SUBMISSION COVER SHEET

***IMPORTANT*: Check box if Confidential Treatment is requested** ☐

Registered Entity Identifier Code (optional): 24-208 (2 of 4)

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: 06/13/24 Filing Description: Initial Listing of the D4 Biodiesel and D6 Ethanol Renewable Identification Numbers (RINs) (OPIS) Futures Contracts and Related Average Price Option Contracts

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

Official Product Name: See filing.

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:

Timothy Elliott
Managing Director and Chief Regulatory Counsel
Legal Department

June 13, 2024

VIA ELECTRONIC PORTAL

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

Re: CFTC Regulation 40.2(a) Certification. Initial Listing of the D4 Biodiesel and D6 Ethanol Renewable Identification Numbers (RINs) (OPIS) Futures Contracts and Related Average Price Option Contracts.
NYMEX Submission No. 24-208 (2 of 4)

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 D4 Biodiesel RINs (OPIS) Futures and D6 Ethanol RINs (OPIS) Futures and related average price options contracts (the "Contracts") for trading on the CME Globex electronic trading platform and for submission for clearing via CME ClearPort effective Sunday, June 30, 2024, for trade date Monday, July 1, 2024.

Contract Title	**D4 Biodiesel RINs (OPIS) Futures**	**D6 Ethanol RINs (OPIS) Futures**	**D4 Biodiesel RINs (OPIS) Average Price Option**	**D6 Ethanol RINs (OPIS) Average Price Option**
CME Globex and CME ClearPort Code	RN4	RN6	RO4	RO6
Rulebook Chapter	1296	1297	1298	1299
Price Quotation	US dollars and cents per RIN			
Contract Size	50,000 RINs			
Minimum Price Fluctuation	$0.0001			
Value per Tick	$5.00			
Settlement Type	Financial			
CME Globex Matching Algorithm	F-FIFO			
Listing Schedule	Monthly contracts listed for 36 consecutive months			
Initial Listing	July 2024 - June 2027			
Termination of Trading	Trading terminates on the last business day of the contract month.			
Strike Price Listing Schedule			Minimum 20 strikes at 0.0010 per RIN increment above and below the at-the-money strike for 12 months. Minimum at-the-money strike at 0.0010 per RIN increment for months 13+. Dynamic strike for all months at 0.0001 per RIN increment.	
Underlying Futures Contract / Commodity Code			D4 Biodiesel RINs (OPIS) Futures / RN4	D6 Ethanol RINs (OPIS) Futures / RN6
Option Exercise Style			European	

Block Trade Minimum Threshold and Reporting Window	5 contracts – subject to a 15-minute reporting window
Trading and Clearing Hours	**CME Globex Pre-open**: Sunday 4:00 p.m. – 5:00 p.m. Central Time/CT Monday – Thursday 4:45 p.m. – 5:00 p.m. CT **CME Globex Open**: Sunday 5:00 p.m. – Friday 4:00 p.m. CT with a daily maintenance period from 4:00 p.m. – 5:00 p.m. CT **CME ClearPort**: Sunday 5:00 p.m. – Friday 4:00 p.m. CT with no reporting Monday – Thursday from 4:00 p.m. – 5:00 p.m. CT

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

- **Availability of General Information**: The Exchange will publish information on the Contracts' specification on its website, together with daily trading volume, open interest and price information.

- **Contracts Not Readily Subject to Manipulation:** The Contracts are based on a cash price series that is reflective of the underlying cash market and is commonly relied on and used as a reference price by cash market brokers and commercial market participants.

- **Compliance with Rules**: Trading in the Contracts will be subject to Chapter 4 of the Exchange rules which includes prohibitions against fraudulent, non-competitive, unfair and abusive practices and will be subject to extensive monitoring and surveillance by CME Group's Market Regulation Department. The Market Regulation Department may use its investigatory and enforcement power where potential rule violations are identified during its regular surveillance reviews.

- **Prevention of Market Disruption:** Trading in the Contracts will be subject to the Rules of NYMEX which include prohibitions on manipulation, price distortion, and disruption to the cash settlement 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 Contracts as demonstrated in this submission are consistent with the Commission's guidance.

