

- (b) The Exchange reserves the right to adjust Daily Settlement Prices as it deems necessary based on current market conditions or otherwise, per the Contract Specifications.
- (c) Without limiting the foregoing, the Exchange reserves the right to subject Block Trades priced more than a certain percentage set by the Exchange above or below the Settlement Price to a review pursuant to Rule 4.9.2 to determine whether the Exchange believes it is appropriate to include the Block Trade in that day's Intra-day Settlement Price or Daily Settlement Price calculation.

4.10.4 Options Exercise (Physical Settlement)

- (a) Exercise of "In-the-Money" Options is automatic on the last trading day for calendar year power Options. Exercise of "In-the-Money" Options is automatic on the last trading day unless the Exchange is notified by 4:30 pm for power monthly Options and natural gas Options or by 5:30 pm for environmental ~~product~~ Options on the Last Trading Day (1) to allow the "In-the-Money" Options to expire without exercise or (2) to exercise expiring "Out-of-the-Money" Options. When exercised against, option sellers will be selected on a pro-rata basis or at the Exchange's discretion.
- (b) On the Last Trading Day, the Daily Settlement Prices for Options' underlying futures contracts ("**Reference Price**") shall be published no later than 3:00 pm EPT for power Options, no later than 3:30 pm EPT for ~~power and~~ natural gas Options, and no later than 4:30 pm EPT for environmental Options (absent operational delays by the Exchange) for the relevant Option Strike Prices. Reference Prices will be calculated primarily based on that day's Transactions, the Orders on the CLOB, relevant trading in other markets as well as available market data, as outlined in the Contract Specifications for the underlying futures contracts.

4.10.5 Physically Settled Nodal Contracts

- (a) Nodal Contracts based on environmental products will be Physically Settled on the close of trading on the Last Trading Day. The Final Settlement Price shall be determined by the Exchange as specified in the Contract Specifications.
- (b) On the Last Trading Day, the Exchange will provide the Clearing House with information identifying the Participants with delivery obligations for the purpose of issuing Tender and invoice notices in accordance with the Clearing House Rulebook.

4.11 Recordkeeping; Audit Trail