

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 22-045

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): 02/09/22 Filing Description: Initial Listing of the Physically-Delivered CBL Core Global Emissions Offset (C-GEO) Futures Contract

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:

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

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:



Christopher Bowen
 Managing Director and Chief Regulatory Counsel
 Legal Department

February 9, 2022

VIA ELECTRONIC PORTAL

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

Re: CFTC Regulation 40.2(a) Certification. Initial Listing of the Physically-Delivered CBL Core Global Emissions Offset (C-GEO) Futures Contract. NYMEX Submission No. 22-045

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the initial listing of the physically-delivered CBL Core Global Emissions Offset (C-GEO) Futures contract (the “Contract”) for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort effective Sunday, March 6, 2022 for trade date Monday, March 7, 2022.

Contract Title	CBL Core Global Emissions Offset (C-GEO) Futures
Commodity Code	CGO
Rulebook Chapter	1257
Settlement Type	Physical
Contract Size	1,000 Environmental Offsets
Listing Schedule	Monthly contracts listed for the current year and the next three calendar years. List monthly contracts for a new calendar year following the termination of the December contract of the current year.
First Listed Month	July 2022
Minimum Price Fluctuation	\$0.01 per environmental offset
Value per tick	\$10.00
Block Trade Minimum Threshold	10 contracts – subject to a minimum 15-minute reporting window
Termination of Trading	Trading terminates three (3) Business Days prior to the last Business Day of the contract month.
CME Globex Matching Algorithm	First-In, First-Out (FIFO)
Trading and Clearing Hours	CME Globex: Sunday Pre-Open 4:00 p.m. Central Time/CT; Open 5:00 p.m. - 4:00 p.m. CT Monday – Thursday Pre-Open 4:45 p.m. CT; Open 5:00 p.m. - 4:00 p.m. CT A maintenance period occurs daily from 4:00 p.m. - 5:00 p.m. CT CME ClearPort: Sunday - Friday 5:00 p.m. - 4:00 p.m. CT with no reporting Monday - Thursday from 4:00 p.m. - 5:00 p.m. CT

NYMEX is certifying block trading on the Contract with a minimum block threshold of ten (10) contracts which is commensurate with the Exchange's other similar products.

The Exchange reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA") and identified that the Contract may have some bearing on the following Core Principles:

- **Compliance with Rules**: Trading in the Contract will be subject to the rules in Rulebook Chapter 4 which includes prohibitions against fraudulent, noncompetitive, unfair and abusive practices. Additionally, trading in this Contract will also be subject to the full range of trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. As with all products listed for trading on one of CME Group's designated contract markets, activity in this product will be subject to extensive monitoring and surveillance by CME Group's Market Regulation Department. The Market Regulation Department has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.
- **Contracts Not Readily Subject to Manipulation**: The Contract is not readily subject to manipulation due to the deep liquidity and robustness in the underlying cash market
- **Prevention of Market Disruption**: Trading in the Contract will be subject to Rules of NYMEX, which include prohibitions on manipulation, price distortion and disruption to the delivery process. As with any new product listed for trading on a CME Group designated contract market, trading activity in the Contract proposed herein will be subject to monitoring and surveillance by CME Group's Market Regulation Department.
- **Position Limitations or Accountability**: The speculative position limits for the Contract as demonstrated in this submission are consistent with the Commission's guidance.
- **Availability of General Information**: The Exchange will publish on its website information regarding the Contract's specifications, terms, and conditions, as well as daily trading volume, open interest, and price information.
- **Daily Publication of Trading Information**: The Exchange will publish the Contract's trading volumes, open interest levels, and price information daily on its website and through quote vendors for the Contract.
- **Execution of Transactions**: The Contract will be listed for trading on the CME Globex electronic trading and for clearing through the CME ClearPort. The CME Globex trading venue provides for competitive and open execution of transactions. CME Globex affords the benefits of reliability and global connectivity.
- **Trade Information**: All requisite trade information for the Contract will be included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.
- **Financial Integrity of Contract**: The Contract will be cleared by the CME Clearing House, a derivatives clearing organization registered with the CFTC and subject to all CFTC regulations related thereto.
- **Protection of Market Participants**: NYMEX Rulebook Chapters 4 and 5 set forth multiple prohibitions that preclude intermediaries from disadvantaging their customers. These rules apply to trading in all of the Exchange's competitive trading venues and will be applicable to transaction in the Contract.

