



55 East 52nd Street
New York, NY 10055

BY ELECTRONIC TRANSMISSION

Submission No. 21-170
December 3, 2021

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

**Re: Amendments to Resolution No. 2 of Chapters 18 and 19 and Related Amendments -
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6(a)**

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), ICE Futures U.S., Inc. (“Exchange”) hereby certifies amendments to Resolution No. 2 of Chapters 18 and 19, as set forth in Exhibit A. Additional analysis detailing the methodology the Exchange used to determine the spot month position limits for certain of the futures and option on futures products described herein is attached as Exhibit B.

Amendments to Resolution No. 2 to Chapter 18

- a. Same Day Henry Futures and Options (Amendments to Spot Month Position Limits and Aggregation Requirements)*

The amendments to Resolution No. 2 of Chapter 18 increase Exchange-set spot month position limits for one Financial Gas futures contract and one option on futures contract, the Same-Day Henry Futures and Options (“SDH”), to 8,000 contracts, both appear to be deemed *referenced contracts* as that term is defined in CFTC Regulation 150.1. The current Exchange-set spot month position limit for these products is 4,000 contracts net long or short. The amended spot month position limits have been increased to levels consistent with new CFTC Regulation 150.5, which allows for equivalent exchange-set position limits up to the levels designated by the Commission in Regulation 150.2. In this instance, the amended Exchange-set limits are consistent with the H contract and the levels are equivalent to the 2,000-contract NYMEX-equivalent spot month

position limit for the core-referenced futures contract. Additionally, amendments to Resolution No. 2 to Chapter 18 align the aggregation requirements for SDH futures and options with the federal position limit regulations, which aggregate positions held in SDH with H futures and options for position limit purposes. The contracts and amended Exchange-set position limits and aggregation requirements are provided in Exhibit A.

b. Henry Penultimate Fixed Price Future and Options (Migration to Spot Month Position Limits and Amendments to Aggregation Requirements)

The Henry Penultimate Fixed Price Future (“PHH”) and Option on Henry Penultimate Fixed Price Future (“PHE”) contracts appear to be deemed *referenced contracts*, as defined in CFTC Regulation 150.1, and are subject to the federal position limit regime as a result. Historically, the contracts have had an Exchange-set spot month position accountability level in lieu of a spot month position limit, however, effective January 1, 2022, the contracts will be aggregated, for federal position limit purposes, with positions held in H and subject to a federal spot month position limit. For reasons similar to those described in the preceding section, the Exchange provides amendments to Resolution No. 2 to Chapter 18 to align the aggregation requirements for PHH and PHE, and the various calendar spread futures and options contracts associated with such futures and options, with the federal position limit regulations. The spot month position limits have been initiated at levels consistent with new CFTC Regulation 150.5, which allows for equivalent exchange-set position limits up to the levels designated by the Commission in Regulation 150.2. Here, the new Exchange-set limits are consistent with the H contract and the levels are equivalent to the 2,000-contract NYMEX-equivalent spot month position limit for the core-referenced futures contract. The amendments which provide for the implementation of spot month position limits and the amended aggregation requirements for the various Henry penultimate futures and options contracts are provided in Exhibit A.

Additional amendments to Resolution No. 2 to Chapter 18 make clear that the Conditional Limit held in the Exchange’s natural gas products will also apply to positions held in the various Henry Penultimate Fixed Price Future and Options and SDH contracts.

Amendments to Resolution No. 2 to Chapter 19

c. Reduction to Spot Month Position Limits and Single Month and All-Months-Combined Accountability Levels for Certain Oil Americas Futures and Options (Exhibit A)

The Exchange currently lists 15 Oil Americas futures and options contracts that appear to be deemed *referenced contracts* in CFTC Regulation 150.1, due to the contracts’ reference to the NYMEX Light Sweet Crude Oil Futures (“CL”), NY Harbor ULSD Futures (“HO”), or RBOB Gasoline Futures (“RB”) contracts, or other futures and options contracts that reference those core-referenced futures contracts. The Exchange initially set spot month position limits for these contracts at 25% of the estimated deliverable supply for the products. However, the CFTC has codified lower spot month position limits for the CL, HO, and RB contracts of 6,000/5,000/4,000 contracts, 2,000 contracts, and 2,000 contracts, respectively. In the rulemaking, the CFTC prescribed that any referenced contracts may provide for a spot month position limit up to the levels codified by the CFTC in its rulemaking. Amendments to Resolution No. 2 to Chapter 19 reduce the Exchange-set spot month position limits for the products to levels equal to the

speculative position limits provided in the rulemaking and which are consistent with CFTC Regulation 150.5. For clarity, the Exchange's contracts that directly or indirectly reference CL expire on the day prior to the expiration of the CL contract. As such, the Exchange has adopted Exchange-set position limits of 6,000 contracts for the first day of limits and 5,000 contracts for the second of limits for the products, consistent with the schedule for spot month position limits for the CL core-referenced futures contract and CFTC Regulations 150.1 and 150.5.

