

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 16-491

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): 12/20/16 **Filing Description:** Initial Listing of Ethanol T2 FOB Rdam Including Duty (Platts) Average Price Option

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:

Rule Numbers:

December 20, 2016

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. Notification Regarding the Initial Listing of the Ethanol T2 FOB Rdam Including Duty (Platts) Average Price Option Contract. NYMEX Submission No. 16-491

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or the “Commission”) that it is self-certifying the initial listing of an Ethanol T2 FOB Rdam Including Duty (Platts) Average Price Option contract as noted in the table below (the “Contract”) for trading on CME Globex and for submission into clearing via CME ClearPort, effective Sunday, January 8, 2017 for first trade date Monday, January 9, 2017.

Contract Title	Ethanol T2 FOB Rdam Including Duty (Platts) Average Price Option
Commodity Code	Z1O
Rulebook Chapter	193
Settlement Method	Financial
Contract Size	100 cubic meters
Listing Schedule	Monthly contracts listed for six (6) consecutive months
First Listed Month	January 2017
Exercise Style	European
Minimum Price Fluctuation	€0.001 per cubic meter
Value per Tick	€0.10
Block Trade Minimum Threshold	5 contracts
Strike Increment	€25 per cubic meter
Termination of Trading	Last business day of the contract month
CME Globex Matching Algorithm	First in First Out (FIFO)

Trading and Clearing Hours:

CME Globex and CME ClearPort: Sunday – Friday 6:00 p.m. – 5:00 p.m. (5:00 p.m. – 4:00 p.m. Central Time/CT) with an hour break each day beginning at 5:00 p.m. (4:00 p.m. CT).

Trading and Clearing Fees:

Exchange Fees	Member	Non-Member	International Incentive Programs (IIP/IVIP)
CME Globex	\$0.85	\$1.35	\$1.10
Block	\$0.85	\$1.35	
EFR/EOO	\$0.85	\$1.35	

Processing Fees	Member	Non-Member
Cash Settlement	\$0.10	\$0.10
Other Fees		
Facilitation Fee		\$0.40
Give-Up Surcharge		\$0.05
Position Adjustment/Transfer		\$0.10

NYMEX is self-certifying block trading on these contracts with a minimum block threshold of five (5) contracts for the Contracts. The block level is consistent with the Exchange's comparable existing products.

The Exchange reviewed the designated contracts market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act") 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 all CME Rules, including prohibitions against fraudulent, noncompetitive, unfair and abusive practices as outlined in CME Rule Chapter 4, the Exchange's trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the CME Rulebook, and the dispute resolution and arbitration procedures of CME Rule Chapter 6. As with all products listed for trading on one of CME Group's designated contract markets, trading activity in the Contract will be subject to monitoring and surveillance by CME Group's Market Regulation Department. The Market Regulation Department has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

Contract Not Readily Subject to Manipulation: The Contract is not readily subject to manipulation because of its structural attributes, active underlying market and reliance on a well administered index. Final settlements are based on an index published by S&P Global Platts and licensed to the Exchange.

Prevention of Market Disruption: Trading in the Contract will be subject to the rules of the Exchange, 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 option 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 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 in regard to contract specifications, terms, and conditions, as well as daily trading volume, open interest, and price information for the contracts. The Exchange will issue a Special Executive Report ("SER") regarding the launch of the Contract.

300 Vesey Street New York, NY 10282 T 212 299 2200 F 212 299 2299 christopher.bowen@cmegroup.com cmegroup.com

Daily Publication of Trading Information: The Exchange will publish 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 platform and for clearing through the CME ClearPort platform. The CME Globex trading venue provides for competitive and open execution of transactions. CME Globex affords the benefits of reliability and global connectivity. The CME ClearPort platform provides a competitive, open and efficient mechanism for the novation of transactions that are competitively executed by brokers.

Trade Information: All requisite 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, a derivatives clearing organization registered with the Commodity Futures Trading Commission and subject to all CFTC regulations related thereto.

Protection of Market Participants: CME Rulebook Chapters 4 and 5 set forth multiple prohibitions that preclude intermediaries from disadvantaging their customers. These rules apply to trading in all of the Exchange's competitive trading venues.

