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New York, NY 10055

BY ELECTRONIC TRANSMISSION

Submission No. 16-29
March 11, 2016

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

**Re: Amendments to Rule 18.E.028 - Exercise Day for Options on CAISO SP-15 Day-Ahead
Peak Daily Fixed Price Future - Pursuant to Commission Regulation 40.6(a)**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission Regulation 40.6(a), ICE Futures U.S., Inc. (“IFUS” or “Exchange”) submits by written certification the amendments to Exchange Rule 18.E.028 set forth in Exhibit A, which change the Exercise Day for Options on the CAISO SP-15 Day-Ahead Peak Daily Fixed Price Futures Contract to correspond with the Final Payment Date for the underlying futures contract.

The CAISO SP-15 Day-Ahead Peak Daily Fixed Price Futures and Options contracts listed by the Exchange share a common Last Trading Day (“LTD”). At expiration an in-the-money option contract will automatically be exercised into the underlying future contract after the LTD and will either offset a futures position or be cash-settled. Manual exercise of out-of-the-money options and abandonment of at-the-money/in-the-money options is not permitted.


As currently written, Rule 18.E.028 provides that the Exercise Day for Options on the CAISO SP-15 Day-Ahead Peak Daily Fixed Price Futures Contract shall be the eighth Clearing Organization business day following the Last Trading Day. However, the underlying futures contract, memorialized in Rule 18.B.122, provides that the Final Payment Date for the futures contract is the fifth Clearing Organization business day following the Last Trading Day. As such, the Exercise Day for the option is after the Final Payment Date for the underlying future.

Accordingly, the Exchange is amending Rule 18.E.028 to change the Exercise Day for Options on CAISO SP-15 Day-Ahead Peak Daily Fixed Price Futures from the eighth Clearing Organization business day to the fifth Clearing Organization business day to correspond with the Final Payment Date for the underlying Futures Contract. The amendment does not in any way alter the rights of the option holders as exercise is automatic (manual exercise/abandonment is not permitted) and exercise takes place after the LTD.

The Exchange certifies that the amendment, which will become effective on March 28, 2016, complies with the Commodity Exchange Act, as amended, and the regulations thereunder. There were no substantive opposing views to the amendment. The Exchange further certifies that concurrent with this filing a copy of this submission was posted on the Exchange's website at (<https://www.theice.com/futures-us/regulation#rule-filings>).

If you have any questions or need further information, please contact me at 212-748-4021 or at jason.fusco@theice.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason V. Fusco". The signature is fluid and cursive, with a large loop at the end.

Jason V. Fusco
Assistant General Counsel
Market Regulation

Enc.

EXHIBIT A

Rule 18.E.028 Option on CAISO SP-15 Day-Ahead Peak Daily Fixed Price Future

Contract Description: A daily Option on the corresponding Contract Period of the CAISO SP-15 Day-Ahead Peak Daily Fixed Price Future.

Contract Symbol: SDP

Settlement Method: Exercise into Underlying Futures Contract

Contract Size: 400 MWh

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. Please see Table in Resolution 1 to this Chapter 18.

Listing Cycle: Up to 365 consecutive daily Contract Periods, excluding Sundays and NERC Holidays, or as otherwise determined by the Exchange.

Last Trading Day: At the end of the Trading Session on the last Business Day prior to the Contract Period

Option Style: European

Exercise Method: Automatic Only

Exercise Procedure: Manual exercise or abandon is not permitted

Exercise Day: The ~~[eighth]~~ fifth Clearing Organization business day following the Last Trading Day

Automatic Exercise Provisions: Options which are "in the money", with respect to the average of the Reference Price A prices, exercise automatically into the Underlying Futures Contract with a contract price equal to the Strike Price.

Options which are "out of the money" expire automatically.

Reference Price A: ELECTRICITY-CAISO-SP15-DAY AHEAD

- a) **Description:** "ELECTRICITY-CAISO-SP15-DAY AHEAD" means that the price for a Pricing Date will be that day's Specified Price per MWh of electricity for delivery on the Delivery Date, stated in U.S. Dollars, published by the California ISO at <http://oasis.caiso.com/mrtuoasis/?doframe=true&serverurl=http%3a%2f%2ffrptp09%2eoa%2eca iso%2ecom%3a8000&volume=OASIS>, under the headings "Prices: Report: Reference Prices: P/APNode ID: SP15SLAK_5_N001" that reports prices effective on that Pricing Date.
- b) **Pricing Date:** Each day that prices are reported for the Delivery Date

- c) **Specified Price:** CAISO
- d) **Pricing Calendar:** CAISO
- e) **Delivery Date:** Contract Period

Strike Price Listing Provisions: A minimum of ten Strike Prices in increments of \$1.00 per MWh above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in \$0.05 increments.