Additionally, the Exchange has set single month and all-months-combined accountability levels at levels equivalent to the Day 1 spot month position limits for the Exchange's contracts referencing CL, HO, and RB at levels of 6,000 contracts, 2,000 contracts, and 2,000 contracts, respectively. The levels are consistent with the requirements of CFTC Regulation 150.5 and Appendix F to Regulation 150.

Historically, the contracts referencing CL, HO, or RB, or derivatives based on those contracts, have not been aggregated for Exchange-set position limit or position accountability purposes, however, effective January 1, 2022, all cash settled *referenced* contracts will be aggregated for federal position limit purposes based on their linkage to CL, HO, and RB, separately. Therefore, the Exchange is amending the position aggregation requirements for the 15 contracts to be consistent with the requirements of the federal position limit regime and CFTC Regulation 150.5 by creating three groupings for the products based on their linkage to CL, HO, and RB. Based on this grouping, the Exchange will aggregate positions held in 11 futures and/or options contracts based on linkage to CL under the Exchange's Crude Outright – WTI Bullet Future ("WTB") contract. Based on the current aggregation requirements for the Exchange's Heating Oil and RBOB Gasoline futures and options contracts, the products are already separated into the desired groupings, however, additional Exchange products listed for trading that are *referenced* contracts, as defined in CFTC Regulation 150.1, will be grouped with the Heating Oil Diff – EU-Style Heating Oil vs Low Sulphur Gasoil Future ("EHL") for NY Harbor ULSD Futures and with Gasoline Diff – RBOB Gasoline 1-Month Calendar Spread Future ("RCM") for RBOB Gasoline, the Exchange's sole referenced futures and options contracts in those product sets. The amendments to the spot month position limits and product aggregations are provided in Exhibit A.

Additional, non-substantive, amendments to Resolution No. 2 to Chapters 18 and 19 provide an identification of which contracts have been deemed *referenced* contracts, as provided in CFTC Regulation 150.1.

The Exchange intends to implement the changes on January 1, 2022, effective for all expiration months, including those with open interest.

Certifications

The Exchange certifies that the amendments to the Exchange-set spot month position limits, single and all-months-combined accountability levels, and aggregation requirements comply with the requirements of the Act and the rules and regulations promulgated thereunder. The Exchange is not aware of any opposing views with respect to the amendments. The Exchange has reviewed the designated contract market core principles ("Core Principles") as set forth in the Act and has determined that the amendments comply with the following relevant Core Principles:

COMPLIANCE WITH RULES

The amended spot month position limits for the futures and option on futures contracts are set forth in Resolution No. 2 to Chapters 18 and 19 and will be enforced by the Exchange. In addition, trading of these contracts is subject to all relevant Exchange rules which are enforced by the Market Regulation Department.

CONTRACTS NOT READILY SUBJECT TO MANIPULATION

The Exchange's futures and option on futures contracts are not readily subject to manipulation as they are based on established and liquid underlying cash markets and derivative contracts traded at other designated contract markets, in compliance with CFTC Regulation 38.200. In addition, trading of the contracts will be monitored by the Market Regulation Department.

AVAILABILITY OF GENERAL INFORMATION

The Exchange will issue a notice and post amended Exchange-set position limits to ensure that market participants are aware of the new Exchange-set position limit and aggregation requirements.

PROTECTION OF MARKETS AND MARKET PARTICIPANTS

Positions in the Exchange's futures and option on futures contracts will continue to be subject to position limits and position accountability levels set by the Exchange, in compliance with Core Principle 5 and CFTC Regulation 38.300, which expressly provides that a board of trade shall adopt for each contract of the board of trade, as is necessary and appropriate, position limitations or position accountability for speculators and such position limits shall be set at a level not higher than the position limitation established by the Commission. Generally, such position limits are based upon the deliverable supply in the cash market or position limits at other designated contract markets and have been deemed appropriate by the Commission in its rulemaking.

POSITION LIMITS OR ACCOUNTABILITY

Positions in the futures and option on futures contracts will continue to be subject to position limits and accountability levels set by the Exchange. Generally, such Exchange-set position limits are based upon the deliverable supply in the cash market or position limits at other designated contract markets and have been deemed appropriate by the Commission in its rulemaking. All positions held in options on futures markets are aggregated with the relevant futures contracts underlying the option on futures for purposes of position limits and single and all-months-combined accountability.

