



Submission No. 15-102  
May 14, 2015

Mr. Christopher J. Kirkpatrick  
Secretary of the Commission  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

**Re: New NYISO Zone D Day-Ahead Peak Fixed Price Future and Related Amendments (1 of 2) Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.2 and 40.6(a)**

Dear Mr. Kirkpatrick:

Pursuant to Commission Regulations 40.2 and 40.6(a), ICE Futures U.S., Inc. (“Exchange”) submits, by written certification, new Rules 18.B.268 and 18.B.269, Resolutions 1 and 2 of Chapter 18, and the Exchange’s Block Trade Procedures, which are codified in the Exchange’s Block Trade FAQ, as set forth in Exhibit A. The new rules and amendments provide for two new financial power futures contracts, which will be listed on June 1, 2015.

**NYISO**

The Exchange is listing two new futures contracts, which supplement existing ICE power futures contracts for the New York Independent System Operator (“NYISO”). NYISO manages the electric power flow in the state of New York from over 500 generators on 10,900 miles of transmission lines. NYISO’s wholesale electricity market has over 400 market participants. NYISO is divided into eleven control area load zones: West, Genesee, Central, North, Mohawk Valley, Capital, Hudson Valley, Millwood, Dunwoodie, Long Island, and New York City. NYISO publishes actual and forecasted hourly load and LMP for each of its zones. The new Zone D contracts are based on the North load zone. The new contracts are monthly cash settled futures contracts based on the average of hourly electricity prices published by NYISO for Zone D during specified periods, as set forth in the table below.

Contract Name	Contract Size (MW)	Minimum Tick <sup>1</sup>	IPL Amount	IPL Recalc Time (Seconds)	IPL Hold Period (Seconds)	NCR <sup>2</sup>	Minimum Block Size	Spot Month Position Limit
NYISO Zone D Day-Ahead Peak Fixed Price Future	1	\$0.05	\$30.00	3	5	\$5.00	5	714

<sup>1</sup> The minimum fluctuation is \$0.05 for screen trades and \$0.01 for block trades.

<sup>2</sup> The NCR for BalDay, NextDay and Balweek contracts is \$5.00. The NCR for Weekly and Balmo contracts is \$2.00.

NYISO Zone D Day-Ahead Off- Peak Fixed Price Future	1	\$0.05	\$30.00	3	5	\$5.00	5	538
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The listing cycle for the new contracts is up to 86 consecutive monthly contract periods. The block trade minimum size of 5 lots is consistent with the minimum sizes for similar power contracts currently listed by the Exchange. The spot month position limits for the new NYISO Zone D contracts are set at levels that are consistent with spot month position limits for similar power contracts currently listed by the Exchange (converted to adjust for the contract size differential).

### **Certifications**

The new rules and rule amendments will become effective with the listing of the new financial power contracts on June 1, 2015. The Exchange is not aware of any substantive opposing views to the new financial power contracts. The Exchange certifies that the rule amendments comply with the requirements of the Act and the rules and regulations promulgated thereunder. The Exchange has reviewed the designated contract market core principles ("Core Principles") as set forth in the Act and has determined that the listing of the contract complies with the following relevant Core Principles:

#### **COMPLIANCE WITH RULES**

The terms and conditions of the new financial power futures contracts are set forth in new Rules 18.B.268 and 18.B.269, Resolutions 1 and 2 of Chapter 18 and the Exchange's Block Trade Procedures, and will be enforced by the Exchange. In addition, trading of the contracts is subject to all relevant Exchange rules which are enforced by the Market Regulation Department.

#### **CONTRACTS NOT READILY SUBJECT TO MANIPULATION**

The new financial power futures contracts are not readily subject to manipulation as they are based on established and liquid underlying cash markets. In addition, trading of the new contracts will be monitored by the Market Regulation Department.

#### **POSITION LIMITS OR ACCOUNTABILITY**

Positions in the new financial power futures contracts will be subject to position limits set by the Exchange. As described above, such position limits are based upon existing levels set for substantially similar products.

#### **FINANCIAL INTEGRITY OF CONTRACTS**

The new financial power futures contracts will be cleared by ICE Clear Europe, a registered derivatives clearing organization subject to Commission regulation, and carried by registered futures commission merchants qualified to handle customer business.

The Exchange further certifies that, concurrent with this filing, a copy of this submission was posted on the Exchange's website and may be accessed at (<https://www.theice.com/futures-us/regulation#Rule-Filings>).

If you have any questions or need further information, please contact me at 212-748-4021 or at [jason.fusco@theice.com](mailto:jason.fusco@theice.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Jason V. Fusco". The signature is written in a cursive, flowing style.

Jason V. Fusco  
Assistant General Counsel  
Market Regulation

Enc.  
cc: Division of Market Oversight  
New York Regional Office

# EXHIBIT A

## Resolution No. 1-Minimum Price Fluctuation Table

The following minimum price fluctuations shall be applicable to Energy Contracts.

Rule Number	Product	Minimum Price Fluctuation	
		Screen	Blocks and other trades outside the central limit order book

\* \* \*

18.B.268	NYISO Zone D Day-Ahead Peak Fixed Price Future	0.05	0.01
18.B.269	NYISO Zone D Day-Ahead Off-Peak Fixed Price Future	0.05	0.01

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### Resolution No. 2 – Position Limit/Accountability Table

(In the text of the amendments below, additions are underlined and deletions are bracketed and lined out.)

