



Chicago Climate Exchange®

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November 15, 2010

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

OFFICE OF THE SECRETARIAT
C.F.T.C.
2010 NOV 16 PM 2 54

Re: **Chicago Climate Futures Exchange, LLC**
Submission No. 10-04
Weekly Notification of Rule Changes

Dear Mr. Stawick:

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

The Exchange is amending Rules 1403(g), 2203(f), 2303(g), 2703(g), 3103(f) and 3903(f) to modify the contract strike price listing procedures for its options on CFI, SFI, NFI-A, RGGI, CCAR-CRT and CFI-US futures contracts. These amendments are effective as of November 15, 2010.

Attached hereto please find a marked copy of revised Chapters 14, 22, 23, 27, 31 and 39 and revised contract specifications for each of the options contracts listed above.

Should you require additional information regarding this submission, please contact me at 312.229.5163. Please reference our submission number 10-04 in any related correspondence.

Very truly yours,

Eric J. Nield
General Counsel

enc.

cc: Riva Adriance
Tom Leahy
Jon Hultquist
Irina Leonova

CHAPTER 14
OPTIONS ON SULFUR FINANCIAL INSTRUMENT FUTURES
CONTRACT SPECIFICATIONS

1401. Scope of Chapter

This Chapter applies to trading in Options on Sulfur Financial Instrument ("SFI") futures contracts ("SFI options"). 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.

1402. Eligibility

Clearing members and Trading Privilege Holders trading in SFI options must have SO₂ registry accounts established with the U.S. Environmental Protection Agency ("EPA").

1403. Contract Specifications

(a) *Contract size.* The contract size for the options calls or puts on Sulfur Financial Instrument futures contract is one (1) Sulfur Financial Instrument futures ("SFI futures") contract which is equivalent to 25 EPA SO₂ emission allowances ("SO₂ Emission Allowances").

(b) *Schedule.*

(i) Standard-cycle Contract Listing: The Exchange may list for trading up to thirty-six consecutive months as well up to eight annual December contracts after the last listed monthly contract.

(ii) CCFE may list any other calendar month contract off the standard-cycle listing schedule through the last annual December contract in conjunction with a listed SFI futures contract.

(iii) The trading hours for the SFI options shall be determined by the Exchange from time to time.

(c) *Products.* Within the front two listed contracts and the nearby December contract, the Exchange may offer options on one or more vintage-year specific products having different delivery specifications as follows:

- (i) Front-Year Vintage
- (ii) 1-Year Deferred Vintage
- (iii) 2-Year Deferred Vintage
- (iv) 3-Year Deferred Vintage
- (v) 4-Year Deferred Vintage

- (vi) 5-Year Deferred Vintage
- (vii) 6-Year Deferred Vintage
- (viii) 7-Year Deferred Vintage
- (ix) 8-Year Deferred Vintage
- (x) 9-Year Deferred Vintage
- (xi) 10-Year Deferred Vintage
- (xii) 11-Year Deferred Vintage
- (xiii) 12-Year Deferred Vintage
- (xiv) Additional Deferred Vintages as determined by the Exchange

(d) *Termination of Trading (Contract Expiration).* The last day of trading of a contract is the second Business Day prior to the first position day for the expiring SFI futures contract at the normal Trading Session closing time.

(e) *New Contract Listing.* A new standard-cycle contract month will be listed on the next Business Day following a Contract Expiration.

A new standard-cycle contract month will be listed on the same Business Day as a new contract listing for the underlying SFI futures contracts.

The vintage-year specific products will be listed on the same Business Day as new listings for underlying specific-year vintage product futures contracts.

(f) *Minimum Tick Increment.* The minimum tick increment of the SFI options is \$0.05 per SO₂ Emission Allowance, which is equal to \$1.25 per contract.

(g) *Strike Prices.* ~~Call and put options based on forty strike prices in the series will be listed at the introduction of a contract. 20 strike prices of options will be listed at \$5 increments. Except as the President may from time-to-time prescribe otherwise, options will be listed for trading with particular strike prices for each option vintage and month as follows: (i) at the time options are first listed for trading, they shall be listed with a minimum of ten (10) strike prices each for puts and calls at the prescribed \$5 level; (ii) an option may be delisted, as the President deems appropriate, if for ten (10) consecutive trading days no transaction is executed and there is no open position in such option, with ten listed below the at the money strike price and ten listed above the at the money strike price. 20 strikes will be listed in \$25 increments with 6 listed in increments beginning \$50 below the at the money strike price and 14 listed in increments beginning \$50 above the at the money strike price. Additional strikes will be listed on the trading day following the day a related futures contract settles for the first time above or below an existing option strike price.~~

The Exchange may modify the procedure for the introduction of strike prices as it deems appropriate.

- (h) *Exercise.* SFI options will have a European style exercise after the close of trading on the last trade day option exercise results in an underlying SFI futures contract position in the related contract month. The exercise of a call option will result in the buyer receiving a long position in the underlying SFI futures contract and the seller receiving a short position in the SFI futures contract. The exercise of a put option will result in the buyer receiving a short position in the underlying SFI futures contract and the seller receiving a long position in the underlying SFI futures contract.

Options on positions that are in-the-money at the close on the last day of trading are automatically exercised unless proper instructions are provided to the Clearing Service Provider's clearing system not to exercise an in-the-money option by the Clearing Service Provider's expiration deadline.

Options on positions that are at or out-of-the-money at the close on the last day of trading will automatically expire at 5:00 p.m. Central Time unless contrary instructions are provided to the Clearing Service Provider's clearing system.

- (i) *Reportable Positions.* 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 SFI Options products at the close of trading on any trading day equal to or in excess of twenty-five contracts gross in each option quadrant. If one product within a contract month has a reportable position, all contract months' positions in the option contract and underlying futures contract must be reported.

