



RULE SELF-CERTIFICATION

July 15, 2011

Office of the Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st St., N.W.
Washington, D.C. 20581

Re: Green Exchange LLC
Reference File: GX-2011-16

Ladies and Gentlemen:

Pursuant to Sections 40.2 and 40.6 of the regulations (the "CFTC Rules") promulgated by the Commodity Futures Trading Commission (the "Commission") under the Commodity Exchange Act, as amended (the "Act"), Green Exchange LLC ("GreenX"), a designated contract market under the Act, hereby submits this self-certification for the following

1. GreenX is adopting Rule 1801 to include contract specifications for the GreenX California Carbon Allowance (CCA) Futures contract to be traded on Green Exchange.

2. GreenX is amending Rule 535, the Position Limit, Position Accountability and Reportable Level Table, to include the GreenX California Carbon Allowance (CCA) Futures contract.

3. GreenX is amending Rule 543.G, the Non-Reviewable Ranges table, to include the GreenX California Carbon Allowance (CCA) Futures contract.

GreenX hereby certifies that the GreenX California Carbon Allowance (CCA) Futures contract and the rule amendments comply with the Act and the CFTC Rules. The listing date of the GreenX California Carbon Allowance (CCA) Futures contract is expected to be Sunday, September 11, 2011 for trade date Monday, September 12, 2011. The effective date of the rule amendments is July 19, 2011.

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SECRETARY

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The text of the rule amendments, showing deletions and additions is attached as Exhibit A hereto. A confidential "research note" describing the GreenX California Carbon Allowance (CCA) Futures contract is included separately as Exhibit B hereto. GreenX is separately requesting confidential treatment for Exhibit B.

If you have any further questions or comments about GreenX's actions, please contact me at 212-299-2510.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kari S. Larsen', followed by a horizontal line extending to the right.

Kari S. Larsen
Chief Regulatory Officer / General
Counsel

cc: Thomas Leahy, Jr.
Bella Rozenberg
Marshall Horn
Michael Philipp

Attachment

WINSTON & STRAWN LLP

SUITE 718, CHINA WORLD OFFICE 1
1 JIANGUOMENWAI AVENUE
BEIJING 100004, CHINA

214 NORTH TRYON STREET
CHARLOTTE, NORTH CAROLINA 28202-1078

43 RUE DU RHÔNE
1204 GENEVA, SWITZERLAND

GLOUCESTER TOWER
11TH FLOOR
THE LANDMARK
15 QUEEN'S ROAD CENTRAL
HONG KONG, CHINA

99 GRESHAM STREET
LONDON, EC2V 7NG, UK

333 SOUTH GRAND AVENUE
LOS ANGELES, CALIFORNIA 90071-1543

35 WEST WACKER DRIVE
CHICAGO, ILLINOIS 60601-9703

+1 (312) 558-5600

FACSIMILE +1 (312) 558-5700

www.winston.com

SUITE A350, 4 STASOVYV STREET
MOSCOW, 119071, RUSSIAN FEDERATION

200 PARK AVENUE
NEW YORK, NEW YORK 10166-4193

ONE RIVERFRONT PLAZA, SUITE 730
NEWARK, NEW JERSEY 07102-5401

25 AVENUE MARCEAU, CS 31621
75773 PARIS CEDEX 16, FRANCE

101 CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA 94111-5802

UNITS 3105-3106, SHANGHAI KERRY CENTRE
1515 NANJING ROAD WEST
JINGAN, SHANGHAI 200040, CHINA

1700 K STREET, N.W.
WASHINGTON, D.C. 20006-3817

July 15, 2011

Assistant Secretary of the Commission for FOIA Matters
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: FOIA Request for Confidential Treatment

2011 JUL 23 AM 9:48
OFFICE OF THE
SECRETARY
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CONFIDENTIAL TREATMENT
REQUESTED

Dear Secretary:

I am writing on behalf of Green Exchange LLC ("GreenX") to request confidential treatment in accordance with Commission Regulations 40.8(c) and 145.9 for certain confidential information contained in GreenX's Rule Self-Certification GX-2011-16, relating to the listing of the GreenX California Carbon Allowance (CCA) Futures contract (the "GreenX Self-Certification"). Specifically, GreenX is requesting confidential treatment for its "research note" relating to the GreenX California Carbon Allowance (CCA) Futures contract, which has been segregated and attached as Exhibit B to the GreenX Self-Certification (the "Confidential Information"). The GreenX Self-Certification also indicates that the Confidential Information has been segregated.

