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New York, New York 10055

BY ELECTRONIC TRANSMISSION

Submission No. 23-110
July 11, 2023

Mr. Christopher J. Kirkpatrick
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: Amendments to Texas Compliance Renewable Energy Certificate from CRS Listed Facilities Front Half and Back Half Specific Futures Contracts and Related Amendments Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6(a)

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6(a), ICE Futures U.S., Inc. (“Exchange”) self-certifies amendments to Rules 18.D.057 and 18.D.058, which provide the terms and conditions of the Texas Compliance Renewable Energy Certificate from CRS Listed Facilities Back Half Specific Futures (“TBH”) and Texas Compliance Renewable Energy Certificate from CRS Listed Facilities Front Half Specific Futures (“TFH”), due to changes in the Texas Renewable Energy Program (“TX REP”).

Both the TBH and TFH contracts call for physical delivery of renewable energy certificates generated from wind facilities in Texas (“Wind RECs”) that may be used to satisfy compliance obligations under the TX REP. However, Texas House Bill 1500 (“TX HB 1500”), which was recently signed into law on June 9, 2023, removes the ability for utilities and other market participants to use such Wind RECs to satisfy TX REP compliance obligations beginning on September 1, 2023. Accordingly, the amendments provided in Exhibit A to Rules 18.D.057 and 18.D.058 eliminate the requirement that Wind RECs delivered against the TBH and TFH be eligible for use in the TX REP.

Based on a review of TX HB 1500, Wind RECs will continue to be awarded and tracked by ERCOT, Texas’s independent electricity system operator, and available in the ERCOT Renewables Registry for registry account holders. While such Wind RECs will not be available for use in the TX REP, as noted above, the Exchange believes there will continue to be a robust market for them even after the revisions to the TX REP take effect. Currently, certain market participants are active in the market on a voluntary basis and generate and trade Wind RECs without having any compliance obligations under the

TX REP. Given the current participation of market participants on a non-compliance basis in these markets, the Exchange does not believe that the amendments will have a material effect on the value of existing positions. The contracts currently have *de minimis* open interest beginning with the August 2024 expiration month. Additionally, any effect to the value of the positions has likely been “priced in” given the time elapsed from introduction to signing of the bill.

Certifications

The Exchange is not aware of any opposing views and certifies that the amendments to the terms and conditions to the applicable ethylene contract comply with the requirements of the Act and the rules and regulations promulgated thereunder. The rule amendments to the futures contracts’ terms and conditions and Exchange rulebook will become effective on trade date July 26, 2023, for the September 2023 expiration month. The Exchange has reviewed the designated contract market core principles (“Core Principles”) as set forth in the Act and has determined that the amendments comply with the following relevant Core Principles:

COMPLIANCE WITH RULES

The terms and conditions of the applicable TX REC futures contracts are set forth in Subchapter D of Chapter 18 of the Exchange Rulebook, and will be enforced by the Exchange. In addition, trading of the contract continues to be subject to all relevant Exchange rules which are enforced by the Market Regulation Department.

AVAILABILITY OF GENERAL INFORMATION

The amended terms and conditions of the applicable TX REC futures contracts will be available on the Exchange’s website for public view.

CONTRACTS NOT READILY SUBJECT TO MANIPULATION

The applicable TX REC futures contracts are not readily subject to manipulation and are based on established and liquid underlying cash markets. In addition, trading of the contracts continue to be monitored by the Market Regulation Department.

FINANCIAL INTEGRITY OF CONTRACTS

The applicable TX REC futures contracts will continue to be cleared by ICE Clear Europe, a registered derivatives clearing organization subject to Commission regulation, and carried by registered futures commission merchants qualified to handle customer business.

The Exchange further certifies that, concurrent with this filing, a copy of this submission was posted on the Exchange’s website, which may be accessed at (<https://www.theice.com/futures-us/regulation>). If you have any questions or need further information, please contact me at 312-836-6745 or at patrick.swartz@ice.com.

Sincerely,



Patrick Swartz

Director
Market Regulation

Enc.

cc: Division of Market Oversight
New York Regional Office

Exhibit A

(In the text of the amendments below, additions are shown underscored
and deletions are lined through.)

18.D.057 Texas [~~Compliance~~] Renewable Energy Certificate from CRS Listed Facilities Back Half Specific Future

Description: Physically delivered Texas [~~Compliance~~] Renewable Energy Certificates (REC) issued by the ERCOT Renewables Registry for qualifying wind energy production from facilities in Texas which are listed with the Center for Resource Solutions (CRS) as an element of CRS' administration of its Green-e® certification program.