(j) *Position Limits.* A person may not own or control more than 8,000 contracts, equivalent to 200,000 SO₂ Emission Allowances on a net futures-equivalent basis in each nearby month expiring futures product. Commission Regulation 150.1(f) states that the futures-equivalent value of an option is determined by adjusting the option by its delta coefficient from the previous day.

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 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.

- (k) *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 construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

(l) *Block Trades.* Block trades shall be executed pursuant to the requirements of Rule 412. The minimum Block Trade quantity for the Options on Sulfur Financial Instrument futures 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 SFI options contract and the other leg(s) must have a contract size that is reasonably related to the leg meeting the minimum Block Trade quantity.

(m) *Premium Payment.* The option premium must be paid by each option customer to its Clearing Member for purchased options within a reasonable time and the Clearing Member must pay the option premium to the Clearing Service Provider.



Chicago Climate Futures Exchange, LLC
Sulfur Financial Instrument Futures Options Contract Specifications

Contract Size	One CCFE Sulfur Financial Instrument futures contract (of a specified contract month) of 25 U.S EPA SO ₂ Emission Allowances
Quotation	US dollars
Minimum Tick Increment	\$.05 per allowance = \$1.25 per contract
Symbols	SFIC, SFIP
Trading Hours	7:00 a.m. – 3:00p.m. Central Time
Strike Price Intervals	Strike prices of options will be listed at \$5 increments. At the time options are first listed for trading, they shall be listed with a minimum of ten (10) strike prices each for puts and calls at the prescribed \$5 level.
Contract Listing Cycle	<p>1. Standard-cycle contract listings:</p> <ul style="list-style-type: none"> a. Thirty-six consecutive monthly contracts; and b. Up to eight annual December contracts <p>2. CCFE may list any other calendar month contract off the standard-cycle listing schedule through the last annual December contract in conjunction with a listed Sulfur Financial Instrument futures contract.</p>
Products	<p>Within the front-two listed contracts and the nearby December contract, the Exchange may offer one or more vintage-year specific products having different delivery specifications as follows:</p> <ul style="list-style-type: none"> 1. Front-Year Vintage 2. 1-Year Deferred Vintage 3. 2-Year Deferred Vintage 4. 3-Year Deferred Vintage 5. 4-Year Deferred Vintage 6. 5-Year Deferred Vintage 7. 6-Year Deferred Vintage 8. 7-Year Deferred Vintage 9. 8-Year Deferred Vintage 10. 9-Year Deferred Vintage 11. 10-Year Deferred Vintage 12. 11-Year Deferred Vintage 13. 12-Year Deferred Vintage 14. Additional Deferred Vintages as determined by CCFE
First Trading Day	<p>A new contract month will listed on the same Business Day as a new contract listing for the underlying Sulfur Financial Instrument futures.</p> <p>The vintage-year specific products will be listed on the same Business Day as new listings for underlying specific-year vintage product futures.</p>
Last Trading Day	The last day of trading is the second business day prior to the first position day for the expiring underlying futures contract.
Exercise	European style. Option exercise results in an underlying futures position in the related contract month. Options in-the-money at the close on the last day of

	trading are automatically exercised unless proper instructions are provided to the CCFE CSP's clearing system not to exercise an in-the-money options by the expiration deadline. (Instructions may also be provided to the CCFE CSP's clearing system to exercise an at or out-of-the money option.)
Expiration	Unexercised CCFE SFI futures options shall expire at 5:00 p.m. on the last day of trading.
Option Premium	The CCFE CSP will collect the full option premium from the buyer clearing member and pay the full option premium to the seller clearing member on the day of trade in accordance with CCFE CSP's procedures.
Price Limits	None
Reportable Position Limits	25 contracts gross in each option quadrant
Nearby Expiration Month Speculative Position Limits	8,000 contracts (equivalent to 200,000 U.S. EPA SO ₂ Emission Allowances) on a net futures-equivalent basis.

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.

Effective: August 14, 2010

CHAPTER 22
OPTIONS ON CARBON FINANCIAL INSTRUMENT FUTURES
CONTRACT SPECIFICATIONS

2201. Scope of Chapter

This Chapter applies to trading in options on Carbon Financial Instrument (“CFI”) futures contracts (“CFI options”). 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.

2202. Eligibility

In order to make or take delivery of Carbon Financial Instrument futures (“CFI futures”) resulting from the exercise or assignment of CFI options, Clearing Members, Trading Privilege Holders and other market participants must be a member of the Chicago Climate Exchange (“CCX”) with CCX Trading Platform eligibility and have an established CCX Registry Account prior to the expiration of any CFI futures contract.

2203. Contract Specifications

(a) *Contract size.* The contract size for calls or puts on CFI options is one (1) CFI futures contract which is equivalent to 1,000 metric tons of CCX carbon dioxide allowances.

(b) *Schedule.*

(i) Standard-cycle Contract Listing:

The Exchange may list for trading up to six consecutive quarterly contract months on the March quarterly cycle (March, June, September, December), the front three serial calendar months and up to five annual December contracts after the last listed monthly contract.

(ii) CCFE may list any other calendar month contract off the standard-cycle listing schedule through the last annual December contract.

(iii) The trading hours for the CFI options contract shall be determined by the Exchange from time to time.

(c) *Termination of Trading (Contract Expiration).* The last day of trading of a contract is the second business day prior to the last trading day for the expiring CFI futures contract at the normal Trading Session closing time.

(d) *New Contract Listing.* A new standard-cycle contract month will be listed on the same Business Day as a new contract listing for the underlying CFI futures contract.

(e) *Minimum Tick Increment.* The minimum tick increment of the CFI options contract is 10.00 per contract (i.e., \$0.01 per metric ton of carbon dioxide).

