

January 11, 2023

**VIA CFTC PORTAL**

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

**Re: CFTC Regulation 40.2(a) Certification: Notification of Product Offered for Trading on Nodal Exchange, LLC – Pennsylvania Alternative Energy Certificate Tier II Vintage 2021 Option**

Dear Mr. Kirkpatrick:

Nodal Exchange, LLC (“Nodal Exchange” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that pursuant to Commission Regulation 40.2(a), the Exchange is self-certifying the listing of 14 new environmental options contracts for trading on Nodal Exchange beginning on or after January 17, 2023. Nodal currently offers Futures contracts on these 14 environmental contracts. The contract specifications describing these new Exchange options contracts are attached to this letter as Exhibit A, to be added to the Nodal Exchange Rulebook Appendix A – Contract Specifications.

Exchange management has assessed the Exchange’s contracts’ compliance with applicable provisions of the Commodity Exchange Act (“Act”), including the Commissions Regulations thereunder and the Core Principles. Regulatory compliance of Nodal Exchange’s futures and options contracts is mostly addressed in the Nodal Exchange Rulebook, concisely explained as follows:

Core Principle 2 - Compliance with the Rules: Trading in the Exchange’s contracts will be subject to the Nodal Exchange Rulebook in Section IV, describing trading procedures, and Section VI, which establishes trading codes of conduct, sound trading practices, and identifies prohibited trading behavior and abuses. In addition, trading behavior and activity will be subject to extensive monitoring and surveillance by the Exchange’s Division of Market Administration and Surveillance. The Exchange’s Compliance Department has the authority to address disciplinary matters through investigation and enforcement procedures in accordance with Section VII of the Exchange Rulebook.

Core Principle 3 - Contracts not Readily Susceptible to Manipulation: The Exchange currently lists futures contracts for these contracts. A description of the underlying cash markets and deliverable supply analysis for the Exchange's contracts was provided for the futures contracts, which demonstrates compliance that the Exchange's new contracts are not readily susceptible to manipulation.

Core Principle 4 - Prevention of Market Disruption: Trading in the Exchange's contracts will be 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 Administration and Surveillance.

Core Principle 5 - Position Limitations or Accountability: The spot-month speculative position limits for the Exchange's contracts are set at less than 25% of the deliverable supply in the respective underlying market. In addition, the Exchange monitors and enforces position accountability rules for individual single-month and all-months combined, which are also within 25% of deliverable supply. The new contract reporting levels, accountability levels and position limits are provided in attached Exhibit C, to be added to the Nodal Exchange Rulebook Appendix C – Reporting Levels, Position Accountability Levels and Position Limits.

Core Principle 7 - Availability of General Information: The Exchange will post general information, including the contract specifications for the new contracts, Exchange fees, and the Nodal Exchange Rulebook, on the Exchange's website: [www.nodalexchange.com](http://www.nodalexchange.com).

Core Principle 8 - Daily publication of Trading Information: The Exchange will publish daily information on settlement prices, volume, open interest and opening and closing ranges for the Exchange's actively traded contracts on its website.

Core Principle 9 - Execution of Transactions: The Exchange's new contracts will be available on the Exchange's electronic trading screen that is a central limit order book ("CLOB"). The CLOB provides the market with the ability to execute the Exchange's contracts from the interaction of multiple bids and multiple offers within a predetermined, nondiscretionary automated trade matching and execution algorithm.

Core Principle 10 - Trade Information: The CLOB will maintain all information with respect to each order and each consummated trade, as well as all other information relating to the trade environment that determines the matching and clearing of trades. As such, any order submitted to the CLOB can be tracked from the time it is entered into the system until the time that it is matched, canceled or otherwise removed.

Core Principle 11 - Financial Integrity of Transactions: The Exchange has entered into a clearing arrangement with Nodal Clear, a derivatives clearing organization subject to Part 39 of the Commission Regulations. The new contracts executed on the CLOB or as a block

trade will be subject to the Exchange Rulebook provisions for submission to Nodal Clear for clearing as described in Section V.

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. The new contracts are subject to these rules that apply to all transactions in the Exchange's contracts.

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.

Core Principle 14 - Dispute Resolution: Section VIII of the Nodal Exchange Rulebook establishes rules concerning alternative dispute resolution, which provide for the resolution of disputes between or among Exchange users through the NFA arbitration program. Under Section VIII, arbitration is available for all disputes, controversies or claims among all Exchange users relating to Exchange activities.

Pursuant to Section 5c(c) of the Act and the Commission's Regulation 40.2(a), the Exchange certifies that the Exchange's new futures and options contracts to be listed comply with the Act and the Commission's Regulations thereunder.