The basis for this confidential treatment request is that disclosure of the Confidential Information would reveal confidential commercial information of GreenX relating to the development of the GreenX California Carbon Allowance (CCA) Futures contract.

Pursuant to Commission Regulation 145.9(d)(5), GreenX requests that confidential treatment be maintained for the Confidential Information until further notice. GreenX also requests that the Commission notify the undersigned immediately after receiving any FOIA request for the Confidential Information or any other court order, subpoena or summons for the same. Finally, we request that we be notified in the event the Commission intends to disclose the Confidential Information to Congress or to any other governmental agency or unit pursuant to Section 8 of the CEA. GreenX does not waive its notification rights under Section 8(f) of the CEA with respect to any subpoena or summons for the Confidential Information.

Sincerely,

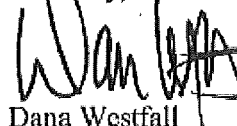

Dana Westfall

EXHIBIT A

RULE 535 Position Limit, Position Accountability and Reportable Level Table

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Position Limit, Position Accountability and Reportable Level Table

Contract Name	Rule	Commodity Code	All Month Accountability Level	Any One Month Accountability Level	Any/All Month Limit	Expiration Month Limit	Reporting Level	Aggregate Into (1)
			Rule 533	Rule 533	Rule 532	Rule 532	Rule 534	
Emissions								
<u>GreenX California Carbon Allowance (CCA) Futures</u>	<u>1801</u>	<u>CCA</u>	<u>18,000</u>	<u>6,400</u>		<u>2,200</u>	<u>25</u>	<u>CCA</u>

[Note: Contracts for which no changes have been made are omitted.]

RULE 543.G. Non-Reviewable Ranges

<u>Futures Contract</u>	<u>Non-Reviewable Range</u>
<u>GreenX California Carbon Allowance (CCA) Futures</u>	<u>\$0.40 per metric ton or less</u>

[Note: Contracts for which no changes have been made are omitted.]

[Note: Chapter 18 and Rule 1801 is an addition to the Rulebook.]

**CHAPTER 18
CALIFORNIA CARBON CONTRACT SPECIFICATIONS**

RULE 1801. GreenX California Carbon Allowance (CCA) Futures

1801.01A. DEFINITIONS

(a) The term "Applicable Emissions Law" shall mean Assembly Bill 32, the State of California's Global Warming Solutions Act of 2006, together with associated regulations or rules, and amendments thereto.

(b) The terms "Auction Reserve Price" and "ARP" refer to the minimum price at which CCAs can be auctioned in a given year, as defined by the Applicable Emissions Law. In the event that the ARP is not defined by the Applicable Emissions Law, ARP will be \$10 per metric ton in 2012 and 2013. For all years following 2013, the ARP for the expiring delivery month will increase by 5 percent per year plus a CPI calculated on the previous 12 months.

(c) The term "CCA" shall mean a California Carbon Allowance or California Greenhouse Gas Allowance, a limited authorization to emit up to one metric ton of CO₂ or CO₂ equivalent, as defined by the California Air Resources Board in accordance with the Applicable Emissions Law.

(d) The term "Compliance Period" refers to the period for which entities subject to ETS compliance obligations must submit compliance instruments equal to their verified emissions under the Applicable Emissions Law.

(e) The terms "Consumer Price Index" and "CPI" refer to changes in prices of all goods and services purchased for consumption by urban households for the last twelve (12) month period as defined by the United States Department of Labor.

(f) The term "ETS" refers to the California Emissions Trading System - a cap-and-trade program designed to reduce emissions of greenhouse gases (GHG) pursuant to Applicable Emissions Law.

(g) The term "In-Force" shall mean: (i) CCAs have been issued; and (ii) the MTS has been established and has commenced operations.

(h) The term "MTS" shall mean the Market Tracking System by which CCAs are allocated, deducted, or transferred.

