



## 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

July 20, 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 annual estimates of the deliverable supply for the Front-Year Vintage Regional Greenhouse Gas Initiative CO<sub>2</sub> futures contract.

Dear Mr. Nandapurkar:

This letter is in regard to CCFE submission No. 08-19, dated August 13, 2008, CCFE submission No. 08-20, dated September 5, 2008, and CCFE submission No. 08-24, dated September 25, 2008. In those submissions, the CCFE certified the Regional Greenhouse Gas Initiative (RGGI) futures and option contracts, the RGGI Mid-Month futures contract, and amendments to those contracts, respectively.

The RGGI is a cooperative effort by ten Northeast and Mid-Atlantic States to limit greenhouse gas emissions. RGGI is the first mandatory, market-based CO<sub>2</sub> emissions reduction program in the United States. The first compliance period for each state's linked CO<sub>2</sub> Budget Trading Program begins January 1, 2009. The majority of CO<sub>2</sub> allowances issued by each participating state is distributed through quarterly auctions.

The RGGI market is a novel and complex market that does not have a long performance record. Based on currently available information, the Division does not find the futures and option contracts based on RGGI CO<sub>2</sub> allowances to be readily susceptible to manipulation. Nevertheless, to affirm that the subject contracts continue to comply with the Commodity Exchange Act and Commission rules and regulations in the future, the Division requests that CCFE provide estimates of the deliverable supply for each Front-Year Vintage RGGI CO<sub>2</sub> futures contract not later than February 1 of each year.

Please contact Irina Leonova at 202-418-5646 ([ileonova@cftc.gov](mailto:ileonova@cftc.gov)) or Thomas Leahy at 202-418-5278 ([tleahy@cftc.gov](mailto:tleahy@cftc.gov)) if you have any questions.

Sincerely,

Richard Shilts  
Director