

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 19-054

Organization: New York Mercantile Exchange, Inc. ("NYMEX")

Filing as a:  DCM  SEF  DCO  SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): January 14, 2019 Filing Description: Modifications to the German Power Market Maker European Power Liquidity Program

**SPECIFY FILING TYPE**

Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers: Not Applicable

**New Product**

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Official Product Name:

**Product Terms and Conditions (product related Rules and Rule Amendments)**

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected:

Rule Numbers:

January 14, 2019

**VIA ELECTRONIC PORTAL**

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

**RE:      Modifications to the ~~German Power Market Maker~~ European Power Liquidity  
            Program  
            NYMEX Submission No. 19-054**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") of plans to modify the ~~German Power Market Maker~~ European Power Liquidity Program ("Program"). The modifications to the Program will become effective on February 1, 2019.

Exhibit 1 sets forth the terms of this Program. Modifications appear below, with additions underlined and deletions ~~overstruck~~.

The Exchange reviewed the designated contract market Core Principles as set forth in the Commodity Exchange Act ("CEA"). During the review, NYMEX staff identified the following Core Principles as potentially being impacted: Monitoring of Trading, Execution of Transactions, Protection of Market Participants, Compliance with Rules, and Recordkeeping.

The Program does not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA. The Exchange's market regulation staff will monitor trading in the Program's products to prevent manipulative trading and market abuse. Additionally, NYMEX has implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The products included in this Program are listed for trading in the open and competitive market. Participants in the Program are selected by Exchange staff using criteria as further stated in Exhibit 1. Chapter 4 of the NYMEX rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must expressly agree to comply with and be subject to, applicable regulations and NYMEX rules. The Program is subject to the Exchange's record retention policies which comply with the CEA.

The Exchange certifies that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information regarding this submission, please e-mail [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com) or contact Rachel Johnson at 312-466-4393 or via e-mail at [Rachel.Johnson@cmegroup.com](mailto:Rachel.Johnson@cmegroup.com). Please reference our NYMEX Submission No. 19-054 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment:      Exhibit 1

# EXHIBIT 1

## **German Power Market Maker European Power Liquidity Program**

### **Program Purpose**

The purpose of this Program is to build liquidity in the power products listed below. The resulting increase in central limit order book liquidity benefits all participant segments in the market.

### **Product Scope**

German Power Baseload Calendar Month Futures (“DEB”), ~~and German Power Peakload Calendar Month Futures (“DEP”), Italian Power Baseload (GME) Calendar Month Futures (“ITB”), and Italian Power Peakload (GME) Calendar Month Futures (“ITP”)~~ that are traded on the CME Globex Platform (“Products”).

### **Eligible Participants**

There is no limit to the number of participants in the Program. Participants may be NYMEX members or non-members.

### **Program Term**

Start date is November 1, 2017. End date is ~~January 31, 2019~~ January 31, 2020.

### **Hours**

Designated hours between 8:00AM – ~~5:30PM~~ 5:00PM UK Time.

### **Obligations**

In order to be eligible to receive the Program incentives, participants must quote two-sided markets in the Products at predetermined average bid/ask spreads and minimum quote sizes.

### **Incentives**

Upon satisfying all Program obligations, as determined by the Exchange, each participant will be eligible to receive predetermined incentives.

### **Monitoring and Termination of Status**

The Exchange shall monitor participants’ activity in the Products and retains the right to revoke Program participant status if it concludes from review that a Program participant no longer meets the eligibility criteria or obligations of the Program.