(i) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.

(j) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product, respectively.

(k) The term "Settlement Price" shall mean (i) the final settlement price used as the price for delivery of the product, which shall be the settlement price for the final trading day of the expiring delivery month, or (ii) as defined in Rule 1801.09(b). The settlement price for the final trading day shall be determined in accordance with the procedures set forth in Rule 905.

1801.01. SCOPE

The provisions of these rules shall apply to all GreenX California Carbon Allowance Futures bought or sold for future delivery on the Exchange with the delivery of CCAs made through the MTS.

1801.02. TIME REFERENCES

For purposes of these Rules, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.

1801.03. CONTRACT UNIT

The contract unit shall be one thousand (1,000) CCAs for a delivery made by transfer through the MTS.

1801.04. DELIVERY

CCA delivery shall comply with all requirements for the electronic transfer of allowances on the MTS. All deliveries made under this Rule 1801 shall be final and there shall be no appeal.

1801.05. DELIVERY MONTHS AND CONTRACT COMPLIANCE PERIODS

Trading shall be conducted in contract months with and without specific compliance periods providing for delivery in such periods as shall be determined by the Exchange.

1801.06. PRICES AND FLUCTUATIONS

Prices shall be quoted in dollars and cents per allowance. The minimum price fluctuation shall be \$0.01 per allowance (\$10.00 per contract). There shall be no maximum price fluctuations.

1801.07. TERMINATION OF TRADING

Trading in the delivery month shall cease on the fifteenth (15th) day of the delivery month. If such a day is not a Business Day, trading shall cease on the next following day that is a Business Day. Any contracts remaining open upon termination of trading must be either:

- (a) IF THE CALIFORNIA ETS IS IN-FORCE AT THE TERMINATION OF TRADING:
 - (i) Settled by delivery no later than on the second (2nd) Business Day after the final day of trading; or
 - (ii) Liquidated by means of a bona fide Exchange of Futures for Related Position (EFRP), no later than two hours after trading terminates on the final day of trading of the expiring futures contract. Any Exchange of Futures for Related Positions shall be governed by the provisions of Rule 603.
- (b) IF THE CALIFORNIA ETS IS NOT IN-FORCE AT THE TERMINATION OF TRADING:
 - (i) For contracts with expiration in the 2012 calendar year, transferred by the Clearing House to the corresponding monthly contract in the immediately following calendar year; or
 - (ii) For contracts with expiration in 2013 or later, financially settled at the ARP for the given calendar year on the second (2nd) Business Day after the cessation of trading.

1801.08. DELIVERABLE ALLOWANCES

(a) Eligibility – (i) CCAs; and (ii) any other greenhouse gas allowances that have been approved by the California Air Resources Board for purposes of compliance with the ETS, subject to any quantitative adjustments required by the California Air Resources Board.

(b) (i) Allowances acceptable for delivery are allowances as described in 1801.08(a) with a compliance period corresponding to the specified compliance period of the contract. Allowances of the prior compliance period that have not been surrendered will be eligible for delivery for the current compliance period.

(ii) For contracts without a specified compliance period, allowances acceptable for delivery are those having a vintage usable for compliance in the compliance period associated with the calendar year of the contract expiration or allowances having a vintage usable for compliance in any prior compliance period.

1801.09. DELIVERY PROCEDURES AND OBLIGATIONS

- (a) IF THE CALIFORNIA ETS IS IN-FORCE AT THE TERMINATION OF TRADING:

The Clearing House is a party to all deliveries under this contract and will receive allowances by electronic transfer from the Seller into the Clearing House Holding Account at the MTS. Following receipt from the Seller, the Clearing House will deliver allowances from the Clearing House Holding Account to the MTS Holding Account nominated by the Buyer.

All rights, title, and interest in and to, and risk of loss related to, the allowances will transfer upon receipt in the applicable MTS account.

