

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 24-011

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): 09/27/24 Filing Description: Initial Listing of the CBL Australian Carbon Credit Unit (ACCU) 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

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:

September 27, 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, D.C. 20581

**Re: CFTC Regulation 40.2(a) Certification. Initial Listing of the CBL Australian Carbon Credit Unit (ACCU) Futures Contract.
 NYMEX Submission No. 24-011**

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 CBL Australian Carbon Credit Unit (ACCU) Futures contract (the “Contract”) for trading on the CME Globex electronic platform (“CME Globex”) and for submission for clearing via CME ClearPort as noted effective on Sunday, October 13, 2024, for trade date Monday, October 14, 2024.

Contract Title	CBL Australian Carbon Credit Unit (ACCU) Futures
CME Globex and CME ClearPort Code	ACU
Rulebook Chapter	1273
Settlement Type	Physical
Settlement Registry	Australian National Registry of Emissions Units (ANREU) – administered by the Clean Energy Regulator
Contract Size	1,000 environmental offset units
Pricing Quotation	Australian dollars and cents per environmental offset unit
Minimum Price Fluctuation	A\$0.01 per environmental offset unit
Value per tick	A\$10
Termination of Trading	Trading shall cease at the end of trading hours (5:00 p.m. Australian Eastern Standard Time (AEST) or 5:00 p.m. Australian Eastern Daylight Time (AEDT) when daylight saving time is observed) on the last Australian business day that is also an Exchange business day prior to the 10th calendar day of the contract month.
Listing Schedule	Monthly contracts listed for the current year and the next 3 calendar years. List monthly contracts for a new calendar year following the termination of trading in the December contract of the current year.
First Listed Month	December 2024
Block Trade Minimum Threshold / Reporting Window	5 contracts – subject to a 15-minute reporting window

CME Globex Match Algorithm	First-In, First-Out (FIFO)
Trading and Clearing Hours	<p>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</p> <p>CME Globex: 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</p> <p>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</p>

Exhibit A provides NYMEX Chapter 1273. Exhibit B provides the Position Limits, Position Accountability and Reportable Level Table. Exhibit C provides the Exchange fees. Exhibit D provides Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) table. Exhibit E provides the Rule 589. Special Price Fluctuation Limits and Daily Price Limits Table. Exhibit F provides the Cash Market Overview and the Analysis of Deliverable Supply.

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 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.
- **Contract Not Readily Subject to Manipulation:** The Contract is not readily susceptible to manipulation due to the liquidity and robustness of the underlying cash markets. The Contract delivers into Australian Carbon Credit Units (“ACCUs”) that meet ACCU Screening Criteria. The term “ACCU Screening Criteria,” as defined in Exchange rules, shall mean the voluntary emissions offset unit screening criteria established under the CBL Standard Instruments Program to identify voluntary emission offset units as eligible for physical delivery under the ACCU spot contract as described under the schedule entitled “Australian Carbon Credit Unit (“ACCU”) Standard Spot Contract” and compliance with the procedures set forth therein. The CBL Standard Instruments Program currently in effect may be found here: <https://xpansiv.com/resources/>.
- **Prevention of Market Disruption:** Trading in the Contract will be subject to the Rules of NYMEX which include prohibitions on manipulation, price distortion and disruptions of the delivery or cash settlement process. As with all products listed for trading on one of CME Group’s designated contract markets, activity in the new product will be subject to extensive 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 contract specifications, terms and conditions, as well as daily trading volume, open interest and price information for the Contract.
- **Daily Publication of Trading Information:** The Exchange will publish information on contract 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 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 required 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, which is a registered derivatives clearing organization with the Commission and is subject to all Commission regulations related thereto.
- **Protection of Market Participants:** Chapters 4 and 5 of the Rulebook contain multiple prohibitions precluding intermediaries from disadvantaging their customers. These rules apply to trading on all of the Exchange's competitive trading venues and will be applicable to transactions 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 rules. 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 these Contract is 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. The rules in Chapter 6 allow all nonmembers 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 the rules in 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 the Contract complies with the Act, including regulations under the Act. There were no substantive opposing views to the 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 Chapter 1273
 Exhibit B: Position Limits, Position Accountability and Reportable Level Table
 Exhibit C: Exchange Fees
 Exhibit D: NYMEX Rule 588.H. ("Globex Non-Reviewable Trading Ranges") Table
 Exhibit E: NYMEX Rule 589. – Special Price Fluctuation Limits and Daily Price Limits Table
 Exhibit F: Cash Market Overview and the Analysis of Deliverable Supply