- **Disciplinary Procedures:** Chapter 4 of the Rulebook contains provisions that allow the Exchange to discipline, suspend or expel members or market participants that violate the Rulebook. Trading in the contract will be subject to Chapter 4, and the Market Regulation Department has the authority to exercise its enforcement power in the event rule violations in the product are identified.
- **Dispute Resolution:** Disputes with respect to trading in the Contract will be subject to the arbitration provisions set forth in Chapter 6 of the Rulebook. Chapter 6 allows all non-members to submit a claim for financial losses resulting from transactions on the Exchange to arbitration. A member named as a respondent in a claim submitted by a nonmember is required to participate in the arbitration pursuant to Chapter 6. Additionally, the Exchange requires that members resolve all disputes concerning transactions on the Exchange via arbitration.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.2(a), the Exchange hereby certifies that listing the Contract complies with the Act, including regulations under the Act. There were no substantive opposing views to listing of the Contract.

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>.

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or e-mail CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/Christopher Bowen
 Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A: NYMEX Rulebook Chapter 1257
 Exhibit B: Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the NYMEX Rulebook (attached under separate cover)
 Exhibit C: NYMEX Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table
 Exhibit D: NYMEX Rule 589. – Special Price Fluctuation Limits and Daily Price Limits Table
 Exhibit E: Exchange Fees
 Exhibit F: Cash Market Overview and Analysis of Deliverable Supply

EXHIBIT A
NYMEX Rulebook

Chapter 1257
CBL Core Global Emissions Offset (C-GEO) Futures

1257100. SCOPE OF CHAPTER

This chapter is limited in application to CBL Core Global Emissions Offset (C-GEO) Futures (“C-GEO Futures”). The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

The provisions of these rules shall apply to all C-GEO Futures bought or sold for future delivery on the Exchange with the delivery of emissions offsets that meet the “C-GEO Screening Criteria” for the Core Global Emissions Offset (C-GEO) Standard Spot Contract set forth as Schedule 20 to the CBL Market Rules, as further identified and described [here](#).

The terms “seller” and “buyer” shall mean the seller of the physical product and the buyer of the physical product, respectively. Parties to the transaction may select a designee for making or taking delivery. The designee, if selected, must be the party’s Clearing Member. Any party utilizing a designee must submit designee information in such manner as prescribed by the Clearing House.

The term “C-GEO Screening Criteria” shall mean the (1) voluntary emissions offset unit screening criteria to identify voluntary emissions offset units as eligible for physical delivery under the Core Global Emissions Offset (C-GEO) Standard Spot Contract and (2) all other rules and procedures set forth in the CBL Standard Instruments Program, as identified and described [here](#).

The term “C-GEO Approved Registries” shall refer to the following registries included in the Core Global Emissions Offset (C-GEO) Standard Spot Contract:

- Verra Registry, operated by Verified Carbon Standard (VCS)

The term Verra Registry means the environmental commodity and voluntary carbon offset registry owned and controlled by Verified Carbon Standard (VCS).

The term “CBL Market Rules” means the operating rules and procedures of CBL Markets, including all requirements and rules associated with the provision of transfer services for futures products including the C-GEO Futures.

The term “CBL Markets” shall mean CBL Markets USA, LLC, an environmental commodity trading platform and exchange operator integrated with C-GEO Approved Registries and providing transfer services for registry account holders to transact in, hold and retire offsets.