The Seller shall comply with such requirements and obligations imposed by or under applicable MTS regulations in all respects material to the submission of the forms noted in this Rule. The Buyer shall comply with such requirements and obligations imposed by or under applicable MTS regulations in all respects material to ensure the acceptance of a valid transfer into its Holding Account. If a provision of the GreenX Rules or the Clearing House Rules is inconsistent with a provision of the MTS regulations, the provision of the GreenX Rules or the Clearing House Rules shall prevail as among the Buyer, Seller, and the Clearing House to the extent of such inconsistency and to the extent permitted by law.

By transferring allowances to the Clearing House, the Seller represents and warrants that, at the time of delivery, it has good and marketable title to such allowances, and that such allowances are free and clear of all liens, security interests, claims, encumbrances and adverse claims.

(i) OPERATIONAL RESPONSIBILITIES OF CLEARING MEMBERS

(A) NOTICE OF INTENTION TO ACCEPT

By 11:00 AM on the first (1st) Business Day after the final day of trading, a Buyer having an open long position shall file with the Exchange a properly completed and signed Notice of Intention to Accept.

The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include: name of the Buyer's Customer; number of contracts to be accepted; MTS account number; name, phone number and e-mail address of the authorized account representative for that MTS account; and any additional information as may be required by the Exchange.

(B) NOTICE OF INTENTION TO DELIVER

By 11:00 AM on the first (1st) Business Day after the final day of trading, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver.

The Notice of Intention to Deliver shall be in the form prescribed by the Exchange and shall include: name of the Seller's Customer; number of contracts to be delivered; MTS Account Number; name, phone number and e-mail address of the authorized account representative for that MTS account; and any additional information as may be required by the Exchange.

(C) By 10:00 AM on the second (2nd) Business Day after the final day of trading, the Seller shall transfer allowances subject to delivery to the Clearing House Exchange Clearing Holding Account of the MTS.

(D) By 10:00 AM on the second (2nd) Business Day after the final day of trading, the Buyer shall deposit / transfer payment equal to the full value of the product to the designated Clearing House bank account.

(E) By 12:00 PM on the second (2nd) Business Day after the final day of trading of the delivery month, for each Buyer that has satisfied its obligations under Rule 1801.09(a)(i)(D), the Clearing House will initiate the process of transferring the allowances to the Buyer's account at the MTS.

(F) By 3:00 PM on the second (2nd) Business Day after the final day of trading of the delivery month, Buyer shall receive allowances from the Clearing House Exchange Clearing Holding Account of the MTS.

(G) By 3:00 PM on the second (2nd) Business Day after the final day of trading, for each Seller that has satisfied its obligations under Rule 1801.09(a)(i)(C), the Clearing House shall pay the Seller full contract value.

(ii) ASSIGNMENT DAY

(A) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching positions, to the extent possible.

(B) The Clearing House shall provide Assignment Notice Reports to the respective Clearing Members on the first (1st) Business Day after the final day of trading.

(iii) PAYMENT AND DELIVERY MARGINS

(A) Definitions

(1) The Buyer and Seller shall deposit with the Exchange margins in such amounts and in such form as required by the Exchange. Such margins, which shall not be greater than the margins charged to the Buyer's Customer and Seller's Customer, shall be returned on the business day following notification to the Exchange that delivery and payment have been completed.

(2) "Payment" shall include the settlement price times the number of contracts times one-thousand (1,000).

(3) "Payment Date" shall mean the date on which the Clearing House transfers Payment in connection with a delivery to the Seller.

(4) Any payment made on Payment Date shall be based on allowances actually delivered.

(b) FOR CONTACTS WITH EXPIRATION IN 2013 OR LATER AND IF THE CALIFORNIA ETS IS NOT IN FORCE:

Delivery against California Carbon Allowances Futures contracts shall be made by cash settlement through the Clearing House following normal variation margin procedures. The final Settlement Price will be the ARP for the given year. A final mark to market will be made on the day the final Settlement Price is determined.

1801.10. DELIVERY PERIOD

"Delivery Period" shall mean the time between the final day of trading and the second (2nd) Business Day following the final day of trading.

Delivery shall take place on the second (2nd) Business Day after the final day of trading. Should the MTS be inoperable during the Delivery Period due to a California public holiday, the Clearing House shall have the option to extend the Delivery Period by one (1) Business Day.

1801.11. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any of Tender Allocation Notice, Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.

