



Chicago Climate Exchange®

190 South LaSalle Street, Suite 800  
Chicago, Illinois 60603

T 312.554.3350  
F 312.554.3373

May 4, 2009

Mr. David Stawick  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

2009 MAY 8 AM 8 49  
OFFICE OF THE SECRETARIAT  
C.F.T.O.

Re: **Chicago Climate Futures Exchange, LLC**  
**Submission No. 09-11**

Dear Mr. Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the "Act") and Part 40.6 of the regulations promulgated by the Commodity Futures Trading Commission ("CFTC") under the Act, Chicago Climate Futures Exchange, LLC ("CCFE") hereby submits amendments to the CCFE Rulebook (the "Rulebook").

The Exchange is amending Chapter 35 to further clarify the contract specifications for Voluntary Renewable Energy Certificate ("REC V") futures contracts.

CCFE intends to make these amendments effective as of Thursday, May 7, 2009. The Exchange certifies that these amendments neither violate nor are inconsistent with any portion of the Act or of the rules thereunder.

A marked copy of the amended Chapter 35 and revised contract specifications for the REC V futures contracts are attached hereto.

Should you require additional information regarding this submission, please contact me at 312.229.5163. Please reference our submission number 09-11 in any related correspondence.

Very truly yours,

Eric J. Nield  
Senior Vice President & General Counsel

bal  
enc.

cc: Riva Adriance  
Tom Leahy  
Jon Hultquist  
Irina Leonova

[www.chicagoclimateexchange.com](http://www.chicagoclimateexchange.com)



Chicago Climate Futures Exchange

**Chicago Climate Futures Exchange, LLC  
Voluntary Renewable Energy Certificates Futures**

<b>Contract Size</b>	1,000 megawatt hours ("MWh") of Green-e <sup>®</sup> Energy National Standard eligible <sup>1</sup> renewable energy certificates ("REC"), where a REC represents one MWh of renewable energy attributes.
<b>Quotation</b>	U.S. dollars / MWh
<b>Minimum Tick Increment</b>	\$0.01 per MWh = \$10.00 per contract
<b>Symbol</b>	REC V
<b>Trading Hours</b>	7:00 a.m. – 3:00 p.m. Central Time
<b>Contract Listing Cycle</b>	Consecutive quarterly contracts on a March, June, September, December cycle for the current year and forward 5 consecutive years.
<b>Products</b>	<p>Within any listed contract, CCFE may offer one or more defined products having delivery specifications of the specific Compliance Year (CY) consisting of prior, current and future Compliance Years, as follows:<sup>2</sup></p> <ol style="list-style-type: none"> <li>1. Prior Compliance Year</li> <li>2. Current Compliance Year</li> <li>3. One Compliance Year Deferred</li> <li>4. Two Compliance Years Deferred</li> <li>5. Three Compliance Years Deferred</li> <li>6. Four Compliance Years Deferred</li> <li>7. Five Compliance Years Deferred</li> </ol>
<b>Deliverable Instruments</b>	The deliverable instruments are RECs registered with an Eligible Electronic Registry and designated by seller as eligible to meet the Green-e <sup>®</sup> Energy National Standard. <sup>1</sup> As specified by the Green-e Energy National Standard, RECs eligible for delivery are those generated during the calendar year corresponding to the compliance year, the first three months of the calendar year following the specified compliance year and the last six months of the year prior to the specified compliance year. RECs deliverable pursuant to this contract will conform to the Green-e Energy National Standard current at the time of delivery
<b>First Trading Day</b>	The first trading day of a standard-cycle contract is the first business day following an expiration day of a standard-cycle contract.
<b>Last Trading Day</b>	The last trading day of a contract is the last business day of the expiration month.
<b>Physical Delivery Process</b>	<p>Clearing participants and parties trading the market must have established accounts in the Eligible Electronic Registry.</p> <p><b><i>REC Eligible Electronic Registry Delivery Procedures</i></b> Delivery is based on open positions after the contract's expiration. Delivery is a three</p>