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 the above, please contact the undersigned at 703-962-9853 or [markotic@nodalexchange.com](mailto:markotic@nodalexchange.com) or Anita Herrera, Chief Regulatory Officer & General Counsel at 703-962-9835 or [Herrera@nodalexchange.com](mailto:Herrera@nodalexchange.com).

Sincerely,  
/s/ Max Markotic  
Director of Compliance

Attachments:

Exhibit A: January 17, 2023 Addition to Nodal Exchange Appendix A - Contract Specifications

**Exhibit A – Contract Specifications**  
**(Rulebook Appendix A)**

**NODAL EXCHANGE CONTRACT SPECIFICATION**

**Pennsylvania Alternative Energy Certificate Tier II Vintage 2021 Option**

<b>ITEM</b>	<b>SPECIFICATION</b>
<b>Contract Description</b>	An Option on the corresponding month of the Pennsylvania Alternative Energy Certificate Tier II Vintage 2021 Future
<b>Option Style</b>	European
<b>Underlying Contract</b>	PCE
<b>Hours of Trading</b>	As defined at <a href="http://www.nodalexchange.com">http://www.nodalexchange.com</a>
<b>Contract Size per Lot</b>	1 lot of the Underlying Contract
<b>Unit of Trading</b>	1 lot, as defined in Contract Size per lot
<b>Strike Price</b>	A minimum of ten Strike Prices in increments of \$0.05 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in \$0.05 increments.
<b>Currency</b>	US Dollars
<b>Minimum Tick</b>	\$0.001 per MWh
<b>Settlement Price Precision</b>	\$0.001 per MWh
<b>Last Trading Day</b>	At 4:00 pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month
<b>Contract Series</b>	Monthly contracts for Jun, Jul, and Aug of the vintage year, plus two additional years. The exchange may list any other calendar month contract set off the standard listing cycle.
<b>Premium</b>	The premium on the Option is paid from the buyer to the seller on the next settlement cycle following the Transaction
<b>Daily Settlement Price</b>	Determined by the Exchange based on Exchange activity, other market data, and extrapolation to traded Option contracts, as appropriate
<b>Exercise</b>	Exercise of In-the-Money Options is automatic on the Last Trading Day unless the Exchange is notified by 5:30 pm EPT on the Last Trading Day (1) to allow the In-the-Money Options to expire without exercise or (2) to exercise expiring Out-of-the-Money Options
<b>Settlement Method</b>	Exercise into Underlying Contracts
<b>Position Limit</b>	Same with underlying contracts. Option positions are weighted by Option delta and combined with Underlying Contracts position. Underlying contracts' position limits can be found at <a href="https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF">https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF</a>

## NODAL EXCHANGE CONTRACT SPECIFICATION

ITEM	SPECIFICATION
Margin Unit	US Dollars

**NODAL EXCHANGE CONTRACT SPECIFICATION**

**Pennsylvania Alternative Energy Certificate Tier II Vintage 2022 Option**

<b>ITEM</b>	<b>SPECIFICATION</b>
<b>Contract Description</b>	An Option on the corresponding month of the Pennsylvania Alternative Energy Certificate Tier II Vintage 2022 Future
<b>Option Style</b>	European
<b>Underlying Contract</b>	PCF
<b>Hours of Trading</b>	As defined at <a href="http://www.nodalexchange.com">http://www.nodalexchange.com</a>
<b>Contract Size per Lot</b>	1 lot of the Underlying Contract
<b>Unit of Trading</b>	1 lot, as defined in Contract Size per lot
<b>Strike Price</b>	A minimum of ten Strike Prices in increments of \$0.05 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in \$0.05 increments.
<b>Currency</b>	US Dollars
<b>Minimum Tick</b>	\$0.001 per MWh
<b>Settlement Price Precision</b>	\$0.001 per MWh
<b>Last Trading Day</b>	At 4:00 pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month
<b>Contract Series</b>	Monthly contracts for Jun, Jul, and Aug of the vintage year, plus two additional years. The exchange may list any other calendar month contract set off the standard listing cycle.
<b>Premium</b>	The premium on the Option is paid from the buyer to the seller on the next settlement cycle following the Transaction
<b>Daily Settlement Price</b>	Determined by the Exchange based on Exchange activity, other market data, and extrapolation to traded Option contracts, as appropriate
<b>Exercise</b>	Exercise of In-the-Money Options is automatic on the Last Trading Day unless the Exchange is notified by 5:30 pm EPT on the Last Trading Day (1) to allow the In-the-Money Options to expire without exercise or (2) to exercise expiring Out-of-the-Money Options
<b>Settlement Method</b>	Exercise into Underlying Contracts
<b>Position Limit</b>	Same with underlying contracts. Option positions are weighted by Option delta and combined with Underlying Contracts position. Underlying contracts' position limits can be found at <a href="https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF">https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF</a>