The term “Emissions (Environmental) Offsets” shall mean a voluntary emissions offset unit meeting the C-GEO Screening Criteria and equivalent to a reduction of one tonne of carbon dioxide equivalent (tCO₂e).

For purposes of this rule, unless otherwise specified, times referred to herein shall refer to and indicate the Eastern Prevailing Time (EPT).

1257101. CONTRACT SPECIFICATIONS

C-GEO Futures contract physically deliver emissions offsets that meet all C-GEO Screening Criteria.

1257102. TRADING SPECIFICATIONS

The number of months open for trading at a given time shall be determined by the Exchange.

1257102.A. Trading Schedule

The hours for trading for this contract shall be determined by the Exchange.

1257102.B. Trading Unit

The contract unit shall be one thousand (1,000) Emissions (Environmental) Offsets meeting C-GEO Screening Criteria for delivery made by transfer through the CBL Market. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

1257102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per offset. The minimum price fluctuation shall be \$0.01 per offset (\$10.00 per contract).

1257103.D. Special Price Fluctuation Limits

At the commencement of each trading day, the contract shall be subject to special fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

1257102.E. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

1257102.F. Termination of Trading

Trading shall cease three Business Days prior to the last Business Day of the contract month. Any contracts remaining open after the last day of trading must be:

(a) Settled by delivery, which shall take place no later than the third Business Day after the termination of trading for the contract month; or

(b) Liquidated by means of a bona fide Exchange for Related Position (EFRP), pursuant to Exchange Rule 538. An EFRP is permitted in the expiring futures contract no later than 9:00 a.m. EPT one Business Day after trading terminates on the last day of trading of the expiring futures contract. An EFRP which establishes a futures position for either the buyer or the seller in an expired futures contract shall not be permitted following the termination of trading of an expired futures contract.

1257102.G. Final Settlement

The final settlement price for the Delivery Month shall be the Spot Price of the CBL Market Core Global Emissions Offset (C-GEO) Standard Spot Contract on the last trade date as determined by the Exchange. The final settlement price shall be the basis for delivery.

1257103. DELIVERY

C-GEO Futures deliveries shall comply with all CBL Market Rules and requirements for the electronic transfer of offsets at the C-GEO Approved Registries. The foregoing notwithstanding, seller and buyer are required to designate and authorize CBL Markets as its designated agent for the C-GEO Approved Registries, and open and maintain an Environmental Management Account ("EMA"). Notwithstanding the use of a designee, all Clearing Members will remain ultimately responsible for performance of all applicable contract terms specific to the seller's Clearing Member and buyer's Clearing Member.

1257104. DELIVERY PROCEDURES

CBL Markets is a transfer agent contracted by its account holders to facilitate the spot transfer of emissions offsets and payment. Deliveries against expiring contracts shall be by book-entry transfer. The seller's and buyer's Clearing Member is required to verify that its customer, as a buyer or seller, holds appropriate accounts at CBL Markets, and holds one or more registry account(s) with the C-GEO Approved Registries.

By 9:00 a.m. EPT, on the delivery day, the seller shall, 1) have available in their EMA-linked, C-GEO Approved Registry Account, a volume of claims to offsets held on the C-GEO Approved Registries that meet C-GEO Screening Criteria, equal to the total number of offsets they are responsible for delivering, and 2) deposit or otherwise commit and deliver such amount(s) of claims via the CBL Market Rules.

The buyer, in accordance with CBL Market Rules must ensure that sufficient funds, in USD, are available in their appropriate CBL Markets accounts no later than 9:00 a.m. EPT on the delivery day. Upon seller and buyer compliance, CBL Markets as transfer agent for the seller and buyer will transfer the appropriate funds to the seller and transfer and deliver the appropriate number of offsets meeting C-GEO Screening Criteria to the buyer with the C-GEO Approved Registries, by 2:00 p.m. EPT.

Upon receipt of transfer confirmation from the Clearing Member, the Clearing House will release the delivery margins.