- **Financial Integrity of Contracts**: The Contracts will be cleared by the CME Clearing House which is a registered derivatives clearing organisation with the Commission and is subject to all Commission regulations related thereto.

- **Execution of Transactions**: The Contracts will be listed for trading on the CME Globex electronic trading and for clearing through CME ClearPort. The CME Globex electronic 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 Contracts will be included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.

- **Protection of Market Participants**: NYMEX Rulebook Chapters 4 and 5 contain multiple prohibitions precluding intermediaries from disadvantaging their customers. These rules apply to

trading on all Exchange's competitive venues and will be applicable to transactions in these Contracts.

- **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 Contracts 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 these Contracts are identified.

- **Dispute Resolution**: Disputes with respect to trading in the Contracts 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 non-member 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.

- **Daily Publication of Trading Information**: The Exchange will publish information regarding trading volume, open interest and price information daily on its website and through quote vendors for the Contracts.

Exhibit A provides the NYMEX Rulebook chapters. Exhibit B provides the Position Limit, Position Accountability and Reportable Level Table (under separate cover). Exhibit C provides the Exchange fees. Exhibit D provides the NYMEX Rule 588.H. ("Globex Non-Reviewable Trading Ranges") Table. Exhibit E provides the Cash Market Overview and Analysis of Deliverable Supply.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.2(a), the Exchange certifies that the Contracts comply with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

The Exchange certifies that this submission has been concurrently posted on the CME Group website at http://www.cmegroup.com/market-regulation/rule-filings.html.

Should you have any questions concerning the above, please contact the undersigned at (312) 466-7478 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Timothy Elliott
Managing Director and Chief Regulatory Counsel

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

20 S Wacker Dr Chicago, IL 60606 т 312 466 7478 tim.elliott@cmegroup.com cmegroup.com

Exhibit A

NYMEX Rulebook

Chapter 1296
D4 Biodiesel RINs (OPIS) Futures

1296100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

1296101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the arithmetic average of the high and low quotations from OPIS for current year "U.S. Biodiesel RINs" for each business day that it is determined during the contract month.

1296102. TRADING SPECIFICATIONS

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

1296102.A. Trading Schedule

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

1296102.B. Trading Unit

The contract quantity shall be 50,000 RINs. Each contract shall be valued as the contract quantity (50,000) multiplied by the settlement price.

1296102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per RIN. The minimum price fluctuation shall be $0.0001 per RIN.

1296102.D. 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.

1296102.E. Termination of Trading

Trading shall cease on the last business day of the contract month.

1296103. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. The final settlement price will be the Floating Price calculated for each contract month.

1296104. DISCLAIMER

See NYMEX/COMEX Chapter iv. ("DISCLAIMERS") incorporated herein by reference.

Chapter 1297
D6 Ethanol RINs (OPIS) Futures

1297100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

1297101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the arithmetic average of the high and low quotations from OPIS for current year "U.S. Ethanol RINs" for each business day that it is determined during the contract month.

1297102. TRADING SPECIFICATIONS

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

1297102.A. Trading Schedule

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

1297102.B. Trading Unit

The contract quantity shall be 50,000 RINs. Each contract shall be valued as the contract quantity (50,000) multiplied by the settlement price.

1297102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per RIN. The minimum price fluctuation shall be $0.0001 per RIN.

1297102.D. 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.

1297102.E. Termination of Trading

Trading shall cease on the last business day of the contract month.

1297103. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. The final settlement price will be the Floating Price calculated for each contract month.

1297104. DISCLAIMER

See NYMEX/COMEX Chapter iv. ("DISCLAIMERS") incorporated herein by reference.

Chapter 1298
D4 Biodiesel RINs (OPIS) Average Price Option

1298100. SCOPE OF CHAPTER

This chapter is limited in application to put and call average price options on the D4 Biodiesel RINs (OPIS) Futures contract. In addition to the rules of this chapter, transactions in options on D4 Biodiesel RINs (OPIS) Futures shall be subject to the general rules of the Exchange insofar as applicable.