## NODAL EXCHANGE CONTRACT SPECIFICATION

ITEM	SPECIFICATION
Margin Unit	US Dollars



**NODAL EXCHANGE CONTRACT SPECIFICATION**

**Pennsylvania Alternative Energy Certificate Tier II Vintage 2023 Option**

<b>ITEM</b>	<b>SPECIFICATION</b>
<b>Contract Description</b>	An Option on the corresponding month of the Pennsylvania Alternative Energy Certificate Tier II Vintage 2023 Future
<b>Option Style</b>	European
<b>Underlying Contract</b>	PCG
<b>Hours of Trading</b>	As defined at <a href="http://www.nodalexchange.com">http://www.nodalexchange.com</a>
<b>Contract Size per Lot</b>	1 lot of the Underlying Contract
<b>Unit of Trading</b>	1 lot, as defined in Contract Size per lot
<b>Strike Price</b>	A minimum of ten Strike Prices in increments of \$0.05 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in \$0.05 increments.
<b>Currency</b>	US Dollars
<b>Minimum Tick</b>	\$0.001 per MWh
<b>Settlement Price Precision</b>	\$0.001 per MWh
<b>Last Trading Day</b>	At 4:00 pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month
<b>Contract Series</b>	Monthly contracts for Jun, Jul, and Aug of the vintage year, plus two additional years. The exchange may list any other calendar month contract set off the standard listing cycle.
<b>Premium</b>	The premium on the Option is paid from the buyer to the seller on the next settlement cycle following the Transaction
<b>Daily Settlement Price</b>	Determined by the Exchange based on Exchange activity, other market data, and extrapolation to traded Option contracts, as appropriate
<b>Exercise</b>	Exercise of In-the-Money Options is automatic on the Last Trading Day unless the Exchange is notified by 5:30 pm EPT on the Last Trading Day (1) to allow the In-the-Money Options to expire without exercise or (2) to exercise expiring Out-of-the-Money Options
<b>Settlement Method</b>	Exercise into Underlying Contracts
<b>Position Limit</b>	Same with underlying contracts. Option positions are weighted by Option delta and combined with Underlying Contracts position. Underlying contracts' position limits can be found at <a href="https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF">https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF</a>

## NODAL EXCHANGE CONTRACT SPECIFICATION

ITEM	SPECIFICATION
Margin Unit	US Dollars

**NODAL EXCHANGE CONTRACT SPECIFICATION**

**Pennsylvania Alternative Energy Certificate Tier II Vintage 2024 Option**

<b>ITEM</b>	<b>SPECIFICATION</b>
<b>Contract Description</b>	An Option on the corresponding month of the Pennsylvania Alternative Energy Certificate Tier II Vintage 2024 Future
<b>Option Style</b>	European
<b>Underlying Contract</b>	PCH
<b>Hours of Trading</b>	As defined at <a href="http://www.nodalexchange.com">http://www.nodalexchange.com</a>
<b>Contract Size per Lot</b>	1 lot of the Underlying Contract
<b>Unit of Trading</b>	1 lot, as defined in Contract Size per lot
<b>Strike Price</b>	A minimum of ten Strike Prices in increments of \$0.05 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in \$0.05 increments.
<b>Currency</b>	US Dollars
<b>Minimum Tick</b>	\$0.001 per MWh
<b>Settlement Price Precision</b>	\$0.001 per MWh
<b>Last Trading Day</b>	At 4:00 pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month
<b>Contract Series</b>	Monthly contracts for Jun, Jul, and Aug of the vintage year, plus two additional years. The exchange may list any other calendar month contract set off the standard listing cycle.
<b>Premium</b>	The premium on the Option is paid from the buyer to the seller on the next settlement cycle following the Transaction
<b>Daily Settlement Price</b>	Determined by the Exchange based on Exchange activity, other market data, and extrapolation to traded Option contracts, as appropriate
<b>Exercise</b>	Exercise of In-the-Money Options is automatic on the Last Trading Day unless the Exchange is notified by 5:30 pm EPT on the Last Trading Day (1) to allow the In-the-Money Options to expire without exercise or (2) to exercise expiring Out-of-the-Money Options
<b>Settlement Method</b>	Exercise into Underlying Contracts
<b>Position Limit</b>	Same with underlying contracts. Option positions are weighted by Option delta and combined with Underlying Contracts position. Underlying contracts' position limits can be found at <a href="https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF">https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF</a>