(f) *Strike Prices.* ~~Call and put options based on twenty five strike prices in the series will be listed at the introduction of a contract. Strike prices of options will be listed at \$0.25 increments. Except as the President may from time-to-time prescribe otherwise, options will be listed for trading with particular strike prices for each option vintage and expiration month as follows: (i) at the time options are first listed for trading, they shall be listed with a minimum of ten (10) strike prices each for puts and calls at the prescribed \$0.25 level; (ii) an option may be delisted, as the President deems appropriate, if for ten (10) consecutive trading days no transaction is executed and there is no open position in such option with eight listed below the at the money strike price and sixteen listed above the at the money strike price. Additional strikes will be listed on the trading day following the day a related futures contract settles for the first time above or below an existing option strike price.~~

The Exchange may modify the procedure for the introduction of strike prices as it deems appropriate.

(g) *Exercise.* CFI Options will have a European style exercise after the close of trading on the last trade day. Option exercise results in an underlying CFI futures contract position in the related contract month. The exercise of a call option will result in the buyer receiving a long position in the underlying CFI futures contract and the seller receiving a short position in the underlying CFI futures contract. The exercise of a put option will result in the buyer receiving a short position in the underlying CFI futures contract and the seller receiving a long position in the underlying CFI futures contract.

Options on positions that are in-the-money at the close on the last day of trading are automatically exercised unless proper instructions not to exercise in-the-money options are provide and accepted by the Clearing Service Provider's clearing system by the Clearing Service Provider's expiration deadline.

Options on positions that are at or out-of-the-money at the close on the last day of trading will automatically expire at 5:00 p.m. Central Time absent contrary instructions that are provided to the Clearing Service Provider's clearing system.

(i) *Reportable Positions.* 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 CFI options products at the close of trading on any trading.

day equal to or in excess of twenty-five contracts gross in each option quadrant. If one product within a contract month has a reportable position, all contract months' positions in the option contract and underlying futures contract must be reported.

(j) *Position Limits.* A person may not own or control more than 4,000 contracts on a net futures-equivalent basis in each nearby month expiring futures product, equivalent to 4000 CFI futures contracts (i.e., 4,000,000 metric tons of carbon dioxide). Commission Regulation 150.1(f) states that the futures-equivalent value of an option is determined by adjusting the option by its delta coefficient from the previous day.

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 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.

(k) *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 construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

(l) *Block Trades.* Block trades shall be executed pursuant to the requirements of Rule 412. The minimum Block Trade quantity for the CFI options 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 CFI options contract and the other leg(s) must have a contract size that is reasonably related to the leg meeting the minimum Block Trade quantity.

(m) *Premium Payment.* The option premium must be paid by each option customer to its Clearing Member for purchased options within a reasonable time and the Clearing Member must pay the option premium to the Clearing Service Provider.



Chicago Climate Futures Exchange, LLC
Options on Carbon Financial Instrument Futures Contract Specifications

Contract Size	One CCFE Carbon Financial Instrument futures contract (of a specified contract month)
Quotation	US dollars / metric ton CO ₂
Minimum Tick Increment	\$0.01 per metric ton = \$10.00 per contract
Symbol	CFIPDC, CFIPDP
Trading Hours	7:00 a.m. – 3:00 p.m. Central Time
Strike Price Intervals	Strike prices of options will be listed at \$0.25 increments. At the time options are first listed for trading, they shall be listed with a minimum of ten (10) strike prices each for puts and calls at the prescribed \$0.25 level.
Contract Listing Cycle	<ol style="list-style-type: none"> 1. Standard contract listing: <ol style="list-style-type: none"> a. Up to six consecutive quarterly contracts; b. Front three serial calendar months; and c. Up to five annual December contracts after the last listed quarterly contract. 2. CCFE may list any other calendar month contracts off the standard-cycle listing schedule through the last annual December contract in conjunction with the Carbon Financial Instrument contract.
First Trading Day	A new contract month will listed on the same Business Day as a new contract listing for the underlying CFI futures contract.
Last Trading Day	The last day of trading is the second business day prior to the last trading day for the expiring underlying futures contract.
Exercise	European style. Option exercise results in an underlying futures position in the related contract month. Options in-the-money at the close on the last day of trading are automatically exercised unless proper instructions are provided to the CCFE Clearing System Provider ("CSP") clearing system not to exercise an in-the-money options by the expiration deadline. (Instructions may also be input to the CCFE CSP's clearing systems to exercise an out-of-the money option.)
Expiration	Unexercised CCFE CFI options shall expire at 5:00 p.m. on the last day of trading.
Option Premium	The CCFE CSP will collect the full option premium from the buyer clearing member and pay the full option premium to the seller clearing member on the day of trade in accordance with CCFE CSP's procedures.
Price Limits	None
Reportable Position Limits	25 contracts gross in each option quadrant

Nearby Expiration Month Speculative Position Limits	4,000 contracts on a net futures-equivalent basis.
Block Trade Minimum	100 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.

Effective: October 9, 2009

CHAPTER 23
OPTIONS ON NITROGEN FINANCIAL INSTRUMENT
(ANNUAL) FUTURES CONTRACT SPECIFICATIONS

2301. Scope of Chapter

This Chapter applies to trading in Options on Nitrogen Financial Instrument (Annual) ("NFI-A") futures contracts ("NFI-A options"). 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.

2302. Eligibility

In order to make or take delivery of NFI-A options resulting from the exercise or assignment of NFI-A futures, Clearing Members, Trading Privilege Holders and other market participants must open and maintain a CAIR (Clean Air Interstate Rule) Annual NOx (Nitrogen Oxide) general account established with the U.S. Environmental Protection Agency ("EPA") CAIR Annual NOx Allowance Tracking System.

