



## U.S. COMMODITY FUTURES TRADING COMMISSION

Three Lafayette Centre  
1155 21st Street, NW, Washington, DC 20581  
Telephone: (202) 418-5260  
Facsimile: (202) 418-5527  
[www.cftc.gov](http://www.cftc.gov)

Division of  
Market Oversight

May 15, 2009

Satish Nandapurkar  
President  
Chicago Climate Exchange  
190 South LaSalle Street  
Suite 1100  
Chicago, IL 60603

Re: Request that the Chicago Climate Futures Exchange provide evidence of its ability to obtain necessary data and information from the California Climate Action Registry; the Center for Resource Solutions; the NEPOOL-GIS; and the PJM-EIS.

Dear Mr. Nandapurkar:

This letter is in regard to several of new-product and rule amendment self-certification submissions dealing with the Renewable Energy Certificates (RECs) and Climate Reserve Tonnes. Based on the material in those submissions Division staff understands that the Exchange does not have license agreements, memoranda of understanding, or any other agreements with entities that maintain relevant registries which track the underlying RECs and Climate Reserve Tonnes.

In particular, the self-certifications in question are

1. CCFE submission No. 09-30, dated February 18, 2009, CCFE submission No. 09-04, dated February 26, 2009, and CCFE submission No. 09-06, dated March 11, 2009. In those submissions, the CCFE certified California Climate Action Reserve – Climate Reserve Tons (CCAR-CRT) futures and option contracts, and amendments to those contracts;
2. CCFE submission No. 09-08, dated April 15, 2009. In that submission, the CCFE certified the Voluntary Renewable Energy Certificate futures contract (REC V) in which a renewable energy certificate represents one MWh of renewable energy designated as eligible to meet the current Green-e Energy National Standard for Renewable Electricity Products; the Massachusetts Compliance Renewable Energy Certificates futures contract (REC MA) in which a renewable energy certificate represents one MWh of renewable energy eligible to meet the Renewable Energy Portfolio Standard promulgated under Massachusetts General law c.25A 11F; the Connecticut Renewable Energy Certificates futures contract (REC CT) in which a renewable energy certificate represents one MWh of renewable energy eligible to meet the Renewable Energy Portfolio Standard promulgated under Conn. Gen. Stat. § 16-245a et seq; and the New Jersey Compliance

Renewable Energy Certificates futures contract (REC NJ) where a renewable energy certificate represents one MWh of renewable energy eligible to meet the Renewable Energy Portfolio Standard promulgated under N.J.S.A. 48: 3-49 et.seq. "Electric Discount and Energy Competition Act" & Subchapter 8, N.J.A.C. 14:4-8.

The California Climate Action Registry is an independent 501(c)(3) nonprofit organization headquartered in Los Angeles, California. Through the Climate Action Reserve it develops and implements standardized, performance-based project protocols, manages an independent, third-party verification program, and oversees a registration, serialization, and tracking system of emission reduction credits known as Climate Reserve Tonnes™.

The Center for Resource Solutions is a national nonprofit organization established on March 25, 1997 and based in San Francisco, California. In December 1997 the Center for Resource Solutions launched the Green-e Energy program. Green-e Energy is the independent certification and verification program for renewable energy. It is a voluntary consumer-protection program that certifies renewable energy choices offered by utilities and marketers in the voluntary renewable energy market.

The New England Generation Information System (NEPOOL-GIS) tracks RECs based on the environmental attributes of generated electricity to monitor compliance with the states' Renewable Energy Portfolio Standards. The system was adopted in 2002 and is maintained by NEPOOL. Commonwealth of Massachusetts and State of Connecticut require licensed suppliers to submit annual reports certifying that they have purchased a sufficient amount of RECs produced by qualified generating facilities as determined by NEPOOL-GIS.

PJM Environmental Information Services, Inc. (PJM-EIS) owns and administers the Generation Attribute Tracking System (GATS). PJM-EIS was formed to provide environmental and emissions attributes reporting and tracking services to its subscribers in support of renewable portfolio standards and other information disclosure requirements that may be implemented by government agencies.

The CCAR-CRT, REC V, REC MA, REC CT, and REC NJ markets are novel and complex markets that do not have a long performance record. According to the information provided by CCFE to Division staff, the Division understands that the Exchange does not have a license agreement, a Memorandum of Understanding, or any other agreement with the California Climate Action Registry, the Center for Resource Solutions, the NEPOOL-GIS, and the PJM-EIS. To ensure that CCFE is able to obtain accurate and timely data and information about CCAR-CRT, REC V, REC MA, REC CT, and REC NJ, including but not limited to the deliverable supply, and to affirm that the futures contracts are not readily susceptible to manipulation and comply with the Commodity Exchange Act and Commission rules and regulations.

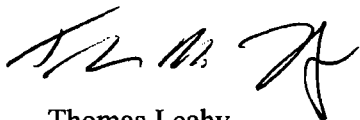
In view of the forgoing, the Division requests that CCFE provide evidence of its ability to obtain necessary data and information from

1. the California Climate Action Registry;

2. the Center for Resource Solutions;
3. the NEPOOL-GIS;
4. the PJM-EIS.

Please contact Irina Leonova at 202-418-5646 ([ileonova@cftc.gov](mailto:ileonova@cftc.gov)) if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Leahy', written in a cursive style.

Thomas Leahy  
Chief, Product Review Branch