**Exhibit A
NYMEX Rulebook**

Chapter 1273

CBL Australian Carbon Credit Unit (ACCU) Futures

1273100. SCOPE OF CHAPTER

This chapter is limited in application to CBL Australian Carbon Credit Unit (ACCU) 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 CBL Australian Carbon Credit Unit (ACCU) Futures bought or sold for future delivery on the Exchange with the delivery of carbon offset units that meet the ACCU Screening Criteria (as defined below).

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 “ACCU Screening Criteria” shall mean the voluntary emissions offset unit screening criteria established under the CBL Standard Instruments Program to identify voluntary emission offset units as eligible for physical delivery under the ACCU spot contract as described under the schedule entitled “Australian Carbon Credit Unit (“ACCU”) Standard Spot Contract” and in compliance with the procedures set forth therein.

The term “ACCU Approved Registries” shall refer to the following registries:

1. Australian National Registry of Emissions Units (ANREU)

The term “CBL Market” shall mean the electronic platform, operated by CBL Market (USA) LLC, integrated with ACCU Approved Registries upon which accounts are established for market participants as account holders to transact in, hold and retire offset units.

1273101. CONTRACT SPECIFICATIONS

The CBL Australian Carbon Credit Unit (ACCU) Futures contract physically delivers Australian Carbon Credit Units (“ACCU”) that meet ACCU Screening Criteria.

1273102. TRADING SPECIFICATIONS

Trading in the CBL Australian Carbon Credit Unit (ACCU) Futures is regularly conducted in all calendar months. The number of months open for trading at a given time shall be determined by the Exchange.

1273102.A. Trading Schedule

The hours for trading shall be determined by the Exchange.

1273102.B. Trading Unit

The contract unit shall be one thousand (1,000) ACCUs meeting ACCU 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.

1273102.C. Price Increments

Prices shall be quoted in Australian dollars and cents per unit. The minimum price fluctuation shall be 0.01 Australian dollars per unit (A\$10 per contract).

1273102.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 and Daily Price Limits Table in the Interpretations & Special Notices Section of Chapter 5.

1273102.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.

1273102.F. Termination of Trading

Trading shall cease at the end of trading hours (5:00 p.m. Australian Eastern Standard Time (AEST) or 5:00 p.m. Australian Eastern Daylight Time (AEDT) when daylight saving time is observed) on the last Australian business day that is also an Exchange business day prior to the 10th calendar 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 fourth business day after the termination of trading for the contract month that is an Exchange and Australian business day, 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 2:00 p.m. Eastern Prevailing Time (EPT) on the Exchange business day after the termination 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.

1273102.G. Final Settlement

The final settlement price for the delivery month shall be the CBL-Platts Australian Carbon Credit Unit ("ACCU") price on the last trade date. The final settlement price shall be the basis for delivery.

1273103. DELIVERY

CBL Australian Carbon Credit Unit (ACCU) Futures contract deliveries shall comply with all requirements for the electronic transfer of offset units on CBL Market. 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 members and buyer's clearing members.

1273104. DELIVERY PROCEDURES

CBL Market is a transfer agent contracted by its account holders to facilitate the transfer of emissions offset units 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 a registry account with the ACCU Approved Registry included in the ACCU Screening Criteria, the account can transfer offset units and receive offset units and seller has identified a bank account to CBL Market.

The seller shall transfer offset units that meet ACCU Screening Criteria to the designated registry account. The buyer must instruct and remit funds in AUD for delivery into the designated cash account. The transfer agent will then transfer the appropriate funds to the seller and the appropriate number of offset units meeting ACCU Screening Criteria to the buyer. 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 offset units will transfer upon receipt in the applicable ACCU Approved Registry account.

