

July 7, 2021

**VIA PORTAL**

Commodity Futures Trading Commission  
Attention: Christopher Kirkpatrick, Secretary  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

**Re: CFTC Regulation 40.6(a) Certification: Submission of Amendments to the Nodal Exchange Rulebook**

Dear Mr. Kirkpatrick:

Nodal Exchange, LLC (“Nodal Exchange” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying amendments to the Nodal Exchange Rulebook (“Rules”) pursuant to Commission Regulation 40.6(a). The Exchange is amending the minimum block size for Texas Compliance Renewable Energy Certificate from CRS Listed Facilities Front Half (TX REC CRS FH), Texas Compliance Renewable Energy Certificate from CRS Listed Facilities Back Half (TX REC CRS BH), M-RETS Renewable Energy Certificate from CRS Listed Wind Facilities Front Half (M-RETS REC CRS FH) and M-RETS Renewable Energy Certificate from CRS Listed Wind Facilities Back Half (M-RETS REC CRS BH). The amended *Nodal Exchange Rulebook Appendix B Minimum Block Sizes* is attached hereto and indicate the specific text in red that is being added. The Exchange intends to implement the amended Rules on or after July 21, 2021.

A review of minimum block sizes for Environmental Contracts identified that given the 1,000-MWh TX REC CRS FH and TX REC CRS BH contract size is 10 times of comparable 100-MWh REC contracts which have a min block size of 50 lots, TX REC CRS FH, TX REC CRS BH, M-RETS REC CRS FH and M-RETS REC CRS BH should have a minimum block size of 5 lots consistent with all other comparable Environmental Contracts. This is also consistent with the existing TX SREC CRS contracts which have a min block size of 5 lots. As such, Nodal Exchange is amending the minimum block size for TX REC CRS FH, TX REC CRS BH, M-RETS REC CRS FH and M-RETS REC CRS BH from 10 lots to 5 lots.

Exchange management has assessed the amendments to the Rules and their compliance with applicable provisions of the Act, including the Commissions Regulations and the Core Principles. Nodal Exchange has identified that the amendments may affect the following Core Principles as follows:

Core Principle 2 - Compliance with the Rules: The amendments to the Rules provide clarity and consistency with the Act for compliance with the Rules. The Exchange and Clearing Transaction Fee Schedule is applicable to all Nodal Exchange Participants.

Core Principle 4 - Prevention of Market Disruption: All activity performed on Nodal is subject to the Nodal Exchange Rulebook Section VI, which prohibits disruptive trading behavior and manipulation, subject to monitoring and surveillance by the Exchange's Division of Market Surveillance.

Core Principle 7 - Availability of General Information: The amendments to the Rules provide clarity to Exchange Participants. The amended Rules are available to market authorities, Participants, Authorized Brokers and the public on the Exchange website.

Core Principle 12 - Protection of Markets and Market Participants: Section VI of the Nodal Exchange Rulebook protects the market and market participants from abusive, disruptive, fraudulent, noncompetitive and unfair conduct and trade practices.

Core Principle 13 - Disciplinary Procedures: Section VII of the Nodal Exchange Rulebook describes the disciplinary procedures of the Exchange that authorize the Exchange to discipline, suspend, or expel anyone on the Exchange that violates these rules.

Pursuant to Section 5c(c) of the Act and the Commission's Regulation 40.6, the Exchange certifies that amended Rules comply with the Act and the Commission's Regulations thereunder. There have not been any opposing views expressed regarding the amendments to the Rules.

Nodal Exchange certifies that this submission has been concurrently posted on the Nodal Exchange website at [www.nodalexchange.com](http://www.nodalexchange.com).

If you have any question or need additional information regarding this submission, please contact me at 703-962-9853 or [Markotic@nodalexchange.com](mailto:Markotic@nodalexchange.com).

Sincerely,

/s/ Max Markotic

Director of Compliance

Attachment:

Redline of Nodal Exchange Rulebook Appendix B – Minimum Block Sizes

21-021