	<p>Business Day process consisting of Position Day, Notice Day, and Delivery Day.</p> <p><b>Position Day</b> The first Business Day following a REC futures contract's expiration day is the day that Clearing Members must report their long futures positions and tender delivery notices to the Clearing Service Provider.</p> <p><b>Notice Day</b> On the Business Day after the Position Day, the Clearing Service Provider will make the appropriate delivery assignments. The seller Clearing Member must provide to the buyer Clearing Member(s) a description of the underlying RECs to be delivered. The buyer Clearing Member(s) provides account information to the seller Clearing Member(s). The information exchange is to be completed by 4:00p.m. U.S. Central Time. The seller Clearing Member must ensure the appropriate RECs are on deposit in its or its customer's Eligible Electronic Registry account by 5:00p.m. U.S. Central Time.</p> <p><b>Delivery Day</b> The CCFE Clearing Service Provider will issue payment instructions to the respective buyer Clearing Member for the full contract value based upon the expiration day's settlement price in a means and manner prescribed by the Clearing Service Provider. By 3:00 p.m. U.S. Central Time, the seller Clearing Member shall ensure that it or its customer has electronically submitted the transfer instructions to the Eligible Electronic Registry.</p> <p><b>Payment</b> The Clearing Service Provider will release the delivery proceeds to the seller Clearing Member upon receipt of the "CCFE Receipt of Delivery Confirmation" from the buyer Clearing Member.</p>
<b>Price Limits</b>	No daily price limits.
<b>Reportable Position Limits</b>	25 contracts, equivalent to 25,000 RECs.
<b>Nearby Expiration Month Speculative Position Limits</b>	1,000 contracts, equivalent to 1,000,000 RECs per each expiring product.
<b>Block Trade Minimum Size</b>	10 contracts

Contract specifications and related rules are subject to revision. If CCFE determines that revisions to the contract specifications and related rules are warranted, reasonable efforts will be taken to provide appropriate advance notification of such revisions.

This document is a summary of the CCFE contract specification rules; see the CCFE Rulebook for complete contract specification rules.

<sup>1</sup> Green-e<sup>®</sup> Energy eligible means that the seller has agreed to deliver RECs that are designated in a tracking system, or other manner determined by CCFE, as eligible for certification according to the Green-e Energy National Standard promulgated by the Center for Resource Solutions (CRS). It does not mean that any RECs have been Green-e Energy certified, and there is no promise by CRS that any REC is eligible for certification or will ever be certified. Standards for certification may change or cease to exist at any time. CRS does not endorse, approve or guarantee any aspect of any futures contract, and traders waive any and all claims against CRS related thereto, accruing now or in the future. Green-e<sup>®</sup> is a registered certification trademark of Center for Resource Solutions.

<sup>2</sup> Whereas the Green-e Energy National Standard uses the term Reporting Year to define its certification procedures, CCFE uses the term Compliance Year.

**CHAPTER 35**  
**VOLUNTARY RENEWABLE ENERGY CERTIFICATE FUTURES**  
**CONTRACT SPECIFICATIONS**

**3501. Scope of Chapter**

This Chapter applies to trading in the Voluntary Renewable Energy Certificates futures contract ("REC V"). The procedures for clearing, trading, settlement, and any other matters not specifically covered herein shall be governed by the generally applicable rules of the Exchange.

**3502. Eligibility**

Clearing Members, ~~and Trading Privilege Holders,~~ and other market participants trading in REC V futures contracts must have an account established with the Eligible Electronic Registries wherein they may take delivery. ~~Selling Clearing Members, and Trading Privilege Holders~~ and other market participants shall make delivery in any of the Eligible Electronic Registries at their election. ~~Buying Clearing Members, and Trading Privilege Holders~~ and other market participants shall take delivery in any of the Eligible Electronic Registries at the ~~Selling Clearing Members' and Trading Privilege Holders'~~ er's election.

**3503. Eligible Electronic Registry**

The Eligible Electronic Registries wherein delivery of RECs shall be made are:

- (a) Midwest Renewable Energy Tracking System (M-RETS)
- (b) New England Power Pool Generation Information System (NEPOOL GIS)
- (c) PJM Interconnection Generation Attribute Tracking System (PJM GATS)
- (d) Western Renewable Energy Generation Information System (WREGIS)
- (e) Electric Reliability Council of Texas (ERCOT) Renewable Energy Credit (REC) information tracking system

**3504. Contract Specifications**

(a) *Contract Value.* The contract size for a REC V futures contract is equal to 1,000 megawatt hours ("MWh") of renewable energy certificates ("REC") where a REC represents one MWh of renewable energy attributes designated as eligible to meet the ~~current Green-e<sup>®</sup> Energy National Standard for Renewable Electricity Products~~ current at the time of delivery ("Green-e<sup>®</sup> Energy Standard").

(b) *Schedule.*

(i) Standard-cycle Contract Listing (“Contract”). The Exchange may list for trading consecutive quarterly contracts on March, June, September and Decembers cycle for the current year and forward five (5) consecutive years.