## NODAL EXCHANGE CONTRACT SPECIFICATION

ITEM	SPECIFICATION
Margin Unit	US Dollars

**NODAL EXCHANGE CONTRACT SPECIFICATION**

**Pennsylvania Alternative Energy Certificate Tier II Vintage 2025 Option**

<b>ITEM</b>	<b>SPECIFICATION</b>
<b>Contract Description</b>	An Option on the corresponding month of the Pennsylvania Alternative Energy Certificate Tier II Vintage 2025 Future
<b>Option Style</b>	European
<b>Underlying Contract</b>	PCI
<b>Hours of Trading</b>	As defined at <a href="http://www.nodalexchange.com">http://www.nodalexchange.com</a>
<b>Contract Size per Lot</b>	1 lot of the Underlying Contract
<b>Unit of Trading</b>	1 lot, as defined in Contract Size per lot
<b>Strike Price</b>	A minimum of ten Strike Prices in increments of \$0.05 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in \$0.05 increments.
<b>Currency</b>	US Dollars
<b>Minimum Tick</b>	\$0.001 per MWh
<b>Settlement Price Precision</b>	\$0.001 per MWh
<b>Last Trading Day</b>	At 4:00 pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month
<b>Contract Series</b>	Monthly contracts for Jun, Jul, and Aug of the vintage year, plus two additional years. The exchange may list any other calendar month contract set off the standard listing cycle.
<b>Premium</b>	The premium on the Option is paid from the buyer to the seller on the next settlement cycle following the Transaction
<b>Daily Settlement Price</b>	Determined by the Exchange based on Exchange activity, other market data, and extrapolation to traded Option contracts, as appropriate
<b>Exercise</b>	Exercise of In-the-Money Options is automatic on the Last Trading Day unless the Exchange is notified by 5:30 pm EPT on the Last Trading Day (1) to allow the In-the-Money Options to expire without exercise or (2) to exercise expiring Out-of-the-Money Options
<b>Settlement Method</b>	Exercise into Underlying Contracts
<b>Position Limit</b>	Same with underlying contracts. Option positions are weighted by Option delta and combined with Underlying Contracts position. Underlying contracts' position limits can be found at <a href="https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF">https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF</a>

## NODAL EXCHANGE CONTRACT SPECIFICATION

ITEM	SPECIFICATION
Margin Unit	US Dollars

**NODAL EXCHANGE CONTRACT SPECIFICATION**

**Pennsylvania Alternative Energy Certificate Tier II Vintage 2026 Option**

<b>ITEM</b>	<b>SPECIFICATION</b>
<b>Contract Description</b>	An Option on the corresponding month of the Pennsylvania Alternative Energy Certificate Tier II Vintage 2026 Future
<b>Option Style</b>	European
<b>Underlying Contract</b>	PCJ
<b>Hours of Trading</b>	As defined at <a href="http://www.nodalexchange.com">http://www.nodalexchange.com</a>
<b>Contract Size per Lot</b>	1 lot of the Underlying Contract
<b>Unit of Trading</b>	1 lot, as defined in Contract Size per lot
<b>Strike Price</b>	A minimum of ten Strike Prices in increments of \$0.05 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in \$0.05 increments.
<b>Currency</b>	US Dollars
<b>Minimum Tick</b>	\$0.001 per MWh
<b>Settlement Price Precision</b>	\$0.001 per MWh
<b>Last Trading Day</b>	At 4:00 pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month
<b>Contract Series</b>	Monthly contracts for Jun, Jul, and Aug of the vintage year, plus two additional years. The exchange may list any other calendar month contract set off the standard listing cycle.
<b>Premium</b>	The premium on the Option is paid from the buyer to the seller on the next settlement cycle following the Transaction
<b>Daily Settlement Price</b>	Determined by the Exchange based on Exchange activity, other market data, and extrapolation to traded Option contracts, as appropriate
<b>Exercise</b>	Exercise of In-the-Money Options is automatic on the Last Trading Day unless the Exchange is notified by 5:30 pm EPT on the Last Trading Day (1) to allow the In-the-Money Options to expire without exercise or (2) to exercise expiring Out-of-the-Money Options
<b>Settlement Method</b>	Exercise into Underlying Contracts
<b>Position Limit</b>	Same with underlying contracts. Option positions are weighted by Option delta and combined with Underlying Contracts position. Underlying contracts' position limits can be found at <a href="https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF">https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF</a>

