September 27, 2018 Nasdaq Futures, Inc.

FMC Tower, Level 8,

Christopher J. Kirkpatrick 2929 Walnut Street

Office of the Secretariat Philadelphia, PA 19104 / USA

Commodity Futures Trading Commission

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1155 21st Street, NW

Washington, DC 20581

**Rule Self-Certification: Product and Rule Certification for New NFX**

**Dry Freight Futures and Options Contracts**

**Reference File: SR-NFX-2018-45**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Section 40.6 of the Commission’s regulations thereunder, NASDAQ Futures, Inc. (“NFX” or “Exchange”) hereby submits rules relating to block trade minimum quantity thresholds and reporting times for NFX Zonal Power Financial Futures (“Power Contracts”). The Exchange anticipates listing the Power Contracts beginning October 11, 2018 for trade date October 12, 2018. The amendments proposed in this submission shall be effective on the listing date.

The name of each Dry Freight contract is listed below, followed by its symbol in parentheses:

* NFX PJM DEOK Zone Day-Ahead Peak Financial Futures (DEPQ)
* NFX PJM DEOK Zone Day-Ahead Peak Mini Financial Futures - 5MW (DEVQ)
* NFX PJM DEOK Zone Day-Ahead Peak Mini Financial Futures - 1MW (DENQ)
* NFX PJM DEOK Zone Day-Ahead Off-Peak Financial Futures (DOFQ)
* NFX PJM DEOK Zone Day-Ahead Off-Peak Mini Financial Futures - 25MWh (DOTQ)
* NFX PJM DEOK Zone Day-Ahead Off-Peak Mini Financial Futures - 5MWh (DOIQ)
* NFX PJM DEOK Zone Day-Ahead Off-Peak Mini Financial Futures - 1MWh (DOOQ)
* NFX PJM DOM Zone Day-Ahead Peak Financial Futures (DOPQ)
* NFX PJM DOM Zone Day-Ahead Peak Mini Financial Futures - 5MW (DOVQ)
* NFX PJM DOM Zone Day-Ahead Peak Mini Financial Futures - 1MW (DONQ)
* NFX PJM DOM Zone Day-Ahead Off-Peak Financial Futures (DOMQ)
* NFX PJM DOM Zone Day-Ahead Off-Peak Mini Financial Futures - 25MWh (DOWQ)
* NFX PJM DOM Zone Day-Ahead Off-Peak Mini Financial Futures - 5MWh (DOEQ)
* NFX PJM DOM Zone Day-Ahead Off-Peak Mini Financial Futures - 1MWh (DOUQ)
* NFX PJM PENELEC Zone Day-Ahead Peak Financial Futures (PZBQ)
* NFX PJM PENELEC Zone Day-Ahead Peak Financial Futures - 5MW (PZFQ)
* NFX PJM PENELEC Zone Day-Ahead Peak Financial Futures - 1MW (PZNQ)
* NFX PJM PENELEC Zone Day-Ahead Off-Peak Financial Futures (PZDQ)
* NFX PJM PENELEC Zone Day-Ahead Off-Peak Mini Financial Futures - 25MWh (PZTQ)
* NFX PJM PENELEC Zone Day-Ahead Off-Peak Mini Financial Futures - 5MWh (PZUQ)
* NFX PJM PENELEC Zone Day-Ahead Off-Peak Mini Financial Futures - 1MWh (PZZQ)
* NFX PJM DPL Zone Day-Ahead Peak Financial Futures (PXBQ)
* NFX PJM DPL Zone Day-Ahead Peak Mini Financial Futures - 5MW (PXFQ)
* NFX PJM DPL Zone Day-Ahead Peak Mini Financial Futures - 1MW (PXOQ)
* NFX PJM DPL Zone Day-Ahead Off-Peak Financial Futures (PXDQ)
* NFX PJM DPL Zone Day-Ahead Off-Peak Mini Financial Futures - 25MWh (PXTQ)
* NFX PJM DPL Zone Day-Ahead Off-Peak Mini Financial Futures - 5MWh (PXIQ)
* NFX PJM DPL Zone Day-Ahead Off-Peak Mini Financial Futures - 1MWh (PXNQ)
* NFX ISO-NE North East Massachusetts Zone Day-Ahead Peak Financial Futures (AASQ)
* NFX ISO-NE North East Massachusetts Zone Day-Ahead Peak Mini Financial Futures - 5MW (AAFQ)
* NFX ISO-NE North East Massachusetts Zone Day-Ahead Peak Mini Financial Futures - 1MW (AAOQ)
* NFX ISO-NE North East Massachusetts Zone Day-Ahead Off-Peak Financial Futures (AATQ)
* NFX ISO-NE North East Massachusetts Zone Day-Ahead Off-Peak Mini Financial Futures - 25MW (AAWQ)