(ii) The trading hours for the REC V Contract shall be determined by the Exchange from time to time.

(c) *Products.*

(i) Within any listed contract, CCFE may offer one or more defined products having delivery specifications of the specific Compliance Year (CY) consisting of prior, current and future Compliance Years.<sup>\*†</sup>

(ii) CCFE may list other generation period specific products.

(d) *Termination of Trading (Contract Expiration).* A Contract expires on the last business day of the expiration month.

(e) *New Contract Listing.* A new standard-cycle Contract will be listed on the first business day following an expiration of a standard-cycle contract.

(f) *Minimum Tick Increment.* The minimum tick increment is \$0.01 per MWh, which is equal to \$10.00 per contract.

(g) *Reportable Position.* Pursuant to Commission Regulation §15.03 and Commission Regulation Part 17, the position level that is required to be reported is any open position in the REC V Contracts at the close of trading on any trading day equal to or in excess of 25 contracts net long or short.

If one (1) contract month has a reportable position, all Contract’s positions must be reported.

(h) *Position Limits.* A person may not own or control more than 1,000 contracts, equivalent to 1,000,000 RECs, on a net-futures equivalent basis for REC V futures and REC V options on futures in each nearby month expiring futures product.

For the purposes of this rule, the positions of all accounts for which a person directly or indirectly controls trading shall be included, as described in Rule 409(f).

\*

The Green-e Energy National Standard uses the term Reporting Year to define its certification procedures, whereas CCFE uses the term Compliance Year.

The foregoing position limit shall not apply to bona fide hedge positions meeting the requirements of the Commission Regulation § 1.3(z)(1) and the Rules of the Exchange.

(i) *Contract Modifications.* Specifications are fixed as of the first day of trading of a Contract. If any U.S. Government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these Rules, and all open and new positions in the Contracts shall be subject to such government orders.

(j) *Daily Price Limits.* None

(k) *Exchange of Future for Physical.* There is no minimum size for an Exchange of Future for Physical transaction with respect to REC V futures contracts. The Exchange of Future for Physical must meet all requirements of, and must be reported to the Exchange in accordance with, Rule 411.

(l) *Block Trades.* Pursuant to Rule 412(a)(i), the minimum Block Trade quantity for the REC V Contract shall be determined by the Exchange from time to time. If the Block Trade is executed as a spread or a combination, one leg must meet the minimum Block Trade quantity for the REC V futures contract and the other leg(s) must have a contract size that is reasonably related to the leg meeting the minimum Block Trade quantity. The Block Trade must meet all requirements of, and must be reported to the Exchange in accordance with, Rule 412.

### **3505. Settlement Price Calculations**

Contract month settlement prices will be based on the following criteria:

(a) A single traded price during the pre-close.

(b) If more than one trade occurs during the pre-close, the trade volume weighted average of the prices, rounded to the nearest tick.

(c) If no trade occurs during the pre-close, the following will be given consideration:

(i) the volume weighted average of the last two trade prices, rounded to the nearest tick;

(ii) the mid-point between the best bid and offer (volume weighted) in the pre-close, rounded to the nearest tick;

(iii) spread price relationships; and

(iv) time value between the contract months.

(d) The Exchange reserves the right to take into account other factors in determining settlement prices.

### 3506. Deliverable Instruments

The deliverable instruments are RECs registered in an Eligible Electronic Registry and ~~electronically~~ designated as eligible to meet the Green-e<sup>®</sup> Energy National Standard.

~~For Specific Compliance Year products, As specified by the Green-e Energy National Standard, RECs eligible for delivery are those generated during the calendar year corresponding to the compliance year, the first three months of the calendar year following the specified compliance year and the last six months of the year prior to the specified compliance year. RECs deliverable pursuant to this contract will conform to the Green-e Energy National Standard current at the time of delivery. For Generation Period Specific products, RECs eligible for delivery are those generated during the time period specified.~~

### 3507. Delivery Procedures

~~Selling Clearing Members, and Trading Privilege Holders, and other market participants shall make delivery in any of the Eligible Electronic Registries at their election. Buying Clearing Members, and Trading Privilege Holders and other market participants shall take delivery in any of the Eligible Electronic Registries at the Seller's Clearing Members' and Trading Privilege Holders' election.~~

(a) Delivery is a three day process consisting of Position Day, Notice Day, and Delivery Day occurring over three consecutive Business Days.