Seller, buyer, and CBL Market shall always obtain and adequately maintain systems and technology as may be necessary in order to comply with CBL or any ACCU Approved Registries rules. The Exchange may make amendments to delivery and timing of delivery, which may have a material impact on the contract, and will notify the Clearing Members of such amendments resulting from amendments to any ACCU Approved Registries requirement. These amendments include, but are not limited to, amendments to the ACCU eligible emissions unit programs and specific unit criteria. For the avoidance of doubt, the Exchange has discretion, but not an obligation, to make amendments to its rules in such instances.

By transferring offset units through the transfer 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 offset units, and that such offset units are free and clear of all liens, security interests, claims, encumbrances and adverse claims.

1273104.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 3:00 p.m. Eastern Prevailing Time (EPT) on the first Exchange business day after the Last Trading Day. The Notice of Intention to Accept shall provide number of contracts, Registry account, CBL related ANREU sub-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 3:00 p.m. Eastern Prevailing Time (EPT) on the first Exchange business day after the Last Trading Day. The Notice of Intention to Deliver shall provide number of contracts, Registry account, CBL related ANREU sub-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 4:00 p.m. Eastern Prevailing Time (EPT) to the Clearing House in a form as prescribed by the Clearing House.

1273104.B. Final Settlement Price

The final settlement price shall be the basis for delivery.

1273104.C. Assignment Day

The Clearing House shall allocate Notices of Intention to Accept and Notices of Intention to Deliver, on the first Exchange business day after the final day of trading, by matching positions, to the extent possible.

The Clearing House shall also provide Assignment Notice Reports to the respective clearing members on the first Exchange business day after the final day of trading.

1273105. TIMING OF DELIVERY

For purposes of this Rule 1273105:

"Delivery Period" shall mean the time between the final day of trading and the fourth business day following the last day of trading that is an Exchange and Australian business day.

Delivery shall take place by the last day of the Delivery Period, which unless extended is the second Exchange business day after the Assignment Day. Should the ACCU Approved Registries or CBL Market be inoperable during the delivery period, the Exchange shall have the option to extend the Delivery Period by an additional business day at the Registries, CBL Market, and Exchange.

1. The seller or the seller's clearing member shall transfer offset units subject to delivery to their respective CBL Market account by 10:00 a.m. Australian Eastern Standard Time (AEST), or 10:00

a.m. Australian Eastern Daylight Time (AEDT) when daylight saving time is observed, on the third business day following the last day of trading that is an Exchange and Australian business day.

2. The buyer or the buyer's clearing member shall deposit / transfer payment equal to the full value of the product to their designated CBL Market account by 10:00 a.m. Australian Eastern Standard Time (AEST), or 10:00 a.m. Australian Eastern Daylight Time (AEDT) when daylight saving time is observed, on the third business day following the last day of trading that is an Exchange and Australian business day.

3. The buyer or the buyer's clearing member shall receive offset units from CBL Market by 1:00 p.m. Australian Eastern Standard Time (AEST), or 1:00 p.m. Australian Eastern Daylight Time (AEDT) when daylight saving time is observed, on the fourth business day following the last day of trading that is an Exchange and Australian business day.

4. For each seller or seller's clearing member that has satisfied its obligations under subsection (1) of this rule, CBL Market shall pay the seller's clearing member full contract value by 1:00 p.m. Australian Eastern Standard Time (AEST), or 1:00 p.m. Australian Eastern Daylight Time (AEDT) when daylight saving time is observed, on the fourth business day following the last day of trading that is an Exchange and Australian business day.

1273106. DELIVERY MARGINS AND PAYMENT

1273106.A. Definitions

For purposes of this Rule 1273106:

"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 shall transfer Payment in connection with a delivery to the seller's designee.

"Payment" shall include the final settlement price times the number of contracts times one thousand (1,000).

1273106.B. Margin

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

1273106.C. Payment

Any Payment made on the Payment Date shall be based on offset units that the seller's Clearing Member is obligated to deliver pursuant to the applicable delivery.