FINANCIAL INTEGRITY OF CONTRACTS

The futures and option on futures contract will continue to 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. It may be accessed at: <https://www.theice.com/futures-us/regulation>. If you have any questions or need further information, please contact the undersigned at 312-836-6745 or at patrick.swartzer@ice.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Swartz". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Patrick Swartz
Director
Market Regulation

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

EXHIBIT A

(Additions are underlined and deletions are [~~struck through~~])

Position Limit/Position Accountability Table

Rule	Contract Name	Commodity Code	Contract Size	Unit of Trading	Spot Month Limit	Spot Month Conditional Limit	[Spot Month Accountability Level]	Single Month Accountability Level	All Month Accountability Level	Aggregate 1 (Positive Correlation)	<u>CFTC Referenced Contract</u>
18.A.139	Henry LD1 Fixed Price Future	H	2,500	MMBtu	8,000	40,000		24,000	48,000	H	<u>Y</u>
18.A.172	Henry LD1 Fixed Price Future 25K	HHL	25,000	MMBtu	800	4,000		2,400	4,800	H	<u>Y</u>
18.E.147	Henry Cal 1X Fixed Price Option	HHA	2,500	MMBtu	8,000	40,000		24,000	48,000	H	<u>Y</u>
18.A.140	Henry LD1 Same Day Fixed Price Future	SDH	2,500	MMBtu	[4,000] <u>8,000</u>	<u>40,000</u>		24,000	48,000	[SDH] <u>H</u>	<u>Y</u>
18.E.002	Option on Henry LD1 Same Day Fixed Price Future	SDH	2,500	MMBtu	[4,000] <u>8,000</u>	<u>40,000</u>		24,000	48,000	[SDH] <u>H</u>	<u>Y</u>
18.A.145	Henry Penultimate 1-Month Calendar Spread Future	HHM	2,500	MMBtu	[NA] <u>8,000</u>	<u>40,000</u>	[4,000]	24,000	48,000	[PHH] <u>H</u>	<u>Y</u>
18.E.008	Calendar Spread Option on Henry Penultimate 1-Month Calendar Spread Future	HHM	2,500	MMBtu	[NA] <u>8,000</u>	<u>40,000</u>	[4,000]	24,000	48,000	[PHH] <u>H</u>	<u>Y</u>
18.A.146	Henry Penultimate 3-Month Calendar Spread Future	HMT	2,500	MMBtu	[NA] <u>8,000</u>	<u>40,000</u>	[4,000]	24,000	48,000	[PHH] <u>H</u>	<u>Y</u>
18.E.009	Calendar Spread Option on Henry Penultimate 3-Month Calendar Spread Future	HMT	2,500	MMBtu	[NA] <u>8,000</u>	<u>40,000</u>	[4,000]	24,000	48,000	[PHH] <u>H</u>	<u>Y</u>
18.A.177	Henry Penultimate 4-Month Calendar Spread Future	HHR	2,500	MMBtu	[NA] <u>8,000</u>	<u>40,000</u>	[4,000]	24,000	48,000	[PHH] <u>H</u>	<u>Y</u>
18.E.068	Calendar Spread Option on Henry Penultimate 4-Month Calendar Spread Future	HHR	2,500	MMBtu	[NA] <u>8,000</u>	<u>40,000</u>	[4,000]	24,000	48,000	[PHH] <u>H</u>	<u>Y</u>
18.A.178	Henry Penultimate 5-Month Calendar Spread Future	HHV	2,500	MMBtu	[NA] <u>8,000</u>	<u>40,000</u>	[4,000]	24,000	48,000	[PHH] <u>H</u>	<u>Y</u>
18.E.069	Calendar Spread Option on Henry Penultimate 5-Month Calendar Spread Future	HHV	2,500	MMBtu	[NA] <u>8,000</u>	<u>40,000</u>	[4,000]	24,000	48,000	[PHH] <u>H</u>	<u>Y</u>
18.A.147	Henry Penultimate 6-Month Calendar Spread Future	HMX	2,500	MMBtu	[NA] <u>8,000</u>	<u>40,000</u>	[4,000]	24,000	48,000	[PHH] <u>H</u>	<u>Y</u>