All rights, title, and interest in and to, and risk of loss related to, the offsets will transfer upon receipt in the applicable C-GEO Approved Registries account.

Seller and buyer shall always obtain and adequately maintain systems and technology as may be necessary in order to comply with CBL Market Rules or any C-GEO Approved Registries terms and conditions, use or other requirements. The Exchange may make amendments to delivery and timing of delivery, which may have a material impact to C-GEO Futures and will notify the Clearing Members of such amendments resulting from amendments of any C-GEO Approved Registries requirement as well as any issues with CBL Markets that could impact the processing of the delivery cycle. Amendments to the Core Global Emissions Offset (C-GEO) Standard Spot Contract eligible emissions unit programs and specific unit criteria found [here](#) may be amended from time to time by CBL Markets and/or C-GEO Approved Registries.

By scheduling transfer of offsets through the transfer services agent, the seller or the seller's Clearing Member represents and warrants that, at the time of delivery, it has good and marketable title to such offsets in its C-GEO Approved Registries account, and that such offsets are free and clear of all liens, security interests, claims, encumbrances and adverse claims.

1257104.A. Responsibilities of Clearing Members

1. Notice of Intention to Accept

Clearing Members having open long positions shall provide the Clearing House with a Notice of Intention to Accept delivery by 2:00 p.m. EPT on the Business Day after the final day of trading providing number of contracts, EMA account, registry account and any other information required by the Exchange.

2. Notice of Intention to Deliver

Clearing Members having open short positions shall provide the Clearing House with a Notice of Intention to Deliver by 2:00 p.m. EPT on the Business Day after the final day of trading providing number of contracts, Registry, EMA account and any other information required by the Exchange.

3. Delivery Instructions

Upon receipt from the Exchange to Clearing Members of an assignment notice, Clearing Members shall submit delivery instructions by 10:00 a.m. EPT the business day following assignment notification to the Clearing House in a form as prescribed by the Clearing House.

1257104.B. Final Settlement Price

The final settlement price shall be the basis for delivery.

1257104.C. Assignment Day

The Clearing House shall allocate Notices of Intention to Accept and Notices of Intention to Deliver, on the first Business Day after the final day of trading, by matching positions, to the extent possible. The Clearing House shall provide Assignment Notice Reports to the respective Clearing Members on the first Business Day after the final day of trading.

1257105. TIMING OF DELIVERY

For purposes of this Rule 1257105:

"Delivery Period" shall mean the time between the final day of trading and the third Business Day following the final day of trading.

Delivery shall take place on the last day of the Delivery Period, which unless extended is the third Business Day after the final day of trading. Should the C-GEO Approved Registries or CBL Markets services be inoperable during the Delivery Period due to periodic maintenance that is an Exchange Business Day, the Exchange shall have the option to extend the Delivery Period by an additional Business Day at the registries, CBL Markets, and Exchange.

1. The seller (or as applicable the seller's Clearing Member) shall have available in their appropriate CBL Markets accounts, offsets that meet C-GEO Screening Criteria equal to the total number of offsets they are responsible for delivering, and 2) deposit or otherwise commit and deliver such claim amounts in accordance with CBL Market Rules by 9:00 a.m. EPT on the third Business Day after the final day of trading of the Delivery Month.

2. The buyer (or as applicable the buyer's Clearing Member) shall ensure cash is deposited equal to the full value of the product to their designated CBL Markets account by 9:00 a.m. EPT on the third Business Day after the final day of trading of the Delivery Month.

3. The buyer (or as applicable the buyer's Clearing Member) shall receive confirmation from CBL Markets of scheduled offset transfers at the C-GEO Approved Registries by 2:00 p.m. EPT on the third Business Day after the final day of trading of the Delivery Month.

4. For each seller or seller's Clearing Member that has satisfied its obligations under subsection (1) of this rule, CBL Markets shall deposit the full contract value by 2:00 p.m. EPT on the third Business Day after the final day of trading of the Delivery Month.