Contract Symbol: TBH

Settlement Method: Physical delivery

Contract Size: 1,000 MWh representing 1,000 Texas RECs

Currency: USD

Minimum Price Fluctuation: The price quotation convention shall be One cent (\$0.01) per MWh; minimum price fluctuation may vary by trade type

Listing Cycle: 1. The Exchange may list monthly contracts in the Standard Cycle or any other calendar month it determines for the current year and forward for up to ten years.
2. The Standard Cycle is: January, February, March, April, May, June, July, August, September, October, November and December

Last Trading Day: Three Business Days prior to the last Business Day of the delivery month. The last weekday of December is not considered a Business Day, unless otherwise determined and announced by the Exchange.

Deliverable Instruments: Texas RECs eligible for delivery are those which [~~are eligible to meet the REC requirements specified in the Public Utility Commission of Texas Substantive Rule Chapter 25, Subchapter H, Division 1 under the renewable energy trading program, having~~] have been generated from wind energy production technology in Texas and having a Back Half year designation that corresponds to the specified vintage year of the expiring contract. REC Offsets are not deliverable.

RECs delivered must be from facilities that have a Tracking Attestation form on file with the Center for Resource Solutions ("CRS"), in connection with CRS's administration of its Green-e® certification programs. The Tracking Attestation form must cover the generation period of the RECs. Maintenance of an active Tracking Attestation form does not guarantee that a facility meets the requirements of any Green-e® renewable energy standards and does not mean that a facility's supply is Green-e® Certified. The Green-e® name and symbol are a registered trademark owned and administered by Center for Resource Solutions (CRS). For more information about Tracking Attestation forms and Green-e® certification, please visit the Green-e® website at www.green-e.org. To confirm that a facility has an active Tracking Attestation form on file, please contact the Center for Resource Solutions at verification@green-e.org.

For contracts which are designated as Back Half or BH, RECs acceptable for delivery are those that were issued for generation occurring in the last six calendar months of the specified vintage year.

Registry: ERCOT Renewables Registry

MIC Code: IFED

Clearing Venue: ICEU

18.D.058 Texas [Compliance] Renewable Energy Certificate from CRS Listed Facilities Front Half Specific Future

Description: Physically delivered Texas [Compliance] Renewable Energy Certificates (REC) issued by the ERCOT Renewables Registry for qualifying wind energy production from facilities in Texas which are listed with the Center for Resource Solutions (CRS) as an element of CRS' administration of its Green-e® certification program.

Contract Symbol: TFH

Settlement Method: Physical delivery

Contract Size: 1,000 MWh representing 1,000 Texas RECs

Currency: USD

Minimum Price Fluctuation: The price quotation convention shall be One cent (\$0.01) per MWh; minimum price fluctuation may vary by trade type.

Listing Cycle: 1. The Exchange may list monthly contracts in the Standard Cycle or any other calendar month it determines for the current year and forward for up to ten years.
2. The Standard Cycle is: January, February, March, April, May, June, July, August, September, October, November and December

Last Trading Day: Three Business Days prior to the last Business Day of the delivery month. The last weekday of December is not considered a Business Day, unless otherwise determined and announced by the Exchange.

Deliverable Instruments: Texas RECs eligible for delivery are those which [~~are eligible to meet the REC requirements specified in the Public Utility Commission of Texas Substantive Rule Chapter 25, Subchapter H, Division 1 under the renewable energy trading program, having~~] have been generated from wind energy production technology in Texas and having a Front Half year designation that corresponds to the specified vintage year of the expiring contract. REC Offsets are not deliverable.

RECs delivered must be from facilities that have a Tracking Attestation form on file with the Center for Resource Solutions ("CRS"), in connection with CRS's administration of its Green-e® certification programs. The Tracking Attestation form must cover the generation period of the RECs. Maintenance of an active Tracking Attestation form does not guarantee that a facility meets the requirements of any Green-e® renewable energy standards and does not mean that a facility's supply is Green-e® Certified. The Green-e® name and symbol are a registered trademark owned and administered by Center for Resource Solutions (CRS). For more information about Tracking Attestation forms and Green-e® certification, please visit the Green-e® website at www.green-e.org. To confirm that a facility has an active Tracking Attestation form on file, please contact the Center for Resource Solutions at verification@green-e.org.

For contracts which are designated as Front Half or FH, RECs acceptable for delivery are those that were issued for generation occurring in the first six calendar months of the specified vintage year.

Registry: ERCOT Renewables Registry

MIC Code: IFED

Clearing Venues: ICEU

[REMAINDER OF RULEBOOK UNCHANGED]