1298101. OPTION CHARACTERISTICS

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

1298101.A. Trading Schedule

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

1298101.B. Trading Units

A D4 Biodiesel RINs (OPIS) Average Price put option traded on the Exchange represents the cash difference between the exercise price and the settlement price of the D4 Biodiesel RINs (OPIS) Futures multiplied by 50,000, or zero, whichever is greater. A D4 Biodiesel RINs (OPIS) Average Price call option traded on the Exchange represents the cash difference between the settlement price of the D4 Biodiesel RINs (OPIS) Futures and the exercise price multiplied by 50,000, or zero, whichever is greater.

1298101.C. Price Increments

Prices shall be quoted in U.S. dollar and cents per RIN. The minimum price fluctuation shall be $0.0001 per RIN.

1298101D. 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.

1298101.E. Termination of Trading

A D4 Biodiesel RINs (OPIS) Average Price Option contract shall expire on the last business day of the contract month.

1298101.F. Type of Option

The option is a European-style option cash settled on expiration day. The option cannot be exercised prior to expiration.

1298102. EXERCISE PRICES AND CHARACTERISTICS

Transactions shall be conducted for option contracts as set forth in Rule 300.20.

1298103. DISCLAIMER

See NYMEX/COMEX Chapter iv. ("DISCLAIMERS") incorporated herein by reference.

Chapter 1299
D6 Ethanol RINs (OPIS) Average Price Option

1299100. SCOPE OF CHAPTER

This chapter is limited in application to put and call average price options on the D6 Ethanol RINs (OPIS) Futures contract. In addition to the rules of this chapter, transactions in options on D6 Ethanol RINs (OPIS) Futures shall be subject to the general rules of the Exchange insofar as applicable.

1299101. OPTION CHARACTERISTICS

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

1299101.A. Trading Schedule

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

1299101.B. Trading Units

A D6 Ethanol RINs (OPIS) Average Price put option traded on the Exchange represents the cash difference between the exercise price and the settlement price of the D6 Ethanol RINs (OPIS) Futures multiplied by 50,000, or zero, whichever is greater. A D6 Ethanol RINs (OPIS) Average Price call option traded on the Exchange represents the cash difference between the settlement price of the D6 Ethanol RINs (OPIS) Futures and the exercise price multiplied by 50,000, or zero, whichever is greater.

1299101.C. Price Increments

Prices shall be quoted in U.S. dollar and cents per RIN. The minimum price fluctuation shall be $0.0001 per RIN.

1299101D. 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.

1299101.E. Termination of Trading

A D6 Ethanol RINs (OPIS) Average Price Option contract shall expire on the last business day of the contract month.

1299101.F. Type of Option

The option is a European-style option cash settled on expiration day. The option cannot be exercised prior to expiration.

1299102. EXERCISE PRICES AND CHARACTERISTICS

Transactions shall be conducted for option contracts as set forth in Rule 300.20.

1299103. DISCLAIMER

See NYMEX/COMEX Chapter iv. ("DISCLAIMERS") incorporated herein by reference.

Exhibit B

NYMEX Rulebook
Chapter 5
("Trading Qualifications and Practices")

Position Limits, Position Accountability and Reportable Level Table

(attached under separate cover)

Exhibit C

Exchange Fees

	Member	Non-Member
CME Globex	$0.85	$1.35
EFP	$0.85	$1.35
Block	$0.85	$1.35
EFR/EOO	$0.85	$1.35

Processing Fees		
Cash Settlement	$0.50	$0.50
Facilitation Fee	$0.60	
Give-Up Surcharge	$0.05	
Position Adjustment/Position Transfer	$0.10	

Exhibit D

NYMEX Rulebook
Chapter 5
("Trading Qualifications and Practices")
NYMEX Rule 588.H. – ("Globex Non-Reviewable Trading Ranges") Table

(additions underscored)

		Outrights			Spreads	
Instrument	**Globex Symbol**	**Globex Non-Reviewable Ranges (NRR)**	**NRR: Globex Format**	**NRR:Minimum Ticks**	**NRR: Globex Format**	**NRR: Outright Minimum Ticks**
D4 Biodiesel RINs (OPIS) Futures	RN4	$0.02 per RIN	200	200	Each leg evaluated as an outright	
D6 Ethanol RINs (OPIS) Futures	RN6	$0.02 per RIN	200	200	Each leg evaluated as an outright	
D4 Biodiesel RINs (OPIS) Average Price Option	RO4	The greater of the following: •Delta multiplied by the underlying futures non-reviewable range •20% of premium up to ¼ of the underlying futures non-reviewable range •5 ticks				
D6 Ethanol RINs (OPIS) Average Price Option	RO6					