1257106. DELIVERY MARGINS AND PAYMENT

1257106.A. Definitions

For purposes of this Rule 1257106:

"Payment" shall include the settlement price, in U.S. dollars and cents, times the number of contracts times one thousand (1,000).

"Payment Date" shall mean the date on which the CBL Market transfers Payment in connection with a delivery to the seller. If the seller selects a designee, the CBL Market will transfer Payment in connection with a delivery to the seller's designee.

1257106.B. Margin

The buyer's Clearing Member and seller's Clearing Member shall deposit with the Exchange margins in such amounts and in such form as required by the Exchange. Such margins shall be returned on the Business Day following notification to the Exchange that delivery and Payment have been completed.

1257106.C. Payment

Any Payment made on the Payment Date shall be based on offsets that the seller is obligated to deliver pursuant to the applicable delivery.

In the event that delivery cannot be accomplished because of a failure of the CBL Markets wire, or because of a failure of either the buyer, the buyer's designee, the seller, or the seller's designee, delivery shall be made before 9:30 a.m. EPT on the next Business Day on which the CBL Markets wire, or bank access to it, is operable.

1257107. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document, offset or instrument delivered pursuant to these rules.

EXHIBIT B
NYMEX Rulebook
Chapter 5
(“Trading Qualifications and Practices”)
Position Limit, Position Accountability, and Reportable Level Table

(under separate cover)

EXHIBIT C

NYMEX Rulebook

Chapter 5

(“Trading Qualifications and Practices”)

NYMEX Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table

(additions underscored)

Instrument	Globex Symbol	Outrights			Spreads	
		Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Minimum Ticks	NRR: Globex Format	NRR: Minimum Ticks
<u>CBL Core Global Emissions Offset (C-GEO) Futures</u>	<u>CGO</u>	<u>\$.50 per Environmental Offset</u>	<u>50</u>	<u>50</u>	<u>Each leg evaluated as an outright</u>	

EXHIBIT D

NYMEX Rulebook

Chapter 5

(“Trading Qualifications and Practices”)

NYMEX Rule 589. – Special Price Fluctuation Limits and Daily Price Limits Table

(additions underscored)

Product	Rulebook	Commodity Code	PRIMARY/ASSOCIATED	ASSOCIATED WITH	Dynamically Calculated Variant - All Hours	Daily Price Limit
<u>CBL Core Global Emissions Offset (C-GEO) Futures</u>	<u>1257</u>	<u>CGO</u>	<u>Primary</u>	<u>Primary</u>	<u>10% of Dynamically Calculated Reference Price</u>	<u>Daily Price Limit Table</u>

EXHIBIT E

Exchange Fees

Exchange Fees	Member	Non-Member
CME Globex	\$5.00	\$5.50
EFP	\$5.00	\$5.50
Block	\$5.00	\$5.50
EFR/EOO	\$5.00	\$5.50
	House Account	Customer Account
Delivery Notice	\$5.00	\$5.00
Processing Fees	Fee	
Facilitation Fee	\$0.60	
Give-Up Surcharge	\$0.05	
Position Adjustment/Position Transfer	\$0.10	

EXHIBIT F

Cash Market Overview and Analysis of Deliverable Supply

CASH MARKET OVERVIEW

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the initial listing of the CBL Core Global Emissions Offset (C-GEO) Futures contract (the “Contract” or “C-GEO”). The Exchange relied on long standing precedent, which provides that the key component in estimating deliverable supply is the portion of product units that could reasonably be considered readily available for delivery. The Contract will be listed for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort.