2303. Contract Specifications

(a) *Contract size.* The contract size for calls or puts on NFI-A options is one (1) Nitrogen Financial Instrument (Annual) futures ("NFI-A futures") contract which is equivalent to 1 ton of nitrous oxide.

(b) *Schedule.*

(i) Standard-cycle Contract Listing: The Exchange may list contracts for trading up to thirty-six consecutive months as well up to four annual December contracts after the last listed monthly contract.

(ii) CCFE may list any other calendar month contract off the standard-cycle listing schedule through the last annual December contract in conjunction with a listed NFI-A futures contract.

(iii) The trading hours for the NFI-A options shall be determined by the Exchange from time to time.

(c) *Products.* Within the front two listed contracts and the nearby December contract, the Exchange may offer options on one or more vintage-year specific products having different delivery specifications as follows:

- (i) Current-Year Vintage (starting with 2009)
- (ii) 1-Year Deferred Vintage
- (iii) 2-Year Deferred Vintage
- (iv) 3-Year Deferred Vintage

- (v) 4-Year Deferred Vintage
- (vi) 5-Year Deferred Vintage
- (vii) Additional Deferred Vintages as determined by the Exchange

(d) *Termination of Trading (Contract Expiration).* The last day of trading of a contract is the second Business Day prior to the first position day for the expiring NFI-A futures contract at the normal Trading Session closing time.

(e) *New Contract Listing.* A new standard-cycle contract month will be listed on the same Business Day as a new contract listing for the underlying NFI-A futures contracts.

The vintage-year specific products will be listed on the same Business Day as new listings for underlying specific-year vintage product futures contracts.

(f) *Minimum Tick Increment.* The minimum tick increment of the NFI-A options is equal to \$0.50 per contract (\$0.50 per U.S. EPA CAIR Annual NOx Allowance).

~~(g) Call and put options based on forty strike prices in the series may be listed at the introduction of a contract. 20 Strike prices of options will~~ may be listed at \$25 increments with ten listed below the at the money strike price and ten listed above the at the money strike price. Except as the President may from time-to-time prescribe otherwise, options will be listed for trading with particular strike prices for each option vintage and expiration month as follows: (i) at the time options are first listed for trading, they shall be listed with a minimum of ten (10) strike prices each for puts and calls at the prescribed \$25 level; (ii) an option may be delisted, as the President deems appropriate, if for ten (10) consecutive trading days no transaction is executed and there is no open position in such option. ~~20 strike prices may be listed in \$250 increments with 6 listed in increments beginning \$250 below the at the money strike price and 14 listed in increments beginning \$250 above the at the money strike price. Additional strikes will be listed on the trading day following the day a related futures contract settles for the first time above or below an existing option strike price.~~

The Exchange may modify the procedure for the introduction of strike prices as it deems appropriate.

(h) *Exercise.* NFI-A options will have a European style exercise after the close of trading on the last trade day. Option exercise results in an underlying NFI-A futures contract position in the related contract month. The exercise of a call option will result in the buyer receiving a long position in the underlying NFI-A futures contract and the seller receiving a short position in the NFI-A futures contract. The exercise of a put option will result in the buyer receiving a short position in the underlying NFI-A futures contract and the seller receiving a long position in the underlying NFI-A futures contract.

Options on positions that are in-the-money at the close on the last day of trading are automatically exercised unless proper instructions are provided to the Clearing Service Provider's clearing system not to exercise an in-the-money option by the Clearing Service Provider's expiration deadline.

Options on positions that are at or out-of-the-money at the close on the last day of trading will automatically expire at 5:00 p.m. Central Time unless contrary instructions are provided to the Clearing Service Provider's clearing system.

(i) *Reportable Positions.* 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 NFI-A options products at the close of trading on any trading day equal to or in excess of twenty-five contracts gross in each option quadrant. If one product within a contract month has a reportable position, all contract months' positions in the option contract and underlying futures contract must be reported.

(j) *Position Limits.* A person may not own or control more than 5,000 contracts, equivalent to 5,000 U.S. EPA CAIR Annual NO_x Emission Allowances on a net futures-equivalent basis in each nearby month expiring futures product. Commission Regulation 150.1(f) states that the futures-equivalent value of an option is determined by adjusting the option by its delta coefficient from the previous day.

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 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.

(k) *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 construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

(l) *Block Trades.* Block trades shall be executed pursuant to the requirements of Rule 412. The minimum Block Trade quantity for the Options on Nitrogen Financial Instrument (Annual) futures 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 NFI-A options contract and the other legs(s) must have a contract size that is reasonably related to the leg meeting the minimum Block Trade quantity.

(m) *Premium Payment.* The option premium must be paid by each option customer to its Clearing Member for purchased options within a reasonable time and the Clearing Member must pay the option premium to the Clearing Service Provider.