Exhibit E

Cash Market Overview and Analysis of Deliverable Supply

CASH MARKET OVERVIEW

New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") is certifying the initial listing of four (4) Renewable Identification Numbers (RINs) futures and options contracts based on OPIS assessments (collectively, the "Contracts"). The Contracts will include two (2) types of renewable fuel: D4 Biodiesel RINs and D6 Ethanol RINs.

Contract Title	Commodity Code	NYMEX Rulebook Chapter
D4 Biodiesel RINs (OPIS) Futures	RN4	1296
D6 Ethanol RINs (OPIS) Futures	RN6	1297
D4 Biodiesel RINs (OPIS) Average Price Option	RO4	1298
D6 Ethanol RINs (OPIS) Average Price Option	RO6	1299

Data Sources:

The Exchange determined to use data collected by the Environmental Protection Agency ("EPA") for its analysis and evaluation of deliverable supply estimates for RINs. The EPA provides detailed data on the key components of deliverable supply. The EPA provides such data on a monthly, and annual basis.

Oil Price Information Service (OPIS),[1] a Dow Jones Company is a price reporting service for energy, refined products, natural gas liquids, petrochemicals, and a premier source of benchmark price assessments for those commodity markets. OPIS assesses closing values with the greatest weight in its daily assessment process to confirmed deals, followed by bids and offers. OPIS methodology is compliant with all international standards for price reporting agencies set forth by the International Organization of Securities Commissions ("IOSCO").[2] The methodology for the assessments can be found at the following website:

https://www.opisnet.com/about/methodology/#rin-credit

The final settlement price for the Contracts is based on price assessments of the respective underlying physical markets as assessed and published by OPIS.

[1] https://www.opisnet.com/
[2] https://www.opisnet.com/about/methodology/

The EPA is responsible for developing and implementing regulations to ensure that transportation and heating fuel sold in the United States contains a minimum volume of renewable fuel. The Renewable Fuel Standard ("RFS")[3] program was created pursuant to the requirements of Clean Air Act ("CAA") section 211(o),[4] which were added through the Energy Policy Act ("EPAct") of 2005.[5] The program, which was developed in collaboration with refiners, renewable fuel producers and other stakeholders established the first renewable fuel volume mandate in the United States.

The original RFS program that began in 2006 is known as RFS1 and required 7.5 billion gallons (bgal) of renewable fuel to be blended into gasoline by 2012, with at least 250 million gallons of cellulosic biofuels starting in 2013. The statutory requirements for the RFS program were subsequently modified, resulting in the promulgation of major revisions to the regulatory requirements on March 26, 2010.[6] The Energy Independence and Security Act ("EISA") of 2007 established RFS2, which included diesel in addition to gasoline.

RFS2 expanded and significantly increased volume requirements, setting a target renewable fuel requirement of 36 billion gallons by 2022, with at least 16 billion gallons from cellulosic biofuels, and a cap of 15 billion gallons for conventional biofuel, mainly corn-starch ethanol. RFS volume mandates are not exclusive, and generally result in nested requirements. For example, any renewable fuel that meets the requirement for cellulosic biofuel or biomass-based diesel is also valid for meeting the advanced biofuel requirement. RFS2 also established four separate categories of renewable fuels, each with a separate, but nested, volume requirement, and included greenhouse gas ("GHG") reduction levels in the definitions of each category. Table 1 illustrates the fuel pathways and associated GHG levels.

Table 1. Fuel Pathways and Target GHG Reduction[7] Thresholds

Fuel Pathway	Target GHG Reduction Threshold
Renewable Fuel	20%
Cellulosic Biofuel	60%
Biomass-based Diesel	50%
Advanced Biofuel	50%

For 2023 and beyond, the statute directs the EPA to determine the applicable volume targets in coordination with the United States Department of Energy ("DOE") and the United States Department of Agriculture ("USDA").[8] On June 21, 2023, the EPA announced a final RFS Rule for 2023, 2024, 2025.[9] The final rule established biofuel volume requirements and associated percentage standards for cellulosic biofuel, biomass-based diesel ("BBD"), advanced biofuel, and total renewable fuel for 2023–2025. Table 2 details EPA statutory mandates through 2025.