1801.12. ALTERNATIVE DELIVERY PROCEDURE

A Buyer may agree with the Seller with which it has been matched by the Exchange under Rule 1801.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Buyers and Sellers shall execute an Alternative Delivery Procedure on a form prescribed by the Exchange and shall deliver a completed executed copy of such form to the Exchange. The delivery of an executed Alternative Delivery Procedure form to the Exchange shall release the Buyer, Seller and the Exchange from their respective obligations under the Exchange contracts.

In executing such Alternative Delivery Procedure form, Clearing Members shall indemnify the Exchange against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed

Alternative Delivery Procedure form, the Exchange will return to the Clearing Members all margin monies held for the account of each with respect to the contracts involved.

1801.13. LATE PERFORMANCE, FAILURE TO PERFORM AND FORCE MAJEURE

(a) **DEFINITION.** As used in this Rule 1801.13, the following terms, as well as variations thereof, shall have the meaning described below.

(i) "Late Performance" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three (3) Business Days. Late Performance beyond three (3) Business Days by a Seller or a Buyer will be deemed a Failure to Perform.

(ii) "Day of Late Performance" shall mean the twenty-four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.

(iii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(iv) "Contract Value" shall mean the amount equal to the settlement price on the final day of trading in a Futures Contract times 1,000 (the number of CCAs per Contract) times the number of Contracts to be delivered.

(v) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.

(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry suspension or failure, or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.

(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

(i) The parties to a delivery shall perform their respective delivery obligations at all times until a Party has committed a Failure to Perform.

(ii) A Party that has committed a Failure to Perform may not cure the Failure to Perform by subsequently taking action to correct its deficiency; provided, however, that the foregoing does not relieve a Buyer that has failed to make a payment from such payment obligation.

(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE

(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;

(B) Upon the written request of both the Buyer and the Seller;

(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or

(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.

(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.

(iii) The Panel shall meet within one (1) Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one (1) Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.

(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable: order an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in the GreenX Rules.

(d) EXCHANGE ACTION

(i) Whenever a Buyer or a Seller is found by the Panel to have committed a Late Performance, provided such Late Performance is not excused by a finding of Force Majeure, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of ten percent (10%) of the Contract value for each applicable Day of Late Performance, to be paid to the Exchange.

(ii) Whenever a Buyer or a Seller is found by the Panel to have committed a Failure to Perform, provided such Failure to Perform is not excused by a finding of Force Majeure, the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (A) above, to be paid to the Exchange.

(iii) (A) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two (2) Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant"), within twenty (20) calendar days after filing the Notice of Appeal, shall file a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.

(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (v)(C)(1) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a Party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.

(iv) Within ten (10) calendar days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession

or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.

(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.

(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:

(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(B) At such hearing, the Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.

(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.

(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.

(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.

(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.

(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.

(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.

(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.

(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Chief Executive Officer shall constitute the final disciplinary action of the Exchange.

(e) ARBITRATION PROCEDURE

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three (3) Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of

Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.

1801.14. EXCLUSION OF LIABILITY

Except as specifically provided in the GreenX Rules (and to the extent permitted by law), the Clearing House accepts no liability in connection with this Futures Contract, its performance, nonperformance or its termination whether based on breach of contract, warranty, negligence or tort. In particular, but without limitation, the Clearing House shall not be responsible for or shall have any liability whatsoever to any Buyer or Seller for the: availability, suitability, unavailability or malfunction of a Communication Link or any part thereof; performance or non-performance of the MTS of their respective obligations under the MTS regulations or otherwise; performance or non-performance of the California Air Resources Board or any California governmental authority of their respective obligations under the Applicable Emissions Law or otherwise; any act or omission of any operator of a Communication Link or any part thereof; or any act or omission of an authorized agent of any other party; or any performance or non-performance by the Clearing House in relation to its serving as a party to the deliveries and the Clearing House shall under no circumstances be liable for any indirect or consequential loss or loss of profits. Additionally, nothing in these Rules will constrain the Clearing House from performing its duties under Clearing House Rule 802.

A Clearing Member that breaches its representation and warranty in Rule 1801.09 shall be liable to the Clearing House and Exchange for their respective losses arising from such breach.