## NODAL EXCHANGE CONTRACT SPECIFICATION

ITEM	SPECIFICATION
Margin Unit	US Dollars



**NODAL EXCHANGE CONTRACT SPECIFICATION**

**Pennsylvania Alternative Energy Certificate Tier II Vintage 2027 Option**

<b>ITEM</b>	<b>SPECIFICATION</b>
<b>Contract Description</b>	An Option on the corresponding month of the Pennsylvania Alternative Energy Certificate Tier II Vintage 2027 Future
<b>Option Style</b>	European
<b>Underlying Contract</b>	PCK
<b>Hours of Trading</b>	As defined at <a href="http://www.nodalexchange.com">http://www.nodalexchange.com</a>
<b>Contract Size per Lot</b>	1 lot of the Underlying Contract
<b>Unit of Trading</b>	1 lot, as defined in Contract Size per lot
<b>Strike Price</b>	A minimum of ten Strike Prices in increments of \$0.05 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in \$0.05 increments.
<b>Currency</b>	US Dollars
<b>Minimum Tick</b>	\$0.001 per MWh
<b>Settlement Price Precision</b>	\$0.001 per MWh
<b>Last Trading Day</b>	At 4:00 pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month
<b>Contract Series</b>	Monthly contracts for Jun, Jul, and Aug of the vintage year, plus two additional years. The exchange may list any other calendar month contract set off the standard listing cycle.
<b>Premium</b>	The premium on the Option is paid from the buyer to the seller on the next settlement cycle following the Transaction
<b>Daily Settlement Price</b>	Determined by the Exchange based on Exchange activity, other market data, and extrapolation to traded Option contracts, as appropriate
<b>Exercise</b>	Exercise of In-the-Money Options is automatic on the Last Trading Day unless the Exchange is notified by 5:30 pm EPT on the Last Trading Day (1) to allow the In-the-Money Options to expire without exercise or (2) to exercise expiring Out-of-the-Money Options
<b>Settlement Method</b>	Exercise into Underlying Contracts
<b>Position Limit</b>	Same with underlying contracts. Option positions are weighted by Option delta and combined with Underlying Contracts position. Underlying contracts' position limits can be found at <a href="https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF">https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF</a>

## NODAL EXCHANGE CONTRACT SPECIFICATION

ITEM	SPECIFICATION
Margin Unit	US Dollars

**NODAL EXCHANGE CONTRACT SPECIFICATION**

**Pennsylvania Alternative Energy Certificate Tier II Vintage 2028 Option**

<b>ITEM</b>	<b>SPECIFICATION</b>
<b>Contract Description</b>	An Option on the corresponding month of the Pennsylvania Alternative Energy Certificate Tier II Vintage 2028 Future
<b>Option Style</b>	European
<b>Underlying Contract</b>	PCL
<b>Hours of Trading</b>	As defined at <a href="http://www.nodalexchange.com">http://www.nodalexchange.com</a>
<b>Contract Size per Lot</b>	1 lot of the Underlying Contract
<b>Unit of Trading</b>	1 lot, as defined in Contract Size per lot
<b>Strike Price</b>	A minimum of ten Strike Prices in increments of \$0.05 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in \$0.05 increments.
<b>Currency</b>	US Dollars
<b>Minimum Tick</b>	\$0.001 per MWh
<b>Settlement Price Precision</b>	\$0.001 per MWh
<b>Last Trading Day</b>	At 4:00 pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month
<b>Contract Series</b>	Monthly contracts for Jun, Jul, and Aug of the vintage year, plus two additional years. The exchange may list any other calendar month contract set off the standard listing cycle.
<b>Premium</b>	The premium on the Option is paid from the buyer to the seller on the next settlement cycle following the Transaction
<b>Daily Settlement Price</b>	Determined by the Exchange based on Exchange activity, other market data, and extrapolation to traded Option contracts, as appropriate
<b>Exercise</b>	Exercise of In-the-Money Options is automatic on the Last Trading Day unless the Exchange is notified by 5:30 pm EPT on the Last Trading Day (1) to allow the In-the-Money Options to expire without exercise or (2) to exercise expiring Out-of-the-Money Options
<b>Settlement Method</b>	Exercise into Underlying Contracts
<b>Position Limit</b>	Same with underlying contracts. Option positions are weighted by Option delta and combined with Underlying Contracts position. Underlying contracts' position limits can be found at <a href="https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF">https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF</a>