[3] http://www.epa.gov/otaq/fuels/renewablefuels/index.htm
[4] http://www.law.cornell.edu/uscode/text/42/7545
[5] http://www.gpo.gov/fdsys/pkg/PLAW-109publ58/pdf/PLAW-109publ58.pdf
[6] http://www.gpo.gov/fdsys/pkg/FR-2010-03-26/html/2010-3851.htm
[7] Percent reduction from a 2005 gasoline or diesel baseline; https://www.epa.gov/renewable-fuel-standard-program/overview-renewable-fuel-standard
[8] https://www.govinfo.gov/content/pkg/FR-2023-07-12/pdf/2023-13462.pdf
[9] https://www.epa.gov/renewable-fuel-standard-program/final-renewable-fuels-standards-rule-2023-2024-and-2025

Table 2. Renewable Fuel Volume Targets[10]

(billion RINs)*

Renewable Fuel Volume Targets	2023	2024	2025
Cellulosic biofuel	0.84	1.09	1.38
Biomass-based diesel**	2.82	3.04	3.35
Advanced biofuel	5.94	6.54	7.33
Renewable fuel	20.94	21.54	22.33
Supplemental standard	0.25	n/a	n/a

*One RIN is equivalent to one ethanol-equivalent gallon of renewable fuel.
** BBD is given in billion gallons.

In order to meet these volume targets, percentage standards established by the EPA are used to determine each individual company's renewable volume obligation ("RVO"); or the volume of renewables of which an obligated party is required to prove ownership on a scheduled timeline. An obligated party may comply for all of its refineries in the aggregate, or for each refinery individually. RVOs are based on the CAA volume requirements and projections of gasoline and diesel production for the coming year.

Renewable Identification Numbers ("RINs")

Under the RFS, producers and importers of renewable fuel generate 38-character RINs; a tracking system used by petroleum refiners and importers to demonstrate compliance with their renewable fuel obligations. In other words, RINs are the "currency"[11] of the RFS program used for compliance with renewable volume obligations. RINs are traded in D-Codes, which are EPA-designated fuel categories. Table 3 details EPA D-Code definitions.

Table 3. D-Code Definitions

Code	Definition	Fuel Examples
D3	Cellulosic Biofuel	Renewable fuel produced from cellulose, hemicellulose or lignin.
D4	Biomass-based Diesel	Biodiesel, renewable diesel, jet fuel and heating oil.
D5	Advance Biofuel	Made from any type of renewable biomass except corn starch ethanol.
D6	Renewable Fuel	Ethanol derived from corn starch, or any other qualifying renewable fuel.
D7	Cellulosic Biofuel	Cellulosic diesel

[10] https://govinfo.gov/content/pkg/FR-2023-07-12/pdf/2023-13462.pdf
[11] https://www.epa.gov/renewable-fuel-standard-program/renewable-identification-numbers-rins-under-renewable-fuel-standard

Assignment of the D code is based on the type of feedstock, fuel type produced, process used to produce the renewable, and GHG thresholds. Table 4 below shows the biodiesel and ethanol RIN percentages of each type of fuel within a D-Code using EPA data from 2023.[12]

Table 4. RIN Fuel Composition per D-Code 2023[13]

D4 Biodiesel RIN	**Percentage (%)**
Biodiesel (EV 1.5)	40.88%
Non-ester Renewable Diesel (EV 1.6)	11.16%
Non-ester Renewable Diesel (EV 1.7)	47.45%
Renewable Heating Oil (EV 1.6)	0.02%
Renewable Jet Fuel (EV 1.6)	0.49%
D6 Ethanol RIN	0.00%
Biodiesel (EV 1.5)	0.10%
Non-cellulosic Ethanol (EV 1.0)	98.95%
Non-ester Renewable Diesel (EV 1.7)	0.69%
Renewable Gasoline (EV 1.5)	0.24%
Renewable Jet Fuel (EV 1.7)	0.02%