In the event that delivery cannot be accomplished because of a failure of the CBL Market 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. Australian Eastern Standard Time (AEST), or 9:30 a.m. Australian Eastern Daylight Time (AEDT) when daylight saving time is observed on the next business day on which the CBL Market wire, or bank access to it, is operable.

1273107. VALIDITY OF DOCUMENTS

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

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	\$10.00	\$11.00
Block EFP EFR	\$10.00	\$11.00
Processing Fees		
Delivery Notice		\$10.00
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”)
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: Outright Minimum Ticks
<u>CBL Australian Carbon Credit Unit (ACCU) Futures</u>	<u>ACU</u>	<u>\$.50 per Environmental Offset Units</u>	<u>50</u>	<u>50</u>	<u>Each leg evaluated as an outright</u>	

Exhibit E
NYMEX Rulebook
Chapter 5
(“Trading Qualifications and Practices”)
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 Australian Carbon Credit Unit (ACCU) Futures</u>	<u>1273</u>	<u>ACU</u>	<u>Primary</u>	<u>Primary</u>	<u>10% of Dynamically Calculated Reference Price</u>	<u>Daily Price Limit Table</u>

Exhibit F

Cash Market Overview and Analysis of Deliverable Supply

The Australian Carbon Credit Unit (ACCU) Scheme, underpinned by the Australian Carbon Credits (Carbon Farming Initiative) Act 2011 and Carbon Credits (Carbon Farming Initiative) Rule 2015, is a voluntary scheme developed by the Australian government as one of the tools to facilitate national carbon reduction. Under the ACCU Scheme, ACCU certificates are issued and credited by the regulator, Clean Energy Regulator (“CER”) to participating organisations and individuals who run Australian-based projects that avoid the release of emissions or remove greenhouse gases from the atmosphere. Projects are credited with one ACCU for each tonne of carbon dioxide equivalent (tCO₂-e) stored or avoided. ACCUs are issued by making entries in accounts in the electronic Australian National Registry of Emissions Units (“ANREU”), therefore organisations and individuals are required to apply for an ANREU account to hold ACCUs.

To be eligible for the ACCU Scheme, a project must not be required by law, and not be receiving financial support from specified government programs. Furthermore, a project has to be new (activities must not have started) and go beyond business-as-usual activities, and it has to follow approved methods.¹

For area-based projects, permanence obligation - maintaining the carbon stored or sequestered for a predetermined period of time – needs to be met for ACCU eligibility.² Project operators have an obligation to provide permanence plans at different stages of the project, detailing measures for meeting the permanence obligation. A risk of reversal buffer will also apply for these projects, where a discount is applied to the number of ACCUs issued based on the length of a project. This helps mitigate the risk against potential loss of carbon.

ACCU Scheme methods set out requirements and rules for running an ACCU project by specifying project activities, carbon abatement measurement, and monitoring, record keeping and reporting requirements.³ CER also publishes information on the closed methods. Closed methods are methods that have expired or been revoked.⁴ No new projects can be registered under closed methods, while existing projects can continue to run under these methods as long as they have started their crediting period. The ACCU Scheme methods currently allow new registration of the following types of projects:

For industry sector:

- Carbon capture and storage
- Energy efficiency
- Landfill and alternative waste treatment
- Mining, oil and gas
- Transport

For land sector:

- Agricultural
- Vegetation

¹ <https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/eligibility-accu-scheme>

² <https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/how-to-participate/permanence-obligations>

³ <https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods>

⁴ <https://cer.gov.au/schemes/australian-carbon-credit-unit-scheme/accu-scheme-methods/closed-methods>

Vegetation and waste treatment are the two largest types of projects in terms of number of ACCU issuance. According to CER data, vegetation and waste projects account for roughly 55% and 30% of total ACCUs issued, respectively.

For area-based projects,

Eligible ACCUs can be sold to the Australian government through public auctions. This is referred to as a carbon abatement contract. Holders of ACCUs can also choose to voluntarily offset their emissions, or to meet their compliance requirements if their facilities are in the scope of the CER's Safeguard Mechanism. The Safeguard Mechanism requires major emission emitting facilities to keep their emissions at or below a baseline set by the CER. Facilities that exceed their corresponding baseline can surrender ACCUs to offset their emissions.