* NFX ISO-NE North East Massachusetts Zone Day-Ahead Off-Peak Mini Financial Futures - 5MW (AAIQ)
* NFX ISO-NE North East Massachusetts Zone Day-Ahead Off-Peak Mini Financial Futures - 1MW (AANQ)
* NFX ISO-NE Maine Zone Day-Ahead Peak Financial Futures (IEBQ)
* NFX ISO-NE Maine Zone Day-Ahead Peak Mini Financial Futures - 5MW (IEFQ)
* NFX ISO-NE Maine Zone Day-Ahead Peak Mini Financial Futures - 1MW (IEOQ)
* NFX ISO-NE Maine Zone Day-Ahead Off-Peak Financial Futures (IEDQ)
* NFX ISO-NE Maine Zone Day-Ahead Off-Peak Mini Financial Futures - 25MW (IETQ)
* NFX ISO-NE Maine Zone Day-Ahead Off-Peak Mini Financial Futures - 5MW (IEIQ)
* NFX ISO-NE Maine Zone Day-Ahead Off-Peak Mini Financial Futures - 1MW (IENQ)
* NFX ISO-NE Rhode Island Zone Day-Ahead Peak Financial Futures (RIYQ)
* NFX ISO-NE Rhode Island Zone Day-Ahead Peak Mini Financial Futures - 5MW (RIFQ)
* NFX ISO-NE Rhode Island Zone Day-Ahead Peak Mini Financial Futures - 1MW (RIOQ)
* NFX ISO-NE Rhode Island Zone Day-Ahead Off-Peak Financial Futures (RIZQ)
* NFX ISO-NE Rhode Island Zone Day-Ahead Off-Peak Mini Financial Futures - 25MWh (RITQ)
* NFX ISO-NE Rhode Island Zone Day-Ahead Off-Peak Mini Financial Futures - 5MWh (RIIQ)
* NFX ISO-NE Rhode Island Zone Day-Ahead Off-Peak Mini Financial Futures - 1MWh (RINQ)
* NFX ISO-NE New Hampshire Zone Day-Ahead Peak Financial Futures (IHBQ)
* NFX ISO-NE New Hampshire Zone Day-Ahead Peak Mini Financial Futures - 5MW (IHFQ)
* NFX ISO-NE New Hampshire Zone Day-Ahead Peak Mini Financial Futures - 1MW (IHOQ)
* NFX ISO-NE New Hampshire Zone Day-Ahead Off-Peak Financial Futures (IHDQ)
* NFX ISO-NE New Hampshire Zone Day-Ahead Off-Peak Mini Financial Futures - 25MWh (IHTQ)
* NFX ISO-NE New Hampshire Zone Day-Ahead Off-Peak Mini Financial Futures - 5MWh (IHIQ)
* NFX ISO-NE New Hampshire Zone Day-Ahead Off-Peak Mini Financial Futures - 1MWh (IHNQ)
* NFX MISO Michigan Hub Day-Ahead Peak Financial Futures (MGPQ)
* NFX MISO Michigan Hub Day-Ahead Peak Mini Financial Futures - 5MW (MGFQ)
* NFX MISO Michigan Hub Day-Ahead Peak Mini Financial Futures - 1MW (MGOQ)
* NFX MISO Michigan Hub Day-Ahead Off-Peak Financial Futures (MGQQ)
* NFX MISO Michigan Hub Day-Ahead Off-Peak Mini Financial Futures - 25MWh (MGTQ)
* NFX MISO Michigan Hub Day-Ahead Off-Peak Mini Financial Futures - 5MWh (MGIQ)
* NFX MISO Michigan Hub Day-Ahead Off-Peak Mini Financial Futures - 1MWh (MGNQ)
* NFX MISO AMIL.BGS6 Day-Ahead Peak Financial Futures (BGFQ)
* NFX MISO AMIL.BGS6 Day-Ahead Peak Mini Financial Futures - 5MW (BGIQ)
* NFX MISO AMIL.BGS6 Day-Ahead Peak Mini Financial Futures - 1MW (BGNQ)
* NFX MISO AMIL.BGS6 Day-Ahead Off-Peak Financial Futures (BBFQ)
* NFX MISO AMIL.BGS6 Day-Ahead Off-Peak Mini Financial Futures - 25MWh (BBTQ)
* NFX MISO AMIL.BGS6 Day-Ahead Off-Peak Mini Financial Futures - 5MWh (BBIQ)
* NFX MISO AMIL.BGS6 Day-Ahead Off-Peak Mini Financial Futures - 1MWh (BBOQ)
* NFX MISO Arkansas Hub Day-Ahead Peak Financial Futures (ALPQ)
* NFX MISO Arkansas Hub Day-Ahead Peak Mini Financial Futures - 5MW (ALIQ)
* NFX MISO Arkansas Hub Day-Ahead Peak Mini Financial Futures - 1MW (ALOQ)
* NFX MISO Arkansas Hub Day-Ahead Off-Peak Financial Futures (ALFQ)
* NFX MISO Arkansas Hub Day-Ahead Off-Peak Mini Financial Futures - 25MWh (ALTQ)
* NFX MISO Arkansas Hub Day-Ahead Off-Peak Mini Financial Futures - 5MWh (ALVQ)
* NFX MISO Arkansas Hub Day-Ahead Off-Peak Mini Financial Futures - 1MWh (ALNQ)