Each RIN generated uniquely identifies not only a specific batch of renewable fuel, but also every gallon assigned to that batch. Equivalence Values ("EV") are used to calculate the number of RINs, or RIN-gallons, that can be claimed for compliance purposes for every physical gallon of renewable fuel. EV varies depending on the energy content of the fuel. The following equation is used to determine the RIN volume to be generated from a volume of fuel: Number of RINs = EV * Physical Volume in gallons.[14]

EPA Moderated Transaction System ("EMTS")

As of July 1, 2010,[15] the RFS2 regulations require all regulated parties to submit all RIN generation information and other RIN transactions to the EPA Moderated Transaction System (EMTS).[16] Any party that owns RINs at any point during the year (including domestic and foreign producers, refiners, exporters, and importers of renewable fuels) must register with the EPA and follow RIN record-keeping and reporting guidelines.[17] Using data generated from EMTS, EPA provides aggregated monthly data on RIN generation and renewable fuel volume production for specific fuel categories.

EMTS allows for real-time recording of transactions involving RINs and provides a mechanism for screening and tracking RIN credits. The screening process checks that the information provided by the RIN generator is consistent with an existing registration. After RINs have entered EPA's EMTS system, parties may then

[12] https://www.epa.gov/fuels-registration-reporting-and-compliance-help/rins-generated-transactions
[13] https://www.epa.gov/system/files/other-files/2024-01/fuelproduction_dec2023.csv
[14] https://www.law.cornell.edu/cfr/text/40/80.1426
[15] https://www.federalregister.gov/documents/2010/05/10/2010-10851/regulation-of-fuels-and-fuel-additives-modifications-to-renewable-fuel-standard-program
[16] https://www.epa.gov/fuels-registration-reporting-and-compliance-help/reporting-rfs-rin-transactions-epa-moderated
[17] http://www.fas.org/sgp/crs/misc/R40155.pdf

trade them based on agreements outside of EMTS. The system simplifies trading by allowing RINs to be traded generically.

An underlying principle of RIN ownership is one of “buyer beware” and the EPA has no ``good faith'' provision to RIN ownership. RINs may be prohibited from use at any time if they are found to be invalid. Because of the “buyer beware'' aspect, the EPA offers the option for a buyer to accept or reject RINs from specific RIN generators or from classes of RIN generators.[18]

RINs generated during the current year may be used to satisfy either the current year or the following year’s volume requirement. If a fuel supplier has already met its mandated share and has supplied surplus biofuels for a particular biofuel category, it can sell the extra RINs to another supplier (who has not met its mandate for that same biofuel standard) or it can hold onto the RINs for future use. Deficit carryovers can be any amount but for any individual company, up to 20% of the current year’s RVO may be met by RINs from the previous calendar year.[19]

A RIN assigned to a volume can be separated when the volume that the RIN is assigned to is blended with gasoline or diesel to produce a motor fuel or the volume is exported. Assignment of a RIN occurs when the producer or importer of the renewable fuel transfers a RIN to another party along with a volume of renewable fuel.[20]

Production

RINs are generated for each gallon of qualified renewable fuel by the fuel manufacturer or importer at the time of production or import. Table 5 below provides data for the number of RINs generated for the time period of February 2021 through January 2024.

According to the EPA and Table 5 below, the three (3)-year average for RINs generated over the annual period from February 2021 to January 2024 is 527,597,549 for D4 biodiesel RINs and, 1,215,502,975 for D6 ethanol RINs.

