

Leonova, Irina

From: Bridget Laffey [blaffey@chicagoclimateexchange.com]
Sent: Tuesday, January 29, 2008 10:10 AM
To: Leonova, Irina
Subject: FW: Information Request
Sensitivity: Confidential
Attachments: Annual Nox Program (2).doc

Irina- submission now attached.

Bridget A. Laffey
Chicago Climate Exchange, Inc.
190 S. LaSalle St. Suite 1100
Chicago, IL 60603
312-229-5164, direct
312-554-3373, fax
blaffey@chicagoclimateexchange.com

From: Bridget Laffey
Sent: Tuesday, January 29, 2008 9:10 AM
To: 'Leonova, Irina'
Subject: RE: Information Request
Sensitivity: Confidential

Irina,

I am resubmitting our response to your request for information regarding NFI Annual futures contracts; please see attached. The "CCX Confidential" notation has been removed. Please let me know if you need anything further.

Regards,
Bridget

Bridget A. Laffey
Chicago Climate Exchange, Inc.
190 S. LaSalle St. Suite 1100
Chicago, IL 60603
312-229-5164, direct
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From: Leonova, Irina [mailto:ILEonova@CFTC.gov]
Sent: Friday, January 25, 2008 8:51 AM
To: Bridget Laffey
Cc: Ann M. Cresce
Subject: RE: Information Request
Sensitivity: Confidential

Dear Ms. Laffey:

In response to the Division's request for information regarding the Chicago Climate Exchange's submission number 07-14 (Nitrogen Financial Instruments (Annual) futures contracts), you provided the information in the Word document format (attached) with a note "CCX Confidential." Could you please provide the reasoning for the request to treat this document "confidential?"

The Division typically posts responses to its official information requests at www.cftc.gov. Thank you.

1/29/2008

Yours truly,

Irina Leonova

Financial Economist
Division of Market Oversight
Commodity Futures Trading Commission
Telephone: (202) 418-5646
Fax: (202) 418-5507
E-Mail: ileonova@cftc.gov

From: Bridget Laffey [mailto:blaffey@chicagoclimateexchange.com]
Sent: Friday, January 11, 2008 5:11 PM
To: Leonova, Irina
Cc: Ann M. Cresce
Subject: FW: Information Request
Sensitivity: Confidential

Dear Irina,

In response to your request for information regarding our NFI (Annual) futures contract, please find the attached. Should you require further information please contact us.

Regards,
Bridget

Bridget A. Laffey
Chicago Climate Exchange, Inc.
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From: Ann M. Cresce
Sent: Tuesday, December 18, 2007 3:28 PM
To: Bridget Laffey; Murali Kanakasabai
Subject: FW: Information Request
Sensitivity: Confidential

From: Leonova, Irina [mailto:ILEonova@CFTC.gov]
Sent: Tuesday, December 18, 2007 3:24 PM
To: Ann M. Cresce
Cc: Shilts, Richard A.; Leahy, Thomas M., Jr.; Murray, Martin G.
Subject: Information Request
Sensitivity: Confidential

Dear Ms. Cresce:

To complete the review of the Chicago Climate Futures Exchange's submission number 07-14 regarding Nitrogen Financial Instrument (Annual) futures contracts, I need to receive some additional information about the product. The official letter with questions is attached to this message in the PDF format. Thank you.

Yours truly,

1/29/2008

Irina Leonova

Financial Economist

Division of Market Oversight

Commodity Futures Trading Commission

Telephone: (202) 418-5646

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<<Information request.pdf>>

Annual Nox Program

1. List of participating States in the "CAIR" cap and trade program.

The final Clean Air Interstate Rule covers 28 eastern states and the District of Columbia. Of these the states covered under the NOx program are listed as follows:

1. Iowa	16. North Carolina
2. Wisconsin	17. South Carolina
3. Missouri	18. Alabama
4. Illinois	19. Mississippi
5. Indiana	20. Florida
6. Michigan	21. District of Columbia
7. Ohio	22. Arkansas
8. Pennsylvania	23. Massachusetts
9. New York	24. Connecticut
10. New Jersey	25. Louisiana
11. Delaware	
12. Maryland	
13. Virginia	
14. West Virginia	
15. Kentucky	

2. The total amount of Annual Nox Allowances that are expected to be distributed by the participating states for each year during the period 2009 to 2015.

2009 to 2014: 1.5 million allowances annually

2015: 1.3 million allowances annually

3. The total number of NOX allowances that are expected to be held back for each of the years 2009 to 2015.

The amount of allowances that will be held back or banked will depend on many systemic and short term factors affecting the market making it difficult to provide an estimate. Roughly around 26%-30% of the available allowances have been banked under the NOx SIP program. It is important to note that SIP call program has progressive flow control while the CAIR does not. This might have some implications on banking.

Table 1. Allocations by participating States in the CAIR Annual Nox Program

Participating States	2009	2010	2011	2012	2013	2014	2015
DC Total	137	0	0	0	0	0	0
DE Total	3,956	0	0	0	0	0	0
FL Total	84,456	84456	84456	84456	0	0	0
GA Total	64,330	64330	64330	0	0	0	0
IA Total	31,057	31057	31057	31057	31057	31057	0
LA Total	34,318	34320	34321	0	0	0	0
MD Total	13,817	0	0	0	0	0	0
MN Total	29,875	0	0	0	0	0	0
MO Total	56,512	58012	58012	58012	58012	58012	0
MS Total	16,895	16895	16895	16895	16895	16895	0
PA Total	70,904	0	0	0	0	0	0
SC Total	31,679	31679	31679	31679	0	0	0
TN Total	48,422	48422	48422	48422	48422	48422	0
TX Total	159,267	159267	159267	159267	159267	159267	0
WI Total	37,530	37530	37530	37530	37530	37905	0
WV Total	149,582	124841	124841	110260	102964	102589	0
Allotted	832,737	690,809	690,810	577,578	454,147	454,147	0
Proposed Allocation	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,300,000
% of Allocation Allotted	55.52%	46.05%	46.05%	38.51%	30.28%	30.28%	0.00%