Contract Title	Commodity Code	Rulebook Chapter
CBL Core Global Emissions Offset (C-GEO) Futures	CGO	1257

In early 2022, CBL Markets introduced the Core Global Emissions Offset (C-GEO) product suite. C-GEO represents voluntary carbon offset units that are originated from energy and renewable (technology) projects.¹ C-GEO represents emission offset instruments that are aligned with the Core Carbon Principles recommendation by the Taskforce to Scale Voluntary Carbon Markets (TSVCM).² CBL Markets introduced two contracts: 1) C-GEO, which will launch with a vintage eligibility of 2016-2021 (rolling forward one year on June 30th each calendar year) and 2) C-GEO Trailing, which will launch with a vintage eligibility of 2012-2015 (rolling one year forward that same date). The Exchange is listing a C-GEO futures contract.

METHODOLOGY

The Exchange considered two (2) components in the evaluation of deliverable supply of the Contract:

- 1.) Offset Issuance
- 2.) Offset Retirement/Cancellation

The Exchange utilized Verra Registry data provided by CBL Markets for its analysis and evaluation of deliverable supply estimates for C-GEO eligible offsets. To determine the number of C-GEO eligible offsets issued and retired/cancelled, the Exchange applied the following C-GEO Screening Criteria as defined in CBL Markets’ Standard Instrument Program (SIP) Schedule 5:³

- Unit types:
 - Verified Carbon Units (VCUs), including any additional certifications, and with the exclusion of the following activity and/ or unit types, methodologies, programme elements, and/ or procedural classes:
 - Hydroelectric Power Plants utilizing CDM Methodology ACM0002 Grid-Connected electricity generation from renewable sources, with electrical generation capacity larger than 20MW, with the exception of:
 - Run of River Hydroelectric Power Plant projects.
 - Methodologies within Sectoral Scope 15. Agriculture, Forestry and Other Land Use
 - Project Vintage Eligibility: Projects meeting criteria above for Asset Units with vintage meeting a 6-year Rolling Eligibility Window. The Rolling Eligibility will begin by including Asset Units of Vintage 2016 to 2021 and move, with time, in 1-year increments. The window will “roll-over” on the 30th of June of each new year.

¹ <https://pub.lucidpress.com/c-geo-product-guide/#JCzHPgnDxb-U>

² <https://www.iif.com/tsvcm/Main-Page/Publications/ID/4254/Taskforce-Establishes-Core-Carbon-Principles-Publishes-Roadmap-for-Scaling-Voluntary-Carbon-Markets>

³ <https://pub.lucidpress.com/CBL-Standard-Instruments-Program/>

- Approved Registries: Verra Registry, operated by Verified Carbon Standard (VCS)

Deliverable supply of C-GEO eligible offsets is calculated as the outstanding offset issuances net of retirements and cancellations. The net supply will represent a running total of available C-GEO eligible offsets. CBL Markets provided the Exchange with issuances and retirement data which was obtained from the Verra Registry.

In its cash market and deliverable supply analysis, the Exchange incorporated data from a range of sources as described below.

Verra/Verified Carbon Standard (VCS)

Verra is a nonprofit corporation under the laws of the District of Columbia headquartered in Washington, DC. The organization manages the Verified Carbon Standard (VCS) which allows certified projects to turn their greenhouse gas (GHG) emission reductions and removals into tradable carbon credits. According to Verra, since its launch in 2006, the VCS Program has grown into the world's largest voluntary GHG program. VCS projects include dozens of technologies and measures which result in GHG emission reductions and removals, including forest and wetland conservation and restoration, agricultural land management, transport efficiency improvements, and many others. There are currently almost 1,600 registered projects in over 82 countries that have generated more than 450 million carbon credits⁴. Verra registry data is publicly available on its website.⁵

CBL Markets

The Exchange partnered with CBL Markets, an environmental commodities spot exchange, which will provide pricing data and delivery capabilities for C-GEO eligible offsets available in the Verra Registry. In 2019, CBL merged with Xpansiv to form Xpansiv CBL Holding Group (XCHG).⁶

MARKET OVERVIEW

Deliverable supply of C-GEO eligible offsets is calculated as the outstanding offset issuances net of retirements and cancellations. The net supply will represent a running total of available C- GEO 2 eligible offsets. Net supply at year-end 2018 was 7,264,293 units and represents the C-GEO eligible supply already in existence at the beginning of the required three-year reporting period.