Table 5. Number of RINs Generated[21]

Year	Month	D4 Biodiesel RIN	D6 Ethanol RIN
2021	Feb	306,401,508	903,051,470
	Mar	407,604,979	1,190,919,419
	Apr	386,442,773	1,136,497,845
	May	396,612,961	1,263,222,985
	Jun	428,992,209	1,270,364,644
	Jul	358,703,699	1,274,688,496
	Aug	421,787,072	1,216,791,258

[18] https://www.epa.gov/renewable-fuel-standard-program/quality-assurance-plans-under-renewable-fuel-standard-program#:~:text=RINs%20verified%20under%20a%20QAP,are%20valid%20for%20compliance%20purposes
[19] https://www.epa.gov/fuels-registration-reporting-and-compliance-help/whom-does-20-limit-previous-year-rins-apply#:~:text=Under%20regulation%20Section%2080.1127(a,show%20compliance%20with%20an%20RVO).
[20] https://www.govinfo.gov/content/pkg/CFR-2018-title40-vol19/pdf/CFR-2018-title40-vol19-sec80-1129.pdf
[21] https://www.epa.gov/fuels-registration-reporting-and-compliance-help/rins-generated-transactions

	Sep	385,397,733	1,162,769,175
	Oct	431,410,685	1,204,115,975
	Nov	464,730,265	1,257,887,027
	Dec	585,022,536	1,299,993,145
2022	Jan	355,508,039	1,212,911,253
	Feb	395,541,068	1,073,062,725
	Mar	489,940,922	1,270,858,072
	Apr	498,679,065	1,136,521,605
	May	513,782,344	1,233,602,877
	Jun	491,326,034	1,291,871,250
	Jul	421,678,120	1,211,905,437
	Aug	474,214,491	1,270,303,849
	Sep	502,315,281	1,130,469,629
	Oct	477,230,813	1,237,924,280
	Nov	582,191,616	1,268,691,546
	Dec	584,829,236	1,212,817,328
2023	Jan	523,250,829	1,215,712,001
	Feb	514,354,475	1,130,182,700
	Mar	620,469,861	1,220,641,691
	Apr	603,508,571	1,156,345,972
	May	751,023,653	1,278,641,014
	Jun	679,578,909	1,286,200,152
	Jul	635,852,433	1,278,255,390
	Aug	701,640,782	1,279,668,174
	Sep	673,051,615	1,179,864,718
	Oct	733,059,839	1,300,398,789
	Nov	680,180,036	1,238,121,448
	Dec	842,000,107	1,261,019,481
2024	Jan	675,197,206	1,201,814,281
Three (3)-year average		527,597,549	1,215,502,975

Net Generation

Table 6 below illustrates the total net generation number of RINs which is the total number of RINs generated minus the number of invalid RINs generated. RIN generation error corrections are defined as RINs that have been retired in EMTS using any of the three (3) retirement reason codes: invalid RIN, import volume error correction, or volume error correction.

According to the EPA and Table 6 below, the three (3)-year average for RINs generated over the annual period from January 2021 to December 2023 is 6,198,952,213 for D4 biodiesel RINs and, 14,533,000,425 for D6 ethanol RINs, respectively.

Table 6. Number of RINs Generated[22]

RIN Year	Fuel (D Code)	Total RINs Generated	RIN Generation Error Corrections	Net RINs Generated	Net RINs Generated Three (3)-Year Average
2021	D4	4,873,636,560	4,097,597	4,869,538,963	6,198,952,213
2022	D4	5,787,237,029	7,576,444	5,779,660,585	
2023	D4	7,957,971,110	10,314,020	7,947,657,090	
2021	D6	14,259,937,329	15,146,142	14,244,791,187	14,533,000,425
2022	D6	14,550,939,851	13,628,002	14,537,311,849	
2023	D6	14,825,051,530	8,153,291	14,816,898,239	

Retirement

In addition to the retirements from error corrections as outlined in Table 6, RINs are retired when used for compliance by obligated parties and exporters. Obligated parties typically only retire RINs after the end of the compliance year, not during the year in which they are generated. Exporters retire RINs within one month of the export event.[23]

Table 7 below shows the percent of Net RINs generated that are retired *by the end of the calendar year* in which they are generated. From 2021 to 2023 12% of D4 RINs and 3% of D6 RINs were retired during the year in which they were generated.