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 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 products are 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. 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.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.2(a), the Exchange hereby certifies that listing the Contracts comply with the Act, including regulations under the Act. There were no substantive opposing views to these proposals.

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 (212) 299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Appendix A: NYMEX Rulebook Chapter
Appendix B: Position Limits, Position Accountability and Reportable Level Table in Chapter 5 of the NYMEX Rulebook (attached under separate cover)
Appendix C: NYMEX Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table
Appendix D: NYMEX Rule 300.20. – (“Strike Price Listing Procedures”) Table
Appendix E: Cash Market Overview and Analysis of Deliverable Supply

Appendix A

NYMEX Rulebook Chapter

Chapter 193

Ethanol T2 FOB Rdam Including Duty (Platts) Average Price Option

193100. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on the Ethanol T2 FOB Rdam Including Duty (Platts) futures contract. In addition to the rules of this chapter, transactions in options on Ethanol T2 FOB Rdam Including Duty (Platts) futures shall be subject to the general rules of the Exchange insofar as applicable.

193101. OPTION CHARACTERISTICS

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

193101.A. Trading Schedule

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

193101.B. Trading Unit

An Ethanol T2 FOB Rdam Including Duty (Platts) Average Price Call Option traded on the Exchange represents the differential between the final settlement price of the underlying Ethanol T2 FOB Rdam Including Duty (Platts) futures and the strike price multiplied by 100 cubic meters, or zero, whichever is greater. An Ethanol T2 FOB Rdam Including Duty (Platts) Average Price Put Option traded on the Exchange represents the differential between the strike price and the final settlement price of the underlying Ethanol T2 FOB Rdam Including Duty (Platts) futures multiplied by 100 cubic meters, or zero, whichever is greater.

193101.C. Price Increments

Prices shall be quoted in Euros and cents per cubic meter and prices shall be in multiples of €0.001 per cubic meter. The minimum price increment will be €0.001 per cubic meter. A cabinet trade may occur at a price of €0.001 per cubic meter, or €0.10.

193101.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.

193101.E. Termination of Trading

The option contract shall expire at the close of trading on the last business day of the contract month.

193101.F. Type Option

The option is cash settled European-style, which is exercised at expiration only. At expiry, automatic exercise occurs for those options that are one or more ticks in the money. Options that are at the money at expiration lapse.

193102. EXERCISE PRICES

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

193103. DISCLAIMER

S&P Global Platts, a division of S&P Global Inc. ("Platts"), licenses New York Mercantile Exchange, Inc. ("NYMEX") to use various Platts price assessments in connection with the trading or posting of the contracts.

NEITHER NYMEX, ITS AFFILIATES, NOR PLATTS GUARANTEES THE ACCURACY AND/OR COMPLETENESS OF THE INDEX OR ANY OF THE DATA INCLUDED THEREIN.

NYMEX, ITS AFFILIATES AND PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE ASSESSMENT, TRADING BASED ON THE ASSESSMENT, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF THE CONTRACTS, OR, FOR ANY OTHER USE. NYMEX, ITS AFFILIATES AND PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AND HEREBY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX, ITS AFFILIATES OR PLATTS HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGE.

Appendix B

Position Limits, Position Accountability and Reportable Level Table in Chapter 5 of the NYMEX Rulebook

(attached under separate cover)

Appendix C

NYMEX Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table

(additions are underscored)

Product	Globex Symbol	Globex Non-Reviewable Ranges (NRR)	Bid/Ask Reasonability
<u>Ethanol T2 FOB Rdam Including Duty (Platts) Average Price Option</u>	<u>Z1O</u>	<u>20% of premium up to 1/4 of the underlying futures' non-reviewable range with a minimum of 1 tick</u>	<u>The greater of the delta times the underlying futures' non-reviewable range or 20% of the fair value premium up to the underlying futures' non-reviewable range with a minimum reasonability of \$0.25</u>

Appendix D

NYMEX Rule 300.20. – (“Strike Price Listing Procedures”) Table

(additions are underscored)