Rule	Contract Name	Commodity Code	Contract Size	Unit of Trading	Spot Month Limit	Single Month Accountability Level	All Month Accountability Level	Aggregate 1 (Positive Correlation)	Aggregate 2 (Negative Correlation)	Exchange Reportable Level
<u>18.B.268</u>	<u>NYISO Zone D Day-Ahead Peak Fixed Price Future</u>	<u>NDR</u>	<u>1</u>	<u>MW</u>	<u>714</u>	<u>714</u>	<u>714</u>	<u>NDR</u>		<u>1</u>
18.B.266	NYISO Zone D Day-Ahead Peak Daily Fixed Price Future	NDL	800	Mwh	300	300	300	<u>NDR</u>		1
<u>18.B.269</u>	<u>NYISO Zone D Day-Ahead Off-Peak Fixed Price Future</u>	<u>NDS</u>	<u>1</u>	<u>MW</u>	<u>538</u>	<u>538</u>	<u>538</u>	<u>NDS</u>		<u>1</u>
18.B.267	NYISO Zone D Day-Ahead Off-Peak Daily Fixed Price Future	NDM	50	Mwh	4,200	4,200	4,200	<u>NDS</u>		1

## **18.B.268 NYISO ZONE D DAY-AHEAD PEAK FIXED PRICE FUTURE**

**Contract Description:** A monthly cash settled Exchange Futures Contract based upon the mathematical average of peak hourly electricity prices published by NYISO for the location specified in Reference Price A.

**Contract Symbol:** NDR

**Settlement Method:** Cash settlement

**Contract Size:** 1 MW

**Currency:** USD

**Minimum Price Fluctuation:** The price quotation convention shall be one cent (\$0.01) per MWh; minimum price fluctuation may vary by trade type. Please see Table in Resolution 1 to this Chapter 18.

**Listing Cycle:** Up to 86 consecutive monthly Contract Periods

**Last Trading Day:** The last Business Day of the Contract Period

**Final Settlement:** Reference Price A

**Reference Price A:** ELECTRICITY-NYISO-ZONE D (NORTH)-DAY AHEAD

- a) **Description:** “ELECTRICITY-NYISO-ZONE D (NORTH)-DAY AHEAD” means that the price for a Pricing Date will be that day’s Specified Price per MWh of electricity for delivery on the Delivery Date, which Specified Price will be the Specified Price for each hour during the Delivery Period, stated in U.S. Dollars, published by the NYISO at [http://www.nyiso.com/public/markets\\_operations/index.jsp](http://www.nyiso.com/public/markets_operations/index.jsp), under the headings “ Pricing Data: Day-Ahead Market LBMP: Zonal: NORTH61755: LBMP (\$/MWhr)” or any successor headings, that reports prices effective on that Pricing Date.
- b) **Pricing Date:** Each Monday through Friday, excluding NERC holidays, that prices are reported for the Delivery Date
- c) **Specified Price:** Average of LBMPs for all hours ending 0800-2300 EPT
- d) **Pricing calendar:** NYISO
- e) **Delivery Date:** Contract period

**Final Payment Date:** The second Clearing Organization business day following the Last Trading Day

## **18.B.269 NYISO ZONE D DAY-AHEAD OFF-PEAK FIXED PRICE FUTURE**

**Contract Description:** A monthly cash settled Exchange Futures Contract based upon the mathematical average of off-peak hourly electricity prices published by NYISO for the location specified in Reference Price A.

**Contract Symbol:** NDS

**Settlement Method:** Cash settlement

**Contract Size:** 1 MW

**Currency:** USD

**Minimum Price Fluctuation:** The price quotation convention shall be one cent (\$0.01) per MWh; minimum price fluctuation may vary by trade type. Please see Table in Resolution 1 to this Chapter 18.

**Listing Cycle:** Up to 86 consecutive monthly Contract Periods

**Last Trading Day:** The last Business Day of the Contract Period

**Final Settlement:** Reference Price A

**Reference Price A:** ELECTRICITY-NYISO-ZONE D (NORTH)-DAY AHEAD

- a) **Description:** "ELECTRICITY-NYISO-ZONE D (NORTH)-DAY AHEAD" means that the price for a Pricing Date will be that day's Specified Price per MWh of electricity for delivery on the Delivery Date, which Specified Price will be the Specified Price for each hour during the Delivery Period, stated in U.S. Dollars, published by the NYISO at [http://www.nyiso.com/public/markets\\_operations/index.jsp](http://www.nyiso.com/public/markets_operations/index.jsp), under the headings " Pricing Data: Day-Ahead Market LBMP: Zonal: NORTH61755: LBMP (\$/MWhr)" or any successor headings, that reports prices effective on that Pricing Date.
- b) **Pricing Date:** Each Monday through Friday, excluding NERC holidays, that prices are reported for the Delivery Date
- c) **Specified Price:** For each Monday through Friday, excluding NERC holidays, the average of LBMPs for all hours ending 0100-0700, 2400 EPT; for each Saturday, Sunday, and NERC holiday, the average of LBMPs for all hours ending 0100-2400 EPT.
- d) **Pricing calendar:** NYISO
- e) **Delivery Date:** Contract period

**Final Payment Date:** The second Clearing Organization business day following the Last Trading Day

**[REMAINDER OF RULE UNCHANGED]**

**ICE FUTURES U.S.  
BLOCK TRADE – FAQs**

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<b>Contract Name</b>	<b>Commodity Code</b>	<b>Contract Size</b>	<b>Unit of Trading</b>	<b>Block MQR (in Lots)</b>
NYISO Zone D Day-Ahead Peak Fixed Price Future	NDR	1	MW	5
NYISO Zone D Day-Ahead Off-Peak Fixed Price Future	NDS	1	MW	5

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