Table 7. Number of Current Year RINs Retired during the Current Year[24]

RIN Year	Fuel (D Code)	Net RINs Generated	Other Current Year RIN Retirements	Retirement % of Net RINs Generated	Three (3)-Year Average
2021	D4	4,869,538,963	544,237,250	11%	12%
2022	D4	5,779,660,585	777,361,835	13%	
2023	D4	7,947,657,090	998,079,536	13%	
2021	D6	14,244,791,187	414,474,380	3%	3%
2022	D6	14,537,311,849	476,312,848	3%	
2023	D6	14,816,898,239	636,652,991	4%	

As discussed above under "EPA Moderated Transaction System (EMTS)," RINs generated during the current year may be used to satisfy either the current year or the following year's volume requirement. Some RIN generators may choose not to make their generated RINs available for sale and instead use

[22] https://www.epa.gov/fuels-registration-reporting-and-compliance-help/rins-generated-transactions
[23] https://www.epa.gov/renewable-fuel-standard-program/renewable-identification-numbers-rins-under-renewable-fuel-standard
[24] Retirement volumes not including retirements from invalid RIN, import volume error correction, or volume error correction. These three (3) retirements are already deducted from Net RINs generated. https://www.epa.gov/system/files/other-files/2022-01/retiretransaction_dec2021.csv https://www.epa.gov/system/files/other-files/2023-01/retiretransaction_Dec2022.csv https://www.epa.gov/system/files/other-files/2024-01/retiretransaction_dec2023.csv

them directly to meet their own obligations. The Annual RIN Sales Report[25] data shows RIN sales data by entity type, including RIN originators which are defined as "Domestic renewable fuel producer or renewable fuel importer." This category groups together any company that generated any amount of RINs. Their Annual RIN Sales volume represents the amount of RINs they have sold into the market. Over the last three (3) years, RIN originators sold an average of 81% of their generated D4 RINs and 92% of their D6 RINs as shown in Table 8.

Table 8. Generated RINs Made Available for Sale[26]

RIN Year	D4 RINs Sold by Originators	D6 RINs Sold by Originators	D4 RIN Sales as % of Net Generation	D6 RIN Sales as % of Net Generation
2021	4,070,411,154	12,887,423,613	84%	90%
2022	4,641,577,342	12,722,751,828	80%	88%
2023	6,358,083,564	14,403,516,468	80%	97%
		Three (3)-Year Average	**81%**	**92%**

[25] https://www.epa.gov/fuels-registration-reporting-and-compliance-help/rin-trades-and-price-information

ANALYSIS OF DELIVERABLE SUPPLY

The Commission defines deliverable supply as the quantity of the commodity meeting a derivative 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. (See Appendix C to 17 CFR part 38.)

For purposes of calculating deliverable supply, the Exchange used net RIN generation data for the three (3)-year time period from January 2021 through December 2023. The Exchange calculated monthly averages by dividing annual numbers by twelve (12).

To account for the fact that a portion of Net RINs generated may not be readily available as deliverable supply either because they are retired as shown in Table 7 or because a generator may choose to hold them as shown in Table 8., the exchange will reduce the deliverable supply based on these factors. Table 9 demonstrates the calculation used to arrive at deliverable supply.

Table 9. Calculation of RIN Deliverable Supply

Fuel (D Code)	Monthly Net RINs Generated	% of Generated RINs Made Available for Sale	Less Average Annual RIN Retirements[26]	Net Monthly Deliverable Supply (RINs)	Net Monthly Deliverable Supply (Contracts)
D4	516,579,351	81%	12%	367,919,639	7,358
D6	1,211,083,369	92%	3%	1,072,142,980	21,443

The Exchange estimates the monthly deliverable supply of D4 current year biodiesel RINs to be approximately 367,919,639 RINs, which is equivalent to 7,358 contracts per month (contract size 50,000 RINs). The proposed spot month position limit for the D4 Biodiesel RINs (OPIS) Futures is 1,500 contracts or 20.4% of the estimated monthly deliverable supply.

The Exchange estimates the monthly deliverable supply of current year D6 biodiesel RINs to be approximately 1,072,142,980 RINs, which is equivalent to 21,443 contracts per month (contract size 50,000 RINs). The proposed spot month position limit for the D6 Ethanol RINs (OPIS) Futures is 4,000 contracts or 18.6% of the estimated monthly deliverable supply.

[26]Note this percentage represents RINs retired as of year end. Assuming ratable monthly retirements, this number overestimates the amount of RINs unavailable due to retirement during most of the calendar year, and thus is conservative.