Clearing Code	Globex Code	Product Name	Product Group	Product Subgroup	Exchange	Rulebook Chapter	Strike Price Listing Rule
<u>Z10</u>	<u>Z10</u>	<u>Ethanol T2</u> <u>FOB Rdam</u> <u>Including</u> <u>Duty (Platts)</u> <u>Average Price</u> <u>Option</u>	<u>Energy</u>	<u>Biofuels</u>	<u>NYMEX</u>	<u>193</u>	<u>Dynamic</u> <u>strikes only</u> <u>at €25 per</u> <u>cubic metre</u> <u>strike</u> <u>increment.</u>

Appendix E

Cash Market Overview and Analysis of the Deliverable Supply

Introduction

The Exchange intends to introduce a new Ethanol T2 FOB Rdam Including Duty (Platts) Average Price Options contract. The underlying futures contract will be the Exchange's Ethanol T2 FOB Rdam Including Duty (Platts) Futures contract (Commodity Code Z1; NYMEX Rule Chapter 194). Both contracts are financially settled with reference to the Ethanol T2 FOB Rotterdam price assessment published by Platts.

Data Sources

The Exchange has based its analysis of the cash market and deliverable supply of ethanol in North West Europe on data provided by Eurostat and the United States Department of Agriculture's Foreign Agricultural Service ("FAS").

The Eurostat¹ data is compiled by the statistical office of the European Union and aims to provide the EU with accurate statistics that enable comparisons between countries and regions. The statistical authorities in each individual member state are responsible for collecting the data. After verification and analysis, the individual authorities send the data to Eurostat who consolidate such data. In addition, Eurostat ensures that all parties are employing the same methodology in collecting and reporting data.

The FAS² data is compiled by USDA staff using information from a range of sources, including the European Commission, Eurostat, the European Renewable Ethanol Association, national industry organizations and national government sources.

The final settlement prices for the Ethanol T2 FOB Rdam Including Duty (Platts) Average Price Option are based on ethanol prices assessed and published by S&P Global Platts, a division of S&P Global Inc ("Platts"). Platts is a leading global provider of energy, petrochemicals, metals and agriculture information, and a premier source of benchmark price assessments for those commodity markets. Since 1909, Platts has provided information and insights that help customers make sound trading and business decisions and enable the markets to perform with greater transparency and efficiency. Platts' assessment methodology for the Rotterdam ethanol market is available on Platts' website³.

CME Group (parent company of New York Mercantile Exchange, Inc.) is a party to license agreements with Platts to utilize their pricing data.

European Ethanol

The development and promotion of renewable energy has been central to European Union energy policy since the 1990s. Part of this policy is the increased use of biofuels within road transport fuel. The EU's current targets are for renewable energy to have a 20% share of total EU energy consumption by 2020, and for biofuels to have a 10% share of road transport fuel by 2020⁴.

The EU's Directive 2009/28/EC of 23 April 2009 on the promotion of the use of energy from renewable sources, commonly referred to as the Renewable Energy Directive, established sustainability criteria against which biofuel production has to comply in order for it to count towards meeting a country's

¹ See <http://ec.europa.eu/eurostat>

² See <http://www.fas.usda.gov/about-fas>

³ See <http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/biofuelsglobal.pdf>

⁴ See <https://ec.europa.eu/energy/en/topics/renewable-energy/renewable-energy-directive>

renewable energy target. Biofuels which meet these criteria are referred to in the market as being 'RED' compliant.

There are two main types of liquid biofuel produced, biodiesel and bioethanol. In the EU biodiesel is the major consumed biofuel. Data from Eurostat show that in 2014 gross inland consumption of biodiesel in the EU28 was 11.5 million tons of oil equivalent (approximately 12.9 million tons of material). This compares to gross inland consumption of bioethanol (referred to by Eurostat as biogasoline) of 2.6 million tons of oil equivalent (approximately 4.1 million tons of material), and gross inland consumption of other liquid biofuels of 1.1 million tons of oil equivalent.

Within Europe, production of ethanol has historically used wheat as its main feedstock. In recent years this has changed such that maize (corn) is now the more significant feedstock⁵. Approximately 85% of European ethanol production is used in road transport fuel, with industrial and food & beverage use comprising the remainder⁶.