## NODAL EXCHANGE CONTRACT SPECIFICATION

ITEM	SPECIFICATION
Margin Unit	US Dollars

**NODAL EXCHANGE CONTRACT SPECIFICATION**

**Pennsylvania Alternative Energy Certificate Tier II Vintage 2029 Option**

<b>ITEM</b>	<b>SPECIFICATION</b>
<b>Contract Description</b>	An Option on the corresponding month of the Pennsylvania Alternative Energy Certificate Tier II Vintage 2029 Future
<b>Option Style</b>	European
<b>Underlying Contract</b>	PCM
<b>Hours of Trading</b>	As defined at <a href="http://www.nodalexchange.com">http://www.nodalexchange.com</a>
<b>Contract Size per Lot</b>	1 lot of the Underlying Contract
<b>Unit of Trading</b>	1 lot, as defined in Contract Size per lot
<b>Strike Price</b>	A minimum of ten Strike Prices in increments of \$0.05 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in \$0.05 increments.
<b>Currency</b>	US Dollars
<b>Minimum Tick</b>	\$0.001 per MWh
<b>Settlement Price Precision</b>	\$0.001 per MWh
<b>Last Trading Day</b>	At 4:00 pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month
<b>Contract Series</b>	Monthly contracts for Jun, Jul, and Aug of the vintage year, plus two additional years. The exchange may list any other calendar month contract set off the standard listing cycle.
<b>Premium</b>	The premium on the Option is paid from the buyer to the seller on the next settlement cycle following the Transaction
<b>Daily Settlement Price</b>	Determined by the Exchange based on Exchange activity, other market data, and extrapolation to traded Option contracts, as appropriate
<b>Exercise</b>	Exercise of In-the-Money Options is automatic on the Last Trading Day unless the Exchange is notified by 5:30 pm EPT on the Last Trading Day (1) to allow the In-the-Money Options to expire without exercise or (2) to exercise expiring Out-of-the-Money Options
<b>Settlement Method</b>	Exercise into Underlying Contracts
<b>Position Limit</b>	Same with underlying contracts. Option positions are weighted by Option delta and combined with Underlying Contracts position. Underlying contracts' position limits can be found at <a href="https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF">https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF</a>

## NODAL EXCHANGE CONTRACT SPECIFICATION

ITEM	SPECIFICATION
Margin Unit	US Dollars

**NODAL EXCHANGE CONTRACT SPECIFICATION**

**Pennsylvania Alternative Energy Certificate Tier II Vintage 2030 Option**

<b>ITEM</b>	<b>SPECIFICATION</b>
<b>Contract Description</b>	An Option on the corresponding month of the Pennsylvania Alternative Energy Certificate Tier II Vintage 2030 Future
<b>Option Style</b>	European
<b>Underlying Contract</b>	PCN
<b>Hours of Trading</b>	As defined at <a href="http://www.nodalexchange.com">http://www.nodalexchange.com</a>
<b>Contract Size per Lot</b>	1 lot of the Underlying Contract
<b>Unit of Trading</b>	1 lot, as defined in Contract Size per lot
<b>Strike Price</b>	A minimum of ten Strike Prices in increments of \$0.05 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in \$0.05 increments.
<b>Currency</b>	US Dollars
<b>Minimum Tick</b>	\$0.001 per MWh
<b>Settlement Price Precision</b>	\$0.001 per MWh
<b>Last Trading Day</b>	At 4:00 pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month
<b>Contract Series</b>	Monthly contracts for Jun, Jul, and Aug of the vintage year, plus two additional years. The exchange may list any other calendar month contract set off the standard listing cycle.
<b>Premium</b>	The premium on the Option is paid from the buyer to the seller on the next settlement cycle following the Transaction
<b>Daily Settlement Price</b>	Determined by the Exchange based on Exchange activity, other market data, and extrapolation to traded Option contracts, as appropriate
<b>Exercise</b>	Exercise of In-the-Money Options is automatic on the Last Trading Day unless the Exchange is notified by 5:30 pm EPT on the Last Trading Day (1) to allow the In-the-Money Options to expire without exercise or (2) to exercise expiring Out-of-the-Money Options
<b>Settlement Method</b>	Exercise into Underlying Contracts
<b>Position Limit</b>	Same with underlying contracts. Option positions are weighted by Option delta and combined with Underlying Contracts position. Underlying contracts' position limits can be found at <a href="https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF">https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF</a>