C-GEO eligible offsets - net issuances and retirements (Source: CBL)

Calendar month year	Issuances	Retirements	Net issuances
Net issuances as of Dec-18	-	-	7,264,293
Jan-19	670,115	525,901	7,408,507
Feb-19	873,055	319,939	7,961,623
Mar-19	2,120,624	540,732	9,541,515
Apr-19	1,815,566	1,025,325	10,331,756
May-19	1,449,777	240,570	11,540,963
Jun-19	767,787	1,985,601	10,323,149
Jul-19	2,545,123	322,952	12,545,320
Aug-19	1,970,932	1,362,800	13,153,452
Sep-19	2,049,110	1,123,041	14,079,521

⁴ <https://verra.org/about-verra/who-we-are/>

⁵ <https://registry.verra.org/app/search/CCB/All%20Projects>

⁶ <https://xpansiv.com/cbl/>

Oct-19	3,967,426	1,021,276	17,025,671
Nov-19	4,350,181	1,263,823	20,112,029
Dec-19	5,316,773	2,682,100	22,746,702
Jan-20	4,943,054	857,061	26,832,695
Feb-20	1,475,620	488,902	27,819,413
Mar-20	8,519,808	457,886	35,881,335
Apr-20	361,650	1,062,528	35,180,457
May-20	3,202,065	973,056	37,409,466
Jun-20	3,466,391	3,811,865	37,063,992
Jul-20	2,940,431	738,685	39,265,738
Aug-20	3,761,364	1,779,194	41,247,908
Sep-20	5,103,618	879,122	45,472,404
Oct-20	3,941,235	1,756,049	47,657,590
Nov-20	7,787,475	1,538,748	53,906,317
Dec-20	3,056,198	2,575,135	54,387,380
Jan-21	2,359,609	3,188,009	53,558,980
Feb-21	4,555,296	1,473,111	56,641,165
Mar-21	1,691,707	1,425,103	56,907,769
Apr-21	6,536,531	1,277,182	62,167,118
May-21	10,563,711	2,124,291	70,606,538
Jun-21	6,002,661	1,868,775	74,740,424
Jul-21	5,533,983	2,279,746	77,994,661
Aug-21	10,213,240	1,427,643	86,780,258
Sep-21	7,793,167	1,340,420	93,233,005
Oct-21	8,275,032	2,340,703	99,167,334
Nov-21	3,065,723	1,127,111	101,105,946
Dec-21	1,307,012	655,046	101,757,912
3-year average	4,009,807	1,384,984	43,709,889

ANALYSIS OF DELIVERABLE SUPPLY

Appendix C to part 38 of the Commission’s regulations defines deliverable supply as “the quantity of the commodity meeting the contract’s delivery specifications that can reasonably be expected to be readily available to short traders and saleable by long traders at its market value in normal cash marketing channels at the derivative contract’s delivery points during the specified delivery period, barring abnormal movement in interstate commerce.”

The Exchange is assessing spot month position limits for the CBL Core Global Emissions Offset (C-GEO) Futures based on C-GEO eligible offset VCS units’ issuances net of retirements across the period Jan 2019-Dec 2021. Across this period, the average monthly deliverable supply of offsets available is equal to 43,709,889 units, equivalent to 43,710 contract equivalents (1 contract being equivalent to 1,000 environmental offsets).

Deliverable Supply (Emissions Offsets)	Monthly Contract Equivalent	Spot Month Position Limit Contract Equivalent	% of Deliverable Supply
43,709,889	43,710	6,000	13.73%

the proposed spot month position limit for the CBL Core Global Emissions Offset (C-GEO) Futures contract is 6,000 contracts which represents 13.73% of the estimated deliverable supply.