**Chicago Climate Futures Exchange, LLC
Nitrogen Financial Instrument (Annual) Futures Options Contract Specifications**

Contract Size	One CCFE Nitrogen Financial Instrument (Annual) futures contract (of a specified contract month)
Quotation	US dollars
Minimum Tick Increment	\$0.50 per ton = \$0.50 per contract
Symbols	NFI-AC, NFI-AP
Trading Hours	7:00 a.m. – 3:00 p.m. U.S. Central Time
Strike Price Intervals	Strike prices of options will be listed at \$25 increments. At the time options are first listed for trading, they shall be listed with a minimum of ten (10) strike prices each for puts and calls at the prescribed \$25 level.
Contract Listing Cycle	<ol style="list-style-type: none"> 1. Standard-cycle <ol style="list-style-type: none"> a. May list up to thirty-six consecutive contract months; and b. Up to four annual December contracts after the last listed monthly contract 2. CCFE may list any other calendar month contract off the standard-cycle listing schedule through the last annual December contract in conjunction with a listed Nitrogen Financial Instrument (Annual) futures contract.
Products	<p>Within the front two listed contracts and the nearby December contract, the Exchange may offer one or more vintage-year specific products having different delivery specifications as follows:</p> <ol style="list-style-type: none"> 1. Current Year Vintage 2. 1-Year Deferred Vintage 3. 2-Year Deferred Vintage 4. 3-Year Deferred Vintage 5. 4-Year Deferred Vintage 6. 5-Year Deferred Vintage 7. Additional Deferred Vintages as determined by CCFE
First Trading Day	A new contract month will listed on the same Business Day as a new contract listing for the underlying Nitrogen Financial Instrument (Annual) futures.
Last Trading Day	The last day of trading is the second business day prior to the first position day for the expiring underlying futures contract.
Exercise	European style. Option exercise results in an underlying futures position in the related contract month. Options in-the-money at the close on the last day of trading are automatically exercised unless proper instructions are provided to the CCFE CSP's clearing system not to exercise an in-the-money options by the expiration deadline. (Instructions may also be provided to the CCFE CSP's clearing system to exercise an out-of-the money option.)
Expiration	Unexercised CCFE NFI-A futures options shall expire at 5:00 P.M. U.S. Central Standard Time on the last day of trading.
Option Premium	The CCFE CSP will collect the full option premium from the buyer clearing member and pay the full option premium to the seller clearing member on the

	day of trade in accordance with CCFE CSP procedures.
Price Limits	No daily price limits
Reportable Position Limits	25 contracts gross in each option quadrant
Nearby Expiration Month Speculative Position Limits	5,000 contracts, equivalent to 5,000 U.S. EPA CAIR Annual NOx Emission Allowances, on a net futures-equivalent basis.
Minimum Block Size	50 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.

Effective: July 27, 2009

CHAPTER 27
OPTIONS ON REGIONAL GREENHOUSE GAS INITIATIVE FUTURES
CONTRACT SPECIFICATIONS

2701. Scope of Chapter

This Chapter applies to trading in Options on Regional Greenhouse Gas Initiative ("RGGI") futures contracts ("RGGI options"). 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.

2702. Eligibility

In order to make or take delivery of RGGI CO₂ allowances resulting from the exercise or assignment of RGGI options, Clearing Members, Trading Privilege Holders, and other market participants must have a RGGI CO₂ Allowance Tracking System ("COATS") account established with the RGGI CO₂ Budget Trading Program.

2703. Contract Specifications

(a) *Contract size.* The contract size for calls or puts on RGGI options is one (1) RGGI futures contract which is equivalent to 1,000 RGGI CO₂ allowances.

(b) *Schedule.*

(i) Standard-cycle Contract Listing: The Exchange may list for trading up to 16 consecutive quarterly contract months on the March quarterly cycle (March, June, September, December) as well as up to 48 consecutive monthly contracts and up to 16 annual December contracts.

(ii) CCFE may list any other calendar month contract off the standard- cycle listing schedule through the last annual December contract.

(iii) The trading hours for the RGGI options contract shall be determined by the Exchange from time to time.

(c) Within any listed contract, CCFE may offer options on one or more vintage specific products having different delivery specifications as follows:

- (i) Control Period Specific Vintage
- (ii) Front-Year Vintage
- (iii) 1-Year Deferred Vintage
- (iv) 2-Year Deferred Vintage
- (v) 3-Year Deferred Vintage
- (vi) 4-Year Deferred Vintage

- (vii) Additional Deferred Vintages as determined by CCFE
- (viii) Any Previous Deferred Vintages available in the RGGI COATS

(d) *Termination of Trading (Contract Expiration)*. The last day of trading of a contract is the second business day prior to the last trading day for the expiring RGGI futures contract.

(e) *New Contract Listing*. A new standard-cycle contract month will be listed on the same Business Day as a new contract listing for the underlying RGGI futures contract.

(f) *Minimum Tick Increment*. The minimum tick increment of the RGGI options contract is \$0.01 per RGGI CO₂ allowance, which is equal to \$10.00 per contract.

(g) *Strike Prices*. ~~Call and put options based on up to seventy-five (75) strike prices in the series will be listed at the introduction of a contract. Strike prices of options will be listed at \$0.205 increments. Except as the President may from time-to-time prescribe otherwise, options will be listed for trading with particular strike prices for each option vintage and expiration month as follows: (i) at the time options are first listed for trading, they shall be listed with a minimum of ten (10) strike prices each for puts and calls at the prescribed \$0.25 level; (ii) an option may be delisted, as the President deems appropriate, if for ten (10) consecutive trading days no transaction is executed and there is no open position in such option, with up to ten (10) listed below the at the money strike price and up to fifteen (15) listed above the at the money strike price. In addition, strike prices will be listed at \$0.25 increments with up to four (4) listed beginning \$0.50 below the at the money strike price and up to forty six (46) listed beginning \$0.75 above the at the money strike price. Additional strikes may be listed on the trading day following the day a related futures contract settles for the first time above or below an existing option strike price.~~

The Exchange may modify the procedure for the introduction of strike prices as it deems appropriate.

(h) *Exercise*. RGGI options will have a European style exercise after the close of trading on the last trade day. Option exercise results in an underlying RGGI futures contract position in the related contract month. The exercise of a call option will result in the buyer receiving a long position in the underlying RGGI futures contract and the seller receiving a short position in the underlying RGGI futures contract. The exercise of a put option will result in the buyer receiving a short position in the underlying RGGI futures contract and the seller receiving a long position in the underlying RGGI futures contract.

