



Submission No. 16-99  
August 5, 2016

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 CAISO Malin Day-Ahead Peak Daily Fixed Price Future and Related Amendments 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 Rule 18.B.304, and amendments to 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 one new financial power futures contract, which will be listed on August 22, 2016.

**CAISO**

The Exchange is listing one new contract to supplement existing ICE power futures contracts for the California ISO (“CAISO”) region. The new contract is a daily cash settled futures contract based on the average of peak hourly electricity prices published by CAISO for Malin, as set forth in the table below.

Contract Name	Contract Size	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
CAISO Malin Day-Ahead Peak Daily Fixed Price Future	400 MWh	\$0.05	\$120.00	3	5	\$5.00	1	700

The listing cycle for the contracts is up to 365 consecutive daily contract periods, or as otherwise determined by the Exchange. The block trade minimum size of 1 lot is consistent with the minimum sizes for similar power contracts currently listed by the Exchange. A Deliverable Supply Analysis detailing the methodology the Exchange used to determine the spot month position limits for the CAISO Malin contract is attached hereto as Exhibit B.

<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, for Month and Season contracts it is \$1.00 and for Quarter and Calendar contracts it is \$0.60.

## **Certifications**

The new rule and rule amendments will become effective with the listing of the new financial power contract on August 22, 2016. The Exchange is not aware of any substantive opposing views to the new financial power contract. 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 contract is set forth in new Rule 18.B.304, and amendments to 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 contract 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 contract is not readily subject to manipulation as it is based on an established and liquid underlying cash market. In addition, trading of the new contract will be monitored by the Market Regulation Department.

### **POSITION LIMITS OR ACCOUNTABILITY**

Positions in the new financial power futures contract will be subject to position limits set by the Exchange. As described above, such position limits are based upon the deliverable supply in the cash market. A Deliverable Supply Analysis is attached hereto as Exhibit B.

### **FINANCIAL INTEGRITY OF CONTRACTS**

The new financial power futures contract 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>).

If you have any questions or need further information, please contact me at 312-836-6746 or at [conor.weber@theice.com](mailto:conor.weber@theice.com).

Sincerely,



Conor Weber  
Compliance 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.

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

\* \* \*

<u>18.B.304</u>	<u>CAISO Malin Day-Ahead Peak Daily Fixed Price Future</u>	<u>\$0.05</u>	<u>\$0.01</u>
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**Resolution No. 2 – Position Limit/Accountability Table**

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.304</u>	<u>CAISO Malin Day-Ahead Peak Daily Fixed Price Future</u>	<u>CCL</u>	<u>400</u>	<u>MWh</u>	<u>700</u>	<u>700</u>	<u>700</u>	<u>CCL</u>		<u>1</u>

**18.B.304 CAISO Malin Day-Ahead Peak Daily Fixed Price Future**

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

**Contract Symbol:** CCL

**Settlement Method:** Cash settlement

**Contract Size:** 400 MWh

**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 365 consecutive daily contract periods, or as otherwise determined by the Exchange

**Last Trading Day:** Six Business days following the nominal contract day.

**Final Settlement:** Reference Price A

**Reference Price A:** ELECTRICITY-CAISO-MALIN(MALIN\_5\_N101)-DAY-AHEAD

- a) **Description:** "ELECTRICITY-CAISO-MALIN 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, stated in U.S. Dollars, published by CAISO at <http://oasis.caiso.com/mrioasis/logon.do> under the headings "Prices-Scheduling Point/Tie Combination Locational Marginal Prices(LMP): MALIN\_5\_N101" or any successor headings, that reports prices effective on that Pricing Date.
- b) **Pricing Date:** Each day that prices are reported for the Delivery Date
- c) **Specified Price:** Average of LMPs for all hours ending 0700-2200 PPT
- d) **Pricing calendar:** CAISO
- e) **Delivery Date:** Contract Period

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

**[REMAINDER OF RULE UNCHANGED]**

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

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Contract Name	Commodity Code	Contract Size	Unit of Trading	Block MQR (in Lots)
CAISO Malin Day-Ahead Peak Daily Fixed Price Future	<u>CCL</u>	<u>400</u>	<u>MWh</u>	<u>1</u>

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**EXHIBIT B**

**[EXHIBIT REDACTED]**