## NODAL EXCHANGE CONTRACT SPECIFICATION

ITEM	SPECIFICATION
Margin Unit	US Dollars



**NODAL EXCHANGE CONTRACT SPECIFICATION**

**Washington Carbon Allowance Vintage 2023 Option**

<b>ITEM</b>	<b>SPECIFICATION</b>
<b>Contract Description</b>	An Option on the corresponding month of the Washington Carbon Allowance Vintage 2023 Future
<b>Option Style</b>	European
<b>Underlying Contract</b>	WBG
<b>Hours of Trading</b>	As defined at <a href="http://www.nodalexchange.com">http://www.nodalexchange.com</a>
<b>Contract Size per Lot</b>	1 lot of the Underlying Contract
<b>Unit of Trading</b>	1 lot, as defined in Contract Size per lot
<b>Strike Price</b>	A minimum of ten Strike Prices in increments of \$0.05 above and below the at-the-money Strike Price. The at-the-money strike price is the closest interval nearest to the previous day's Settlement Price of the Underlying Contract. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in \$0.05 increments.
<b>Currency</b>	US Dollars
<b>Minimum Tick</b>	\$0.001 per Washington Carbon Allowance
<b>Settlement Price Precision</b>	\$0.001 per Washington Carbon Allowance
<b>Last Trading Day</b>	At 4:00 pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month
<b>Contract Series</b>	The initial listing shall include quarterly contracts starting with December 2023 expiry through 2025. The exchange may list any other calendar month contract off the standard listing cycle beginning with March of 2023 for up to 10 years.
<b>Premium</b>	The premium on the Option is paid from the buyer to the seller on the next settlement cycle following the Transaction
<b>Daily Settlement Price</b>	Determined by the Exchange based on Exchange activity, other market data, and extrapolation to traded Option contracts, as appropriate
<b>Exercise</b>	Exercise of In-the-Money Options is automatic on the Last Trading Day unless the Exchange is notified by 5:30 pm EPT on the Last Trading Day (1) to allow the In-the-Money Options to expire without exercise or (2) to exercise expiring Out-of-the-Money Options
<b>Settlement Method</b>	Exercise into Underlying Contracts
<b>Position Limit</b>	Same with underlying contracts. Option positions are weighted by Option delta and combined with Underlying Contracts position. Underlying contracts' position limits can be found at

## NODAL EXCHANGE CONTRACT SPECIFICATION

ITEM	SPECIFICATION
	<a href="https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF">https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF</a>
<b>Margin Unit</b>	US Dollars

**NODAL EXCHANGE CONTRACT SPECIFICATION**

**Washington Carbon Allowance Vintage 2024 Option**

<b>ITEM</b>	<b>SPECIFICATION</b>
<b>Contract Description</b>	An Option on the corresponding month of the Washington Carbon Allowance Vintage 2024 Future
<b>Option Style</b>	European
<b>Underlying Contract</b>	WBH
<b>Hours of Trading</b>	As defined at <a href="http://www.nodalexchange.com">http://www.nodalexchange.com</a>
<b>Contract Size per Lot</b>	1 lot of the Underlying Contract
<b>Unit of Trading</b>	1 lot, as defined in Contract Size per lot
<b>Strike Price</b>	A minimum of ten Strike Prices in increments of \$0.05 above and below the at-the-money Strike Price. The at-the-money strike price is the closest interval nearest to the previous day's Settlement Price of the Underlying Contract. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in \$0.05 increments.
<b>Currency</b>	US Dollars
<b>Minimum Tick</b>	\$0.001 per Washington Carbon Allowance
<b>Settlement Price Precision</b>	\$0.001 per Washington Carbon Allowance
<b>Last Trading Day</b>	At 4:00 pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month
<b>Contract Series</b>	The initial listing shall include quarterly contracts starting with December 2023 expiry through 2025. The exchange may list any other calendar month contract off the standard listing cycle beginning with March of 2023 for up to 10 years.
<b>Premium</b>	The premium on the Option is paid from the buyer to the seller on the next settlement cycle following the Transaction
<b>Daily Settlement Price</b>	Determined by the Exchange based on Exchange activity, other market data, and extrapolation to traded Option contracts, as appropriate
<b>Exercise</b>	Exercise of In-the-Money Options is automatic on the Last Trading Day unless the Exchange is notified by 5:30 pm EPT on the Last Trading Day (1) to allow the In-the-Money Options to expire without exercise or (2) to exercise expiring Out-of-the-Money Options
<b>Settlement Method</b>	Exercise into Underlying Contracts
<b>Position Limit</b>	Same with underlying contracts. Option positions are weighted by Option delta and combined with Underlying Contracts position. Underlying contracts' position limits can be found at

## NODAL EXCHANGE CONTRACT SPECIFICATION

ITEM	SPECIFICATION
	<a href="https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF">https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF</a>
<b>Margin Unit</b>	US Dollars