Options on positions that are in-the-money at the close on the last day of trading are automatically exercised unless proper instructions not to exercise in-the-money options are provided and accepted by the Clearing Service Provider's clearing system by the Clearing Service Provider's expiration deadline.

Options on positions that are at or out-of-the-money at the close on the last day of trading will automatically expire at 5:00 p.m. Central Time unless contrary instructions are provided to the Clearing Service Provider's clearing system.

(i) *Reportable Positions.* 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 RGGI option products at the close of trading on any trading day equal to or in excess of 25 contracts gross in each option quadrant. If one product within a contract month has a reportable position, all contract months' positions in the option contract and underlying futures contract must be reported.

(j) *Position Limits.* A person may not own or control more than 1,000 contracts, equivalent to 1,000,000 RGGI CO₂ allowances on a net futures-equivalent basis for RGGI futures, RGGI options on futures, and RGGI options on mid-month expiration futures in each nearby month expiring futures product. Commission Regulation 150.1(f) states that the futures-equivalent value of an option is determined by adjusting the option by its delta coefficient from the previous day.

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 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.

(k) *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 construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

(l) *Block Trades.* Block trades shall be executed pursuant to the requirements of Rule 412. The minimum Block Trade quantity for the RGGI options 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 RGGI options contract and the other legs(s) must have a contract size that is reasonably related to the leg meeting the minimum Block Trade quantity.

(m) *Premium Payment.* The option premium must be paid by each option customer to its Clearing Member for purchased options within a reasonable time and the Clearing Member must pay the option premium to the Clearing Service Provider.



**Chicago Climate Futures Exchange, LLC
Regional Greenhouse Gas Initiative ("RGGI") Futures Options Contract Specifications**

Contract Size	One CCFE Regional Greenhouse Gas Initiative ("RGGI") futures contract (of a specified contract month and vintage)
Quotation	US dollars
Minimum Tick Increment	\$0.01 per RGGI CO ₂ allowance = \$10.00 per contract
Symbols	RGGIC, RGGIP
Trading Hours	7:00 a.m. – 3:00 p.m. Central Time
Strike Price Intervals	Strike prices of options will be listed at \$0.25 increments. At the time options are first listed for trading, they shall be listed with a minimum of ten (10) strike prices each for puts and calls at the prescribed \$0.25 level.
Contract Months	Standard-cycle contract listings: a. Up to 16 Consecutive Quarterly Contracts on a March, June, September, December cycle b. Up to 48 Consecutive Monthly Contracts c. Up to 12 Annual December Contracts
First Trading Day	The first trading day of a standard-cycle contract is the first business day following an expiration day of standard-cycle contract.
Last Trading Day	The last day of trading is the second business day prior to the last trading day for the expiring underlying futures contract.
Exercise	European style. Option exercise results in an underlying futures position in the related contract month. Options in-the-money at the close on the last day of trading are automatically exercised unless proper instructions are provided to the CCFE Clearing Service Provider ("CSP") not to exercise an in-the-money options by the expiration deadline. (Instructions may also be provided to the CCFE CSP to exercise an out-of-the-money option.)
Expiration	Unexercised CCFE RGGI options shall expire at 5:00 p.m. on the last day of trading.
Option Premium	The CCFE CSP will collect the full option premium from the buyer clearing member and pay the full option premium to the seller clearing member on the day of trade in accordance with CCFE CSP procedures.
Price Limits	None
Reportable Position Limits	25 contracts gross in each option quadrant
Nearby Expiration Month	1,000 contracts on a net futures-equivalent basis.
Block Trade Minimum	10 contracts, equivalent to 10,000 RGGI CO ₂ allowances per each expiring contract.

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.

Effective: February 15, 2010

CHAPTER 31
OPTIONS ON CALIFORNIA CLIMATE ACTION REGISTRY
- CLIMATE RESERVE TONNES FUTURES
CONTRACT SPECIFICATIONS

3101. Scope of Chapter

This Chapter applies to trading in Options on California Climate Action Registry – CLIMATE RESERVE TONNES™ (“CCAR-CRT™”) futures contracts. 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.

3102. Eligibility

In order to make or take delivery of CLIMATE RESERVE TONNES resulting from the exercise of CCAR-CRT options, Clearing Members, Trading Privilege Holders, and other market participants must open and maintain an account in the Climate Action Reserve tracking registry.

3103. Contract Specifications

(a) *Contract size.* The contract size for the Options calls or puts on the CCAR-CRT futures contract is one (1) CCAR-CRT futures contract which is equivalent to 1,000 CLIMATE RESERVE TONNES.

(b) *Schedule.*

(i) Standard-cycle Contract Listing: The Exchange may list for trading up to ten consecutive yearly contract months on the December cycle.

(ii) CCFE may list any other contracts off the standard-cycle listing schedule to the last listed December contract

(iii) The trading hours for the Options on CCAR-CRT futures contract shall be determined by the Exchange from time to time.

(c) *Termination of Trading (Contract Expiration).* The last day of trading is the second business day prior to the last trading day for the expiring underlying CCAR-CRT futures contract.

(d) *New Contract Listing.* The first trading day of a standard-cycle contract is the first business day following an expiration day of standard-cycle contract.

(e) *Minimum Tick Increment.* The minimum tick increment of the Options on CCAR-CRT futures contract is \$0.01 per Climate Reserve Ton, which is equal to \$10.00 per contract.

