

March 6, 2024

VIA PORTAL

Commodity Futures Trading Commission
Attention: Christopher Kirkpatrick, Secretary
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: CFTC Regulation 40.6(a) Certification: Submission of Amendments to the Nodal Exchange Rulebook

Dear Mr. Kirkpatrick:

Nodal Exchange, LLC (“Nodal Exchange” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying amendments to the Nodal Exchange Rulebook (“Rules”) pursuant to Commission Regulation 40.6(a). The Exchange is amending Appendix A – Contract Specifications for back half futures on environmental contracts from Center for Resource Solutions (CRS) listed facilities. The Exchange intends to implement the amended Rules on March 20, 2024.

For all back half futures on environmental contracts from CRS listed facilities, the Exchange is adding language to the Contract Specifications to explicitly state that the Renewable Energy Certificate (“REC”) must be delivered from a facility meeting the New Date requirements for the year of generation and the following year pursuant to CRS’s Green-e® Framework for Renewable Energy Certification. New Date requirements are specified on green-e.org for CRS Listed Facilities. The added language is consistent with the existing Contract Specifications and is not changing the deliverable product for these contracts.

The amendments apply to the following Nodal contracts:

- Texas Renewable Energy Certificate from CRS Listed Facilities Back Half Future
- Texas Compliance Solar Renewable Energy Certificate from CRS Listed Facilities Back Half Future
- NAR Registered Renewable Energy Certificates from CRS Listed Wind Energy Facilities Back Half Future
- NAR Registered Renewable Energy Certificates from CRS Listed Solar Energy Facilities Back Half Future
- WREGIS Registered Renewable Energy Certificates from CRS Listed Wind Energy Facilities Back Half Future
- National Renewable Energy Certificates from CRS Listed Wind Energy Facilities Back Half Future

- M-RETS Renewable Energy Certificate from CRS Listed Wind Energy Facilities Back Half Future

Exchange management has assessed the amendments to the Rules, and their compliance with applicable provisions of the Act, including the Commissions Regulations and the Core Principles. Nodal Exchange has identified that the amendments may affect the following Core Principles as follows:

Core Principle 2 – Compliance with the Rules: The amendments to the Rules provide clarity and consistency with the Act for compliance with the Rules. Appendix A is applicable to all Nodal Exchange Participants.

Core Principle 3 – Contracts Not Readily Subject to Manipulation: The applicable Futures contracts are not readily subject to manipulation and are based on established and liquid underlying cash markets. Trading of the contracts is monitored by the Exchange.

Core Principle 7 – Availability of General Information: The amendments to the Rules provide clarity to Exchange Participants. The amended Rules are available to market authorities, Participants, Authorized Brokers and the public on the Exchange website.

Core Principle 11 – Financial Integrity of Transactions: The applicable Futures contracts will continue to be cleared by Nodal Clear, a registered derivatives clearing organization subject to Commission regulation, and carried by qualified futures merchants.

Pursuant to Section 5c(c) of the Act and the Commission’s Regulation 40.6, the Exchange certifies that amended Rules comply with the Act and the Commission’s Regulations thereunder. The Exchange has discussed these proposed changes with its Participants. The only substantive opposing views provided appeared to be based on a misinterpretation that the proposed changes were not consistent with existing contract specification language or CRS requirements.

Nodal Exchange certifies that this submission has been concurrently posted on the Nodal Exchange website at www.nodalexchange.com. If you have any question or need additional information regarding this submission, please contact me at 703-962-9853 or Markotic@nodalexchange.com.

Sincerely,
/s/ Max Markotic
Managing Director

Attachment:

- Exhibit A: Nodal Exchange Appendix A - Contract Specifications REDLINE
- Exhibit B: Nodal Contract List

24-006