

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 20-467

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): 11/18/20 **Filing Description:** Amendments to the RBOB Gasoline Futures Contract to Comply with Final EPA Regulations Impacting Summertime Expiration Months

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers:

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Product Terms and Conditions (product related Rules and Rule Amendments)

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- “Non-Material Agricultural Rule Change” § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected: See filing.

Rule Numbers: See filing.

November 18, 2020

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 40.6(a) Certification. Notification Regarding Amendments to the
RBOB Gasoline Futures Contract to Comply with Final EPA Regulations Impacting
Summertime Expiration Months.
NYMEX Submission No. 20-467**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to Rule 191101. (“Contract Specifications”) of the RBOB Gasoline Futures contract (Rulebook Chapter: 191; Commodity Code: RB) (the “Contract”) to comply with the United States Environmental Protection Agency (“EPA”) [final rule](#) regarding Fuels Regulatory Streamlining (“Final EPA Rule”).

Rule 191101.5.(a) of the Contract requires that RBOB deliveries shall comply with EPA requirements for RBOB designated gasoline at all times. The Final EPA Rule impacts the Contract’s summertime standards for deliverable gasoline effective January 1, 2021. The Final EPA Rule does not make changes to the overall RBOB quality standards but will merely streamline the testing requirements by allowing the implementation of the Reid Vapor Pressure (“RVP”) test in the summertime and eliminate the test for Volatile Organic Compounds (“VOC”). This submission shall become effective on Friday, December 4, 2020.

Specifically, the summertime testing requirement for RBOB will become a maximum RVP level of 7.4 psi. Accordingly, the Exchange is implementing amendments to the RVP standards for the summertime contract months of April through September of the Contract to adopt and comply with the EPA standard of 7.4 psi. In addition, the Exchange is deleting references to VOC-controlled gasoline which has been eliminated by the EPA regulations.

The Exchange advised market participants of the EPA’s proposed regulations and the potential impact on summertime months of the Contract via a Special Executive Report ([SER 8663](#)) dated October 7, 2020. In addition, the Exchange engaged market participants and open interest holders regarding the EPA’s proposed regulations and the conforming Rule amendments. Market participants did not object to the Rule amendments.

Prior to the Rule amendments, the VOC-controlled testing requirement for summertime RBOB gasoline required multiple calculations which included an RVP test for 7.4 psi maximum that was already embedded as part of the VOC standard. The result of the streamlining represents no change to the quality standards but is simplifying the testing regime to allow companies to run the RVP test as a substitute or equivalent

proxy for the more costly and time-consuming VOC test. The EPA maintains the existing strict standards for reformulated gasoline, and at the same time amended the testing regime which will allow the market to function more efficiently. The impact to the economic value of open positions in the Contract, if any, is anticipated to be immaterial as the change aligns with current testing requirements and prevailing existing quality constraints.

The Rule amendments are provided in Appendix A below in blackline format.

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

- **Contract Not Readily Subject to Manipulation:** The Contract is not readily subject to manipulation because of its structural attributes and active underlying market.
- **Availability of General Information:** The Exchange will publish information on the changes via a SER to notify the marketplace of the Rule amendments. The SER will also be posted on the CME Group website.
- **Daily Publication of Trading Information:** The Exchange shall continue to make public daily information on settlement prices, volume, open interest, and opening and closing ranges for the Contract.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that the Rule amendments 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 Exchange’s website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

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

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Appendix A - Amendments to NYMEX Rule 191101. (blackline format)

Appendix A

NYMEX Rulebook

(additions underscored; deletions ~~struck through~~)

Chapter 191 RBOB Gasoline Futures

191101. CONTRACT SPECIFICATIONS

The RBOB delivered shall be a hydrocarbon oil free from alkali, mineral acid, grit, fibrous or other foreign matter, meeting the specifications as are in effect for downstream parties at the time of delivery meeting the requirements of Colonial Pipeline Company (Atlanta, Georgia) for:

Fungible F Grade, Reformulated Regular Gasoline Blendstock (RBOB) for blending with 10% Denatured Fuel Ethanol (92% Purity) as defined in ASTM D-4806 as listed by the Colonial Pipeline as being properly designated for sale in New York and New Jersey in accordance with EPA regulations; provided, however, and notwithstanding anything to the contrary in the Colonial Pipeline specifications, the specifications set forth in Sections 101.1. through 101.5. below shall apply for Reid Vapor Pressure, Oxygenation, Corrosion, Distillation, and EPA Reformulated Gasoline requirements:

1. Reid Vapor Pressure: RBOB delivered pursuant to this contract shall have Reid Vapor Pressure no greater than the following maximum levels after blending with denatured fuel ethanol:

MONTH	P.S.I.
January	15.0
February	15.0
March	13.5
April	9.07.4
May	9.07.4
June	9.07.4
July	9.07.4
August	9.07.4
September 1-15	9.07.4
September 16-30	13.5
October	13.5
November	15.0
December	15.0

Provided that, deliveries on the September contract originally nominated for delivery on or before September 15 shall not exceed ~~9.07.4~~ p.s.i., regardless of the time of actual delivery.

2. Oxygenation: RBOB shall not contain oxygenates, such as ethers or alcohols. The de minimis limit of MTBE, ETBE, and TAME allowed is 0.3% by volume maximum.
3. Corrosion: RBOB shall comply with the Colonial Pipeline specifications for Copper and Silver Corrosion under ASTM D-130 and ASTM D-4814. The NACE Corrosion test is not required.
4. Distillation: RBOB shall comply with the Colonial Pipeline distillation requirements, except for the T50 minimum requirement during the winter season when ~~the Non-VOC controlled~~ RBOB shall meet the T50 minimum requirement (for 50% by volume Evaporation) at 150 degrees Fahrenheit, as required by Buckeye Pipeline Grade 542. Deliveries against the March contract month shall meet the Buckeye

Pipeline Grade 542 requirements for the minimum T50 distillation standard and the minimum temperature for meeting the Vapor/Liquid Ratio (V/L) in effect for wintertime non-VOC controlled RBOB.

5. (a) RBOB deliveries shall comply with EPA requirements for RBOB designated gasoline at all times, including the minimum and maximum standards set forth in 40 C.F.R. Part 80 as are in effect for downstream parties at the time and place of delivery, and shall be adjusted by the amount of any increase or decrease in such standards as required by EPA for RBOB sold and distributed for consumption in the New York Harbor area. RBOB deliveries shall comply with State and Federal requirements for oxygen content for RBOB sold for consumption as are in effect at the time and place of delivery. In the event that EPA issues a temporary waiver which impacts fuel standards at Exchange-approved terminals in New York Harbor, the Exchange, in its sole discretion, will review the provisions of the waiver on a case-by-case basis to determine whether to modify the existing delivery requirements for RBOB-designated gasoline to comply with such waiver.

~~(b) RBOB shall be designated as VOC-Controlled in accordance with EPA regulations during the period April 1 through September 15, including any deliveries on the September contract originally nominated for delivery on or before September 15, regardless of the date of actual delivery.~~

~~(b)~~(i) All tests shall be performed in accordance with EPA regulations.

(ii) Enforcement tolerances, as permitted by EPA for downstream parties, shall apply to all specifications governed by EPA regulations. Product delivered in conformance with such specifications, including enforcement tolerances, may not be rejected by the buyer as nonconforming to the specifications.

(iii) ASTM refers to the American Society for Testing Materials.

(iv) API. refers to the American Petroleum Institute.

[Remainder of Chapter Unchanged.]