The first batch of ACCUs were released in 2012 with a total of 1,750,179 units issued during the fiscal year of 2012-2013 according to CER. The issuance has grown to 16.5 million units in fiscal year 2021-2022 as the number of registered projects increased from less than 100 in 2012 to currently 1,823 projects (as the end of Q1 2024).⁵

Tables 1 and 2 below show the number of ACCUs issued and cancelled by project types and by quarter for the three-year period from 2021 Q2 to 2024 Q1. On average, there were a total of 4.39 million ACCUs issued per quarter. The average cancellation of ACCUs was approximately 483,000 per quarter.

Table 1: Number of ACCU issued by project types.

Data source: CER

	Vegetation	Waste	Savanna fire mgmt	Energy efficiency	Industrial fugitives	Agriculture	Transport	Total
2021Q2	2,670,300	1,568,119	970,180	74,083	274,463	110,189	19,505	5,686,839
2021Q3	2,261,226	1,907,849	599,099	16,295	0	27,980	2,324	4,814,773
2021Q4	2,571,002	625,412	20,958	122,888	0	91,582	0	3,431,842
2022Q1	2,099,793	880,188	17,753	180,107	0	160,812	0	3,338,653
2022Q2	2,631,819	676,403	1,130,902	178,081	240,758	30,401	34,895	4,923,259
2022Q3	2,129,636	3,316,622	123,304	35,791	0	73,592	0	5,678,945
2022Q4	2,949,405	646,281	44,335	136,533	0	10,134	10,514	3,797,202
2023Q1	1,029,657	394,145	104,511	13,695	0	290,414	0	1,832,422
2023Q2	1,994,187	1,408,753	412,693	324,783	75,246	161,796	0	4,377,458
2023Q3	3,336,827	1,948,240	847,373	97,945	580,200	152,197	35,230	6,998,012
2023Q4	2,544,815	1,018,877	389,497	35,305	0	24,722	0	4,013,216
2024Q1	2,001,363	1,528,900	146,698	20,320	68,162	27,174	0	3,792,617
Average	2,351,669	1,326,649	400,609	102,986	103,236	96,749	8,539	4,390,437

⁵ <https://cer.gov.au/markets/reports-and-data/quarterly-carbon-market-reports/quarterly-carbon-market-report-march-quarter-2024/australian-carbon-credit-units-accus>

Table 2: Number of ACCU cancellation by project types.

Data source: CER

	Vegetation	Waste	Savanna fire mgmt	Energy efficiency	Industrial fugitives	Agriculture	Transport	Total
2021Q2	94,903	9,973	155,338	0	0	0	0	260,214
2021Q3	88,494	60,946	70,918	0	0	0	0	220,358
2021Q4	155,641	9,504	163,216	0	0	0	0	328,361
2022Q1	208,547	180,953	77,510	64,339	2,238	0	0	533,587
2022Q2	352,580	4,165	122,358	0	0	0	0	479,103
2022Q3	412,559	46,684	66,238	1,424	0	0	0	526,905
2022Q4	136,374	11,658	126,510	565	0	13,114	0	288,221
2023Q1	200,004	19,470	120,217	67,186	0	6,855	823	414,555
2023Q2	259,397	4,530	88,151	23,300	0	1,197	0	376,575
2023Q3	128,100	54,966	185,939	379	483	16,896	0	386,763
2023Q4	238,191	357,330	195,054	7	0	2,531	0	793,113
2024Q1	610,750	246,378	155,772	132,595	34,675	5,000	200	1,185,370
Average	240,462	83,880	127,268	24,150	3,116	3,799	85	482,760

The CER also publishes the number of outstanding ACCU held by the market participants quarterly. This data is shown in Table 3 below. As aforementioned, the number of projects and ACCU issued has been increasing in the past years and so has the number of outstanding ACCUs. At the end of 2024 Q1 (latest data available), the total outstanding ACCUs held by different market participants were 40.6 million which is the record high. On average there were 21.1 million outstanding units during the three-year period from 2021 Q2 to 2024 Q1.

Table 3: Number of outstanding ACCU held by the market participants.