**NODAL EXCHANGE CONTRACT SPECIFICATION**

**Washington Carbon Allowance Vintage 2025 Option**

<b>ITEM</b>	<b>SPECIFICATION</b>
<b>Contract Description</b>	An Option on the corresponding month of the Washington Carbon Allowance Vintage 2025 Future
<b>Option Style</b>	European
<b>Underlying Contract</b>	WBI
<b>Hours of Trading</b>	As defined at <a href="http://www.nodalexchange.com">http://www.nodalexchange.com</a>
<b>Contract Size per Lot</b>	1 lot of the Underlying Contract
<b>Unit of Trading</b>	1 lot, as defined in Contract Size per lot
<b>Strike Price</b>	A minimum of ten Strike Prices in increments of \$0.05 above and below the at-the-money Strike Price. The at-the-money strike price is the closest interval nearest to the previous day's Settlement Price of the Underlying Contract. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in \$0.05 increments.
<b>Currency</b>	US Dollars
<b>Minimum Tick</b>	\$0.001 per Washington Carbon Allowance
<b>Settlement Price Precision</b>	\$0.001 per Washington Carbon Allowance
<b>Last Trading Day</b>	At 4:00 pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month
<b>Contract Series</b>	The initial listing shall include quarterly contracts starting with December 2023 expiry through 2025. The exchange may list any other calendar month contract off the standard listing cycle beginning with March of 2023 for up to 10 years.
<b>Premium</b>	The premium on the Option is paid from the buyer to the seller on the next settlement cycle following the Transaction
<b>Daily Settlement Price</b>	Determined by the Exchange based on Exchange activity, other market data, and extrapolation to traded Option contracts, as appropriate
<b>Exercise</b>	Exercise of In-the-Money Options is automatic on the Last Trading Day unless the Exchange is notified by 5:30 pm EPT on the Last Trading Day (1) to allow the In-the-Money Options to expire without exercise or (2) to exercise expiring Out-of-the-Money Options
<b>Settlement Method</b>	Exercise into Underlying Contracts
<b>Position Limit</b>	Same with underlying contracts. Option positions are weighted by Option delta and combined with Underlying Contracts position. Underlying contracts' position limits can be found at

## NODAL EXCHANGE CONTRACT SPECIFICATION

ITEM	SPECIFICATION
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<b>Margin Unit</b>	US Dollars

**NODAL EXCHANGE CONTRACT SPECIFICATION**

**Washington Carbon Allowance Vintage 2026 Option**

<b>ITEM</b>	<b>SPECIFICATION</b>
<b>Contract Description</b>	An Option on the corresponding month of the Washington Carbon Allowance Vintage 2026 Future
<b>Option Style</b>	European
<b>Underlying Contract</b>	WBJ
<b>Hours of Trading</b>	As defined at <a href="http://www.nodalexchange.com">http://www.nodalexchange.com</a>
<b>Contract Size per Lot</b>	1 lot of the Underlying Contract
<b>Unit of Trading</b>	1 lot, as defined in Contract Size per lot
<b>Strike Price</b>	A minimum of ten Strike Prices in increments of \$0.05 above and below the at-the-money Strike Price. The at-the-money strike price is the closest interval nearest to the previous day's Settlement Price of the Underlying Contract. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in \$0.05 increments.
<b>Currency</b>	US Dollars
<b>Minimum Tick</b>	\$0.001 per Washington Carbon Allowance
<b>Settlement Price Precision</b>	\$0.001 per Washington Carbon Allowance
<b>Last Trading Day</b>	At 4:00 pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month
<b>Contract Series</b>	The initial listing shall include quarterly contracts starting with December 2023 expiry through 2025. The exchange may list any other calendar month contract off the standard listing cycle beginning with March of 2023 for up to 10 years.
<b>Premium</b>	The premium on the Option is paid from the buyer to the seller on the next settlement cycle following the Transaction
<b>Daily Settlement Price</b>	Determined by the Exchange based on Exchange activity, other market data, and extrapolation to traded Option contracts, as appropriate
<b>Exercise</b>	Exercise of In-the-Money Options is automatic on the Last Trading Day unless the Exchange is notified by 5:30 pm EPT on the Last Trading Day (1) to allow the In-the-Money Options to expire without exercise or (2) to exercise expiring Out-of-the-Money Options
<b>Settlement Method</b>	Exercise into Underlying Contracts
<b>Position Limit</b>	Same with underlying contracts. Option positions are weighted by Option delta and combined with Underlying Contracts position. Underlying contracts' position limits can be found at

## NODAL EXCHANGE CONTRACT SPECIFICATION

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<b>Margin Unit</b>	US Dollars