The rule amendments proposed herein are attached to this letter in Exhibit A which amends Rulebook Appendix A, Listed Contracts.[[1]](#footnote-1)

**Exhibit 1 - Amendments to Rulebook Appendix A, Listed Contracts**

Block Trade Minimum Quantity Threshold and Reporting Times. Chapter IV, Section 11 of the Exchange’s rulebook provides for execution of block trades and requires the Exchange to designate the contracts in which block trades shall be permitted and to determine the minimum quantity thresholds for such transactions. Section 11(F) requires Futures Participants to ensure that block trades are reported to the Exchange within the number of minutes of the time of execution (the "Reporting Window") specified in the rules for the particular contract.[[2]](#footnote-2) The Power Contracts are eligible for block trades. The block trade minimum quantity threshold is set at 5 contracts and the Reporting Window is set at 15 minutes. Spot month position limits for the Power Contracts set forth on Exhibit B are consistent with those for comparable contracts listed by ICE Futures US.[[3]](#footnote-3)

**Screen Fees and Block Trade/EFRP Surcharges**

The Screen Fee is a charge for Exchange execution fees. The Options Clearing Corporation (“OCC”) will separately assess a clearing fee for all transactions submitted for clearing.[[4]](#footnote-4) The Exchange will assess Screen Fees and Block Trade EFRP Fees for each contract as set forth in Exhibit A.

**DCM Core Principles**

The Exchange has reviewed the designated contract market core principles (“Core Principles”) as set forth in the Act in connection with the amendments presented herein. Consistent with Core Principle 7 - Availability of General Information, the Exchange will post general information, including the NFX Rulebook as amended herein, on its website: [business.nasdaq.com/futures](http://business.nasdaq.com/nasdaq-futures/nfx-market).

With respect to the block trade amendments set forth in Exhibit A and Core Principle 9 - Execution of Transactions, the Power Contracts will be listed for trading on the Exchange’s electronic trading system as well as by submission as block trades and Exchange for Related Position transactions pursuant to Exchange rules. The Exchange’s trading system provides a transparent, open and efficient mechanism to electronically execute trades in the Power Contracts. Additionally, the new rules governing the trading hours and non-reviewable range of the Power Contracts are the same as those governing existing energy futures contracts listed by the Exchange.

**Certifications**

There were no opposing views among NFX’s Board of Directors, members or market participants. The Exchange hereby certifies that the rule amendments set forth herein comply with the Act and the Commission’s regulations thereunder. The Exchange also certifies that notice of pending certification and a copy of this submission have been concurrently posted on the Exchange’s website at [business.nasdaq.com/futures](http://business.nasdaq.com/nasdaq-futures).

If you require any additional information regarding the submission, please contact Aravind Menon at (301) 978-8416 or aravind.menon@nasdaq.com. Please refer to SR-NFX-2018-45 in any related correspondence.

Regards,



Rick Beaman

Chief Executive Officer

Attachments:

Exhibit A: Amendments to Rulebook Appendix A – Listed Contracts

1. The Exchange is separately filing the 1st Line Options’ terms and conditions in SR-NFX-2018-44 pursuant to Commission Rule 40.2. Certain additional language separately certified in SR-NFX-2018-44 is not duplicated in Exhibit A hereto but is instead, for purposes of brevity, represented by asterisks. [↑](#footnote-ref-1)
2. See Rules Chapter IV, Section 11(F) provides: “Futures Participants must ensure that each Block Trade is reported to the Exchange within the number of minutes of the time of execution (the "Reporting Window") specified in the rules for the particular contract; except that Block Trades executed outside of Trading Hours must be reported within 15 minutes of the commencement of the next Open Session of a Trading Session for that Contract. If the Block Trade includes certain legs subject to a 5 minute Reporting Window and other legs subject to a 15 minute Reporting Window, the reporting requirement for the transaction will be 15 minutes. The report must include the Contract, contract month, price, quantity of the transaction, the respective Clearing Futures Participants, the time of execution, and, for Options on Futures, strike price, put or call and expiration month. The Exchange shall promptly publish such information separately from the reports of transactions in the regular market. Failure to timely and accurately report Block Trades may subject the Futures Participant to disciplinary action.” [↑](#footnote-ref-2)
3. See Rule X.08, Block Trade Minimum Quantity Threshold and Reporting Window for each of the new Power Contracts attached as Exhibit A. [↑](#footnote-ref-3)
4. OCC options exercise fees and any other OCC fees remain the responsibility of Clearing Futures Participants. [↑](#footnote-ref-4)