~~(f) *Strike Prices.* Call and Put options based on up to seventy three strike prices in the series will be listed at the introduction of a contract. Strike prices of options will be listed at \$0.25 increments. Except as the President may from time-to-time prescribe otherwise, options will be listed for trading with particular strike prices for each option vintage and expiration month as follows: (i) at the time options are first listed for trading, they shall be listed with a minimum of ten (10) strike prices each for puts and calls at the prescribed \$0.25 level; (ii) an option may be delisted, as the President deems appropriate, if for ten (10) consecutive trading days no transaction is executed and there is no open position in such option, with up to 24 listed below the at the money strike price and up to 48 listed above the at the money strike price. Additional strikes will be listed on the trading day following the day a related futures contract settles for the first time above or below an existing option strike price.~~

The Exchange may modify the procedure for the introduction of strike prices as it deems appropriate.

(g) *Exercise.* Options on CCAR-CRT futures contracts will have a European style exercise after the close of trading on the last trade day. Option exercise results in an underlying CCAR-CRT futures contract position in the related contract month. The exercise of a Call option will result in the buyer receiving a long position in the underlying CCAR-CRT futures contract and the seller receiving a short position in the underlying CCAR-CRT futures contract. The exercise of a Put option will result in the buyer receiving a short position in the underlying CCAR-CRT futures contract. Options on positions that are in-the-money at the close on the last day of trading are automatically exercised unless other instructions are provided to and are accepted by the Clearing Service Provider. Options on positions that are out-of-the-money at the close on the last day of trading will automatically expire at 5:00 p.m. Central Time absent contrary instructions that are accepted by the Clearing Service Provider.

(h) *Reportable Positions.* 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 Options on CCAR-CRT futures products at the close of trading on any trading day equal to or in excess of twenty-five contracts gross in each option quadrant. If one product within a contract month has a reportable position, all contract months' positions in the option contract and underlying futures contract must be reported.

(i) *Position Limits.* A person may not own or control more than 100 contracts, equivalent to 100,000 CLIMATE RESERVE TONNES on a net futures-equivalent basis in each nearby month expiring futures product. Commission Regulation 150.1(f) states that the futures-equivalent value of an option is determined by adjusting the option by its delta coefficient from the previous day. 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(e); 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.

(j) *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 construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

(k) *Block Trades.* Block trades shall be executed pursuant to the requirements of Rule 412. The minimum Block Trade quantity for the Options on CCAR-CRT futures 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 Options on CCAR-CRT futures contract and the other legs(s) must have a contract size that is reasonably related to the leg meeting the minimum Block Trade quantity.

(l) *Premium Payment.* The option premium must be paid by each option customer to its Clearing Member for purchased options within a reasonable time and the Clearing Member must pay the option premium to the Clearing Service Provider

3103. Service Marks of Climate Action Reserve

CLIMATE RESERVE TONNESTM and CRTTM are certification marks of the Climate Action Reserve and the Reserve is not affiliated with, and has not sponsored, endorsed or approved the products or services of CCFE.



Chicago Climate Futures Exchange, LLC
California Climate Action Registry – CLIMATE RESERVE TONNES™
Options on Futures Contract Specifications

Contract Size	One CCFE California Climate Action Registry – CLIMATE RESERVE TONNES futures contract (of a specified contract month)
Quotation	US dollars / metric ton CO ₂
Minimum Tick Increment	\$0.01 per metric ton = \$10.00 per contract
Symbols	CCAR-CRTC, CCAR-CRTP
Trading Hours	7:00 a.m. – 3:00 p.m. Central Time
Strike Price Intervals	Strike prices of options will be listed at \$0.25 increments. At the time options are first listed for trading, they shall be listed with a minimum of ten (10) strike prices each for puts and calls at the prescribed \$0.25 level.
Contract Month	Consecutive year contracts on the December cycle for 10 consecutive years. CCFE may list any other contracts off the standard-cycle listing schedule to the last listed December contract.
First Trading Day	A new contract month will listed on the same business day as a new contract listing for the underlying California Climate Action Registry – Climate Reserve Tonnes futures contract.
Last Trading Day	The last day of trading is the second business day prior to the last trading day for the expiring underlying futures contract.
Exercise	European style. Option exercise results in an underlying futures position in the related contract month. Options in-the-money at the close on the last day of trading are automatically exercised unless proper instructions are provided to the CCFE Clearing Service Provider (“CSP”) not to exercise an in-the-money option by the expiration deadline. (Instructions may also be provided to the CCFE CSP’s clearing system to exercise an out-of-the money option.)
Expiration	Unexercised CCFE CCAR-CRT™ options shall expire at 5:00 p.m. on the last day of trading.
Option Premium	The CCFE CSP will collect the full option premium from the buyer clearing member and pay the full option premium to the seller clearing member on the day of trade in accordance with CCFE CSP procedures.
Price Limits	None
Reportable Position Limits	25 contracts gross in each option quadrant
Nearby Expiration Month Speculative Position Limits	100 contracts on a net futures-equivalent basis
Minimum Block Size	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.

"CLIMATE RESERVE TONNES™ and CRT™ are certification marks of the Climate Action Reserve and the Reserve is not affiliated with, and has not sponsored, endorsed or approved the products or services of CCFE.

Effective: May 4, 2009

CHAPTER 39
OPTIONS ON CARBON FINANCIAL INSTRUMENT UNITED STATES
FUTURES
CONTRACT SPECIFICATIONS

3901. Scope of Chapter

This Chapter applies to trading in options on Carbon Financial Instrument United States ("CFI-US") futures contracts ("CFI-US options"). 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.

3902. Eligibility

In order to make or take delivery of CFI-US futures resulting from the exercise or assignment of CFI-US options, Clearing Members, Trading Privilege Holders and other market participants must have appropriate registry accounts established prior to the expiration of any CFI-US futures contract.

3903. Contract Specifications

(a) *Contract size.* The contract size for calls or puts on CFI-US options is one (1) CFI-US futures contract which is 1,000 metric tons of carbon dioxide (CO₂) equivalent.

