

August 20, 2024

VIA PORTAL

Commodity Futures Trading Commission
Attention: Christopher Kirkpatrick, Secretary
Three Lafayette Centre
1155 21st 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 its Section I *Definitions*, as well as Rules 3.5 *Requirements for Engaging in Physical Delivery of Environmental Products*, 3.10 *Authorized Users*, 3.11 *Duties and Responsibilities of Authorized Users*, and 3.15 *Account Administrators*. The new and amended Rules are attached hereto and indicate the specific text in red that is being added. The Exchange intends to implement the amended Rules on September 4, 2024.

Nodal Exchange Rule 3.5 *Requirements for Engaging in Physical Delivery of Environmental Products* is being amended to include a new sub-provision, Rule 3.5.3. Rule 3.5.3 is included to explicitly state that all physical delivery for environmental products described under Rule 3.5 (including all open and new contracts) must conform to regulations in force by any applicable Governmental Authority at the time of delivery.

Nodal Exchange Rules 3.10 *Authorized Users*, 3.11 *Duties and Responsibilities of Authorized Users*, and 3.15 *Account Administrators* are amended to harmonize historical Rules for Authorized Users (e.g., users that are provided Login Credentials to directly interact with the Nodal System) with Nodal Exchange's existing practices today.

In addition, Nodal Exchange Rulebook Section I *Definitions* is also being amended consistent with the changes to Rules 3.10, 3.11, and 3.15. The changes to Section I include (i) amended definitions for an Account Administrator and an Authorized User, and (ii) removal of the terms Level 1 Account Administrator and Level 2 Account Administrator, which are historical terms that are no longer applicable to the Nodal System. Section I of the Rules also includes a new term, Authorizing Entity, that encompasses certain legal entities that may designate Authorized Users on Nodal's System.

Exchange management has assessed the amendments 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. Nodal Rules are applicable to all Nodal Exchange market 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 market participants. The amended Rules are available to market authorities, Participants, Customers, 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 the 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.

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

Sincerely,

/s/ Max Markotic

Managing Director

Attachment:

Nodal Exchange Rulebook Section 1 – REDLINE

Nodal Exchange Rule 3.5 – REDLINE

Nodal Exchange Rules 3.10, 3.11 and 3.15 - REDLINE