Unit: millions of ACCUs

Data source: CER

	Project proponent	Business	government	Intermediary	Safeguard Entities	Safeguard Related	Cost Containment Measure	Total
2021Q2	4.0	0.0	0.5	0.7	2.1	1.7	0	9.0
2021Q3	4.0	0.0	0.6	1.3	2.4	1.7	0	10.0
2021Q4	3.7	0.0	0.6	1.9	2.2	1.9	0	10.3
2022Q1	4.3	0.0	0.7	1.9	2.2	2.4	0	11.5
2022Q2	5.1	0.1	0.8	2.6	3.0	2.9	0	14.5
2022Q3	6.3	0.2	0.8	4.0	3.4	3.5	0	18.2
2022Q4	6.8	0.2	0.9	5.2	3.6	4.5	0	21.2
2023Q1	6.2	0.3	0.9	6.0	4.1	4.7	0.2	22.4
2023Q2	6.6	0.3	1.0	6.9	5.6	5.1	0.4	25.9

2023Q3	8.2	0.4	1.1	6.7	8.6	6.8	1.2	33.0
2023Q4	8.4	0.5	1.3	7.2	11.2	6.7	1.7	37.0
2024Q1	9.3	0.5	1.4	7.9	12.0	7.6	1.9	40.6
Average	6.1	0.2	0.9	4.4	5.0	4.1	0.5	21.1

The table below contains the CER definition of different market participants holding ACCUs.

Category	Definition
Project proponent	An account holder is connected to one or more ACCU Scheme projects. The connection to projects has been determined based on the available project information. Entities may have linkages to projects that have not been disclosed to the Clean Energy Regulator.
Business	Account holders do not have a direct link to ACCU Scheme projects. Account holders include participants that are accumulating for voluntary purposes.
Government	Account holders are government entities that are accumulating for voluntary or compliance purposes.
Intermediary	An account holder's primary operation is to facilitate trading of ACCUs between the supply and demand sides of the market. This also includes accounts that have accumulated ACCUs through the secondary market without known compliance obligations, offset use, or carbon trading/offset services.
Safeguard	Account holders are Safeguard entities that control a single account, or in cases where Safeguard entities control multiple accounts, only those that have surrendered ACCUs for Safeguard compliance purposes or that have specified a facility are included. Some Safeguard accounts also engage in trading activity, which may result in holding fluctuations within this category.
Safeguard related	Account holders are companies, such as subsidiaries, that are related to registered Safeguard entities. These accounts do not specify a facility or have not surrendered ACCUs for Safeguard compliance purposes. These ACCU holdings may be used for future Safeguard compliance purposes.
Cost containment measure	ACCUs that have been delivered under Commonwealth carbon abatement contracts after 12 January 2023. These ACCUs will be available to eligible Safeguard entities under the cost containment mechanism.

Analysis of Deliverable Supply

The Australian Carbon Credit Units (ACCU) are carbon offset units issued by the government body Clean Energy Regulator (CER) for emission abatement activities in Australia. Once issued, the ACCUs are freely tradable between market participants. In addition, ACCUs created in a specific year can be carried over and used in later calendar years. For physical delivery, the proposed CBL Australian Carbon Credit Units (ACCU) Futures contract does not specify project methods and accepts generic ACCUs conforming to the ACCU Screening Criteria established under the CBL Standard Instruments Program.⁶ Therefore, the Exchange based its analysis of deliverable supply on the total number of outstanding ACCUs, which is the number of units available in the market.

The Exchange utilized the number of ACCUs held by market participants for the three-year period from 2021 Q2 to 2024 Q1. The data is published by CER in its quarterly market reports.

Based on the three-year average, the deliverable supply of ACCU is 21.1 million offset units, or 21,100 contract equivalents (contract size: 1,000 offset units). The Exchange proposes a spot month position limit of 3,000 contracts for the CBL Australian Carbon Credit Unit (ACCU) Futures contract which equates to approximately 14.2% of the total deliverable supply.

⁶ <https://xpansiv.com/wp-content/uploads/2024/07/CBL-Standard-Instruments-Program-version-7-15-July-2024.pdf>