(b) *Schedule.*

(i) Standard-cycle Contract Listing:

Initial listings will be a January 2013 expiration contract, and annual December expiration contracts 2011 through 2015.

(ii) The Exchange may list any other calendar month contract off the standard-cycle listing schedule through the last annual December contract.

(iii) The trading hours for the CFI-US options contract shall be determined by the Exchange from time to time.

(c) *Termination of Trading (Contract Expiration).* The last day of trading of a contract is the second business day prior to the last trading day for the expiring CFI-US futures contract at the normal Trading Session closing time.

(d) *New Contract Listing.* A new standard-cycle contract month will be listed on the same Business Day as a new contract listing for the underlying CFI-US futures contract.

(e) *Minimum Tick Increment.* The minimum tick increment of the CFI-US options contract is 10.00 per contract (i.e., \$0.01 per metric ton of carbon dioxide).

~~(f) *Strike Prices.* Call and put options based on twenty five strike prices in the series will be listed at the introduction of a contract. Strike prices will be listed at \$1.00 increments. Except as the President may from time-to-time prescribe otherwise, options will be listed for trading with particular strike prices for each option vintage and expiration month as follows: (i) at the time options are first listed for trading, they shall be listed with a minimum of ten (10) strike prices each for puts and calls at the prescribed \$1.00 level; (ii) an option may be delisted, as the President deems appropriate, if for ten (10) consecutive trading days no transaction is executed and there is no open position in such option, with 8 listed below the at the money strike price and 16 listed above the at the money strike price. Additional strikes will be listed on the trading day following the day a related futures contract settles for the first time above or below an existing option strike price.~~

The Exchange may modify the procedure for the introduction of strike prices as it deems appropriate.

(g) *Exercise.* CFI-US options will have a European style exercise after the close of trading on the last trade day. Option exercise results in an underlying CFI-US futures contract position in the related contract month. The exercise of a call option will result in the buyer receiving a long position in the underlying CFI-US futures contract and the seller receiving a short position in the underlying CFI-US futures contract. The exercise of a put option will result in the buyer receiving a short position in the underlying CFI-US futures contract and the seller receiving a long position in the underlying CFI-US futures contract.

Options on positions that are in-the-money at the close on the last day of trading are automatically exercised unless proper instructions not to exercise in-the-money options are provided to and accepted by the Clearing Service Provider's clearing system by the Clearing Service Provider's expiration deadline.

Options on positions that are at or out-of-the-money at the close on the last day of trading will automatically expire at 5:00 p.m. Central Time absent contrary instructions that are provided to the Clearing Service Provider's clearing system.

(i) *Reportable Positions.* 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 CFI-US options products at the close of trading on any trading day equal to or in excess of twenty-five contracts gross in each option quadrant. If one product within a contract month has a reportable position, all

contract months' positions in the option contract and underlying futures contract must be reported.

(j) *Position Limits.* A person may not own or control more than 1,000 contracts on a net futures-equivalent basis in each nearby month expiring futures product, equivalent to 1000 CFI-US futures contracts (i.e., 1,000,000 metric tons of carbon dioxide). Commission Regulation 150.1(f) states that the futures-equivalent value of an option is determined by adjusting the option by its delta coefficient from the previous day.

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 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.

(k) *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 contracts shall be subject to such government orders.

(l) *Block Trades.* Block trades shall be executed pursuant to the requirements of Rule 412. The minimum Block Trade quantity for the CFI-US options 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 CFI-US options contract and the other leg(s) must have a contract size that is reasonably related to the leg meeting the minimum Block Trade quantity.

(m) *Premium Payment.* The option premium must be paid by each option customer to its Clearing Member for purchased options within a reasonable time and the Clearing Member must pay the option premium to the Clearing Service Provider.



Chicago Climate Futures Exchange, LLC
Options on Carbon Financial Instrument United States Futures Contract Specifications

Contract Size	One CCFE Carbon Financial Instrument United States futures contract (of a specified contract month)
Quotation	US dollars / metric ton CO ₂
Minimum Tick Increment	\$0.01 per metric ton = \$10.00 per contract
Symbol	CFI-USC, CFI-USP
Trading Hours	7:00 a.m. – 3:00 p.m. Central Time
Strike Price Intervals	Strike prices of options will be listed at \$1 increments. At the time options are first listed for trading, they shall be listed with a minimum of ten (10) strike prices each for puts and calls at the prescribed \$1 level.
Contract Listing Cycle	<ol style="list-style-type: none"> 1. Initial listings will be a January 2013 expiration contract, and annual December expiration contracts 2011 through 2015. 2. Other annual, quarterly or monthly contract months will be listed as determined by CCFE
First Trading Day	A new contract month will be listed on the same Business Day as a new contract listing for the underlying CFI-US futures contract.
Last Trading Day	The last day of trading is the second business day prior to the last trading day for the expiring underlying futures contract.
Exercise	European style. Option exercise results in an underlying futures position in the related contract month. Options in-the-money at the close on the last day of trading are automatically exercised unless proper instructions are provided to the CCFE Clearing System Provider ("CSP") clearing system not to exercise an in-the-money options by the expiration deadline. (Instructions may also be input to the CCFE CSP's clearing systems to exercise an out-of-the money option.)
Expiration	Unexercised CCFE CFI options shall expire at 5:00 p.m. on the last day of trading.
Option Premium	The CCFE CSP will collect the full option premium from the buyer clearing member and pay the full option premium to the seller clearing member on the day of trade in accordance with CCFE CSP's procedures.
Price Limits	None
Reportable Position Limits	25 contracts gross in each option quadrant
Nearby Expiration Month Speculative Position Limits	1,000 contracts on a net futures-equivalent basis.
Block Trade Minimum	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.

Effective: October 2, 2009