Rotterdam is the largest port in Europe and has become a key hub for the distribution of ethanol. It serves as the main link between global and European flows. As described below, the Platts price assessment used is an FOB Rotterdam basis assessment. It is used as a price benchmark across all of Europe, but can realistically be seen as a North West Europe price assessment, as material from North West Europe can be readily made available for delivery. In this context, North West Europe can be considered as comprising Germany, the Netherlands, Belgium, France and the United Kingdom. In line with similar markets, the Exchange proposes to halve data for France in the determination of deliverable supply in North West Europe.

Within the EU, production in France, Germany and the UK represents over 50% of EU ethanol production, as highlighted in Tables 1 and 2. These three countries also account for over 60% of gross inland consumption as highlighted in Table 3 and 4.

Table 1
EU Ethanol (Biogasoline) Production
 Thousand Metric Tons

	2012	2013	2014	3 Year Average
Belgium	243	242	257	247.3
France	655	786	770	737.0
Germany	621	640	709	656.7
Netherlands	0	414	0	138.0
United Kingdom	122	416	410	316.0
Sub Total	1,641	2,498	2,146	2,095.0
Sub Total Adjusted ⁷	1,314	2,105	1,761	1,726.7
Other EU	1,766	1,716	1,696	1,726.0
Total EU	3,164	3,972	3,585	3,573.7

Source: Eurostat⁸

Table 2

⁵ Source ePURE, <http://epure.org/media/1266/type-of-feedstock-used.png>

⁶ Source ePURE, <http://epure.org/media/1265/renewable-ethanol-production-by-end-use.png>

⁷ Sub Total Adjusted to include 50% of the France data

⁸ See <http://ec.europa.eu/eurostat/data/database> database nrg_107a

EU Fuel Ethanol Production

Million Litres

	2012	2013	2014	2015e	3 Year Average
Belgium	410	451	557	560	523
France	829	995	975	968	979
Germany	776	851	920	937	903
Netherlands	451	524	520	520	521
United Kingdom	215	278	329	253	287
Sub Total	2,681	3,099	3,301	3,238	3,213
Sub Total Adjusted ⁹	2,267	2,602	2,814	2,754	2,723
Other EU	2,392	2,399	2,437	2,436	2,424
Total EU	4,658	5,000	5,250	5,190	5,147

Source: FAS¹⁰

Table 3

EU Ethanol (Biogasoline) Gross Inland Consumption

Thousand Metric Tons

	2012	2013	2014	
Belgium	75	75	57	69.0
France	624	615	634	624.3
Germany	1,249	1,207	1,229	1,228.3
Netherlands	203	186	185	191.3
United Kingdom	615	632	632	626.3
Sub Total	2,766	2,715	2,737	2,739.3
Sub Total Adjusted ¹¹	2,454	2,408	2,420	2,427.3
Other EU	1,626	1,420	1,386	1,477.3
Total EU	4,392	4,135	4,123	4,216.7

Source: Eurostat¹²

Table 4

EU Fuel Ethanol Consumption

⁹ Sub Total Adjusted to include 50% of the France data

¹⁰ See http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Biofuels%20Annual_The%20Hague_EU-28_6-29-2016.pdf Table 5, Page 16

¹¹ Sub Total Adjusted to include 50% of the France data

¹² See <http://ec.europa.eu/eurostat/data/database> database nrg_107a

Million Litres

	2012	2013	2014	2015e	3 Year Average
Belgium ¹³	n/a	n/a	n/a	n/a	n/a
France	790	778	803	805	795
Germany	1,581	1,532	1,557	1,487	1,525
Netherlands	244	247	253	255	252
United Kingdom	981	1,038	1,041	949	1,009
Sub Total	3,596	3,595	3,654	3,496	3,582
Sub Total Adjusted ¹⁴	3,201	3,206	3,253	3,094	3,184
Other EU	2,475	2,164	2,038	2,097	2,099
Total EU	5,676	5,370	5,290	5,190	5,283

