means the ENMAX Energy Corporation Auction Sessions Terms and Conditions;
- q. "ENMAX Post-Settlement Load Adjustment" is an adjustment to ENMAX's Regulated Rate Option load with respect to ENMAX RRO Daily Financially Settled Futures Transactions as confirmed by ENMAX;
- r. "ENMAX RRO" means a product that covers a percentage of ENMAX's Regulated Rate Option load inclusive of line losses and unaccounted for energy that is to be settled as a Daily Financially Settled Futures Transaction against the Alberta Electricity Floating Price, for each applicable hour (and for the avoidance of doubt, "line losses" and "unaccounted for energy" shall have the same meaning as described in Alberta Utilities Commission Rule 021);

...



yyaaa. “EPCOR Post-Settlement Load Adjustment” is an adjustment to EPCOR’s Regulated Rate Option load with respect to EPCOR RRO Daily Financially Settled Futures Transactions as confirmed by EPCOR;

[Note: Subsequent paragraphs will be renumbered to reflect the amendments to the defined terms above.]