(i) *Position Day.* The first Business Day following a REC V futures contract's expiration day is the day that Clearing Members must report their long futures positions and tender delivery notices to the Clearing Service Provider.

(ii) *Notice Day.* On the Business Day after the Position Day, the Clearing Service Provider will make the appropriate delivery assignments. The seller Clearing Member must provide to the buyer Clearing Member(s) a description of the underlying RECs to be delivered. The buyer Clearing Member(s) provides account information to the seller Clearing Member(s). The information exchange is to be completed by 4:00p.m. U.S. Central Time. The seller Clearing Member must ensure the appropriate RECs are on deposit in its or its customer's Eligible Electronic Registry account by 5:00p.m. U.S. Central Time.

(iii) *Delivery Day.* CCFE Clearing Service Provider will issue payment instructions to the respective buyer clearing member for the full contract value

based upon the expiration day's settlement price in a means and manner prescribed by the Clearing Service Provider. By 3:00 p.m. U.S. Central Time, the Seller Clearing Member must ensure that it or its customer has electronically submitted the REC instrument transfer instructions via the Eligible Electronic Registry system.

(b) *Payment.* The Clearing Service Provider will release the delivery proceeds to the Seller Clearing Member upon receipt of the "CCFE Receipt of Delivery Confirmation" from the buying Clearing Member.

### **3508. Validity of Documents**

The Exchange makes no representation regarding the authenticity, validity or accuracy of any delivery tender notice, description of underlying REC transfer instructions, REC confirmation of transfer or other document or instrument delivered pursuant to these rules.

### **3509. Green-Ee<sup>®</sup> Energy National Standard Eligibility and Limitation of Liability of Referenced Standards Provider Service Marks**

Without prejudice to any of the above provisions and in addition to them, each and every Member, Trading Privilege Holder and other party should and must note that insofar as the Exchange may list a REC V contract for trading, none of: (i) the Exchange, (ii) its directors and officers, or (iii) Center for Resource Solutions ("CRS") or any other relevant party to which the Exchange may refer or contract with for supply of standards or information in relation thereto (each of the foregoing, a "Relevant Party"), assume any obligation or liability in connection with the trading of any REC V contract, or the underlying reusable energy certificates and certification thereof. Accordingly, no Relevant Party shall be in any way responsible for any losses, expenses or damages (in all cases direct or indirect) arising in connection with or referable to the trading of any contract linked or referable to any said REC V contract, provided that nothing herein shall affect either the obligations of the Exchange (or Clearing House) or its Members, Trading Privilege Holders or any other party, in any contract so linked or referable. None of the Relevant Parties guarantee or warrant or undertake in any manner the accuracy or completeness of any REC V contract, the underlying reusable energy certificates, or any information or data included in or referable to either of the foregoing.

NONE OF THE RELEVANT PARTIES MAKE ANY WARRANTY OR GIVES ANY GUARANTEE OR UNDERTAKING, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF, OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM THE TRADING OF REC V CONTRACTS AND/OR USE OR CERTIFICATION OF RENEWABLE ENERGY CERTIFICATES, OR ANY INFORMATION OR DATA INCLUDED



IN OR REFERABLE TO TRADING OF THE CONTRACTS OR USE OF THE CONTRACTS OR RENEWABLE ENERGY CERTIFICATES. NONE OF THE RELEVANT PARTIES MAKE ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO ANY SUCH REC V CONTRACT OR THE UNDERLYING RENEWABLE ENERGY CERTIFICATES, OR ANY INFORMATION OR DATA INCLUDED IN OR REFERABLE TO ANY REC V CONTRACT, RENEWABLE ENERGY CERTIFICATES OR THE CERTIFICATION OF RENEWABLE ENERGY CERTIFICATES.

Green-e<sup>®</sup> Energy eligible means that the seller has agreed to deliver Renewable Energy Certificates that are designated in a tracking system, or other manner determined by CCFE, as eligible for certification according to the Green-e Energy National Standard promulgated by the Center for Resource Solutions (“CRS”). It does not mean that any Renewable Energy Certificates have been Green-e Energy certified, and there is no promise by CRS that any Renewable Energy Certificate is eligible for certification or will ever be certified. Standards for certification may change or cease to exist at any time. CRS does not endorse, approve or guarantee any aspect of any futures contract, and Members, Trading Privilege Holders and other traders waive any and all claims against CRS related thereto, accruing now or in the future. Green-e<sup>®</sup> is a registered certification trademark of Center for Resource Solutions.