Source: FAS¹⁵

Table 5

EU Ethanol (Biogasoline) Imports

Thousand Metric Tons

	2012	2013	2014	3 Year Average
Belgium	6	7	7	6.7
France	120	81	86	95.7
Germany	683	638	600	640.3
Netherlands	203	0	185	129.3
United Kingdom	539	285	446	423.3
Sub Total	1,551	1,011	1,324	1,295.3
Sub Total Adjusted ¹⁶	1,491	971	1,281	1,247.7
Other EU	642	668	678	662.7
Total EU	2,193	1,679	2,002	1,958.0

Source: Eurostat¹⁷

Table 6

EU Ethanol (Biogasoline) Exports

Thousand Metric Tons

¹³ FAS does not include data for Belgium in its table of the main consumers of fuel ethanol. This is consistent with the Eurostat data presented above in Table 3. In addition to the countries highlighted Table 4, FAS considers Spain, Poland, Sweden and Italy as the other main consuming nations.

¹⁴ Sub Total Adjusted to include 50% of the France data

¹⁵ See http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Biofuels%20Annual_The%20Hague_EU-28_6-29-2016.pdf Table 6, Page 18-19

¹⁶ Sub Total Adjusted to include 50% of the France data

¹⁷ See <http://ec.europa.eu/eurostat/data/database> database nrg_107a

	2012	2013	2014	3 Year Average
Belgium	174	174	207	185.0
France	151	257	220	209.3
Germany	55	71	80	68.7
Netherlands	0	224	0	74.7
United Kingdom	46	51	212	103.0
Sub Total	426	777	719	640.7
Sub Total Adjusted ¹⁸	351	649	609	536.3
Other EU	568	710	783	687.0
Total EU	994	1,487	1,502	1,327.7

Source: Eurostat¹⁹

There is an active spot market for ethanol based on Rotterdam market. Trading occurs in both US Dollars and Euros, with quantities specified in cubic metres. Term supply contracts do exist. However, the typical term agreement in the cash market allows flexibility for re-trading of the contracted quantity in the spot market, so the term agreements do not restrict the potential deliverable supply. The Platts assessment used as the price reference for the new contract is labelled as a "T2" assessment. This denotes that material has been subject to EU duties, and can therefore be used to indicate both EU production and imports.

¹⁸ Sub Total Adjusted to include 50% of the France data

¹⁹ See <http://ec.europa.eu/eurostat/data/database> database nrg_107a

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 commerce²⁰.

The Exchange has determined to assess deliverable supply of ethanol in FOB Rotterdam market as being the sum of production and imports into North West Europe region, comprising Germany, Netherlands, Belgium, the United Kingdom, and northern France. Such material is available for delivery into Rotterdam.

Whilst the FAS data includes statistics for 2015, these numbers are published as estimates, and there is no FAS information for Belgian consumption, or imports and exports at the national level. The Exchange has therefore determined to use the Eurostat data as the basis of its deliverable supply analysis, noting that the 2015 data from FAS that is available is consistent with data for the previous two years.

Based on Eurostat data, the average annual production in this region (where Eurostat data for France is reduced by 50%) for the period 2012-2014 – which represents the most recent data available – is 1.73 million metric tons, which is equal to 144,000 metric tons per calendar month. The equivalent average annual import amount for the period 2012-2014 is 1.25 million metric tons, or 104,000 metric tons per calendar month. The combined figure for deliverable supply is therefore 248,000 metric tons per calendar month.

As stated in the Platts' methodology²¹, the density of ethanol used for volume-mass conversions is 0.7887 g/cm³, i.e. 0.7887 metric tons per cubic metre, or 1.268 cubic metres per metric ton. The value of 248,000 metric tons per calendar month is therefore equivalent to 314,000 cubic metres per calendar month.

Positions in the proposed Ethanol T2 FOB Rdam Including Duty (Platts) Average Price Option contract will be aggregated into the Ethanol T2 FOB Rdam Including Duty (Platts) Futures contract, which has a contract size of 100 cubic metres. The current spot month limits for the Ethanol T2 FOB Rdam Including Duty (Platts) Futures contract is 100 contracts which represents 3.2% of the monthly deliverable supply.

²⁰ See Appendix C to 17 CFR part 38

²¹ See <http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/biofuelsglobal.pdf>