18.E.010	Calendar Spread Option on Henry Penultimate 6-Month Calendar Spread Future	HMX	2,500	MMBtu	[NA] <u>8,000</u>	<u>40,000</u>	[4,000]	24,000	48,000	[PHH] <u>H</u>	<u>Y</u>
18.A.142	Henry Penultimate Fixed Price Future	PHH	2,500	MMBtu	[NA] <u>8,000</u>	<u>40,000</u>	[4,000]	24,000	48,000	[PHH] <u>H</u>	<u>Y</u>
18.E.004	Option on Henry Penultimate Fixed Price Future	PHE	2,500	MMBtu	[NA] <u>8,000</u>	<u>40,000</u>	[4,000]	24,000	48,000	[PHH] <u>H</u>	<u>Y</u>
18.A.173	Henry Penultimate Fixed Price Future 25K	HHP	25,000	MMBtu	[NA] <u>800</u>	<u>4,000</u>	[400]	2,400	4,800	[PHH] <u>H</u>	<u>Y</u>
18.E.063	Option on Henry Penultimate Fixed Price Future 25K	HHP	25,000	MMBtu	[NA] <u>800</u>	<u>4,000</u>	[400]	2,400	4,800	[PHH] <u>H</u>	<u>Y</u>
19.C.98	Heating Oil Diff – EU-Style Heating Oil vs Low Sulphur Gasoil Future	EHL	1,000	barrels	[2,900] <u>2,000</u>			[2,900] <u>2,000</u>	[2,900] <u>2,000</u>	EHL	<u>Y</u>
19.F.20	Heating Oil Diff – EU-Style Heating Oil vs Low Sulphur Gasoil Option	EHL	1,000	barrels	[2,900] <u>2,000</u>			[2,900] <u>2,000</u>	[2,900] <u>2,000</u>	EHL	<u>Y</u>
19.C.86	Gasoline Diff – RBOB Gasoline 1-Month Calendar Spread Future	RCM	1,000	barrels	[6,800] <u>2,000</u>			[6,800] <u>2,000</u>	[6,800] <u>2,000</u>	RCM	<u>Y</u>
19.F.25	Gasoline Diff – RBOB Gasoline 1-Month Calendar Spread Option	RCM	1,000	barrels	[6,800] <u>2,000</u>			[6,800] <u>2,000</u>	[6,800] <u>2,000</u>	RCM	<u>Y</u>
19.C.100	Daily WTI 1-Month Calendar Spread Future	DWO	1,000	barrels	10,400] <u>6,000/5,000</u>			[10,400] <u>6,000</u>	[10,400] <u>6,000</u>	[DWO] <u>WTB</u>	<u>Y</u>
19.F.23	Daily WTI 1-Month Calendar Spread Option	DWO	1,000	barrels	10,400] <u>6,000/5,000</u>			[10,400] <u>6,000</u>	[10,400] <u>6,000</u>	[DWO] <u>WTB</u>	<u>Y</u>
19.A.27	Crude Outright – Daily EU-Style WTI Future	TDE	1,000	barrels	10,400] <u>6,000/5,000</u>			[10,400] <u>6,000</u>	[10,400] <u>6,000</u>	[TDE] <u>WTB</u>	<u>Y</u>
19.F.14	Daily EU-Style WTI Option	TDE	1,000	barrels	10,400] <u>6,000/5,000</u>			[10,400] <u>6,000</u>	[10,400] <u>6,000</u>	[TDE] <u>WTB</u>	<u>Y</u>
19.C.45	Crude Diff – WTI 1-Month Calendar Spread Future	TIA	1,000	barrels	10,400] <u>6,000/5,000</u>			[10,400] <u>6,000</u>	[10,400] <u>6,000</u>	[TIA] <u>WTB</u>	<u>Y</u>
19.F.1	Crude Diff – WTI 1-Month Calendar Spread Option	TIA	1,000	barrels	10,400] <u>6,000/5,000</u>			[10,400] <u>6,000</u>	[10,400] <u>6,000</u>	[TIA] <u>WTB</u>	<u>Y</u>
19.C.46	Crude Diff – WTI 12-Month Calendar Spread Future	TIZ	1,000	barrels	10,400] <u>6,000/5,000</u>			[10,400] <u>6,000</u>	[10,400] <u>6,000</u>	[TIZ] <u>WTB</u>	<u>Y</u>
19.F.13	Crude Diff – WTI 12-Month Calendar Spread Option	TIZ	1,000	barrels	10,400] <u>6,000/5,000</u>			[10,400] <u>6,000</u>	[10,400] <u>6,000</u>	[TIZ] <u>WTB</u>	<u>Y</u>
19.A.7	Crude Outright – WTI Bullet Future	WTB	1,000	barrels	10,400] <u>6,000/5,000</u>			[10,400] <u>6,000</u>	[10,400] <u>6,000</u>	WTB	<u>Y</u>
19.A.9	Crude Outright – EU-Style WTI Future	WUL	1,000	barrels	10,400] <u>6,000/5,000</u>			[10,400] <u>6,000</u>	[10,400] <u>6,000</u>	[WUL] <u>WTB</u>	<u>Y</u>
19.F.16	Crude Outright – EU-Style WTI Option	WUL	1,000	barrels	10,400] <u>6,000/5,000</u>			[10,400] <u>6,000</u>	[10,400] <u>6,000</u>	[WUL] <u>WTB</u>	<u>Y</u>

EXHIBIT B

[EXHIBIT REDACTED]