ICE FUTURES U.S.
World Financial Center
One North End Avenue
New York, New York 10282

BY ELECTRONIC TRANSMISSION

Submission No. 13-37
April 10, 2013

Ms. Melissa Jurgens
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

**Re: Listing of New Energy Futures Contracts and Related Rule Amendments-
Submission Pursuant to Section 5c(c)(1) of the Act and Regulations 40.2 and 40.6**

Dear Ms. Jurgens:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the "CEA") and Commission Regulations 40.2 and 40.6(a), ICE Futures U.S., Inc. ("IFUS" or "Exchange") submits by written certification the terms and conditions for fourteen (14) new Energy Futures Contracts, which will be listed for trading on April 29, 2013 . The futures contracts will be cleared by ICE Clear Europe, which currently serves as a derivatives clearing organization for the Exchange. The contract terms and conditions are set forth in additions to chapter 18 of the Rules and in related amendments to existing Exchange Rules, as specified in Exhibit A. The underlying cash market analysis is contained in Exhibit B.

The Exchange is listing six (6) new cash settled natural gas futures contracts, four (4) new physical environmental futures contracts, three (3) new financial environmental futures contracts and a cash settled natural gas liquid futures contract, as described below.

Natural Gas Futures Contracts

The six (6) new cash settled natural gas futures contracts are for two Iroquois pipeline price points, the Iroquois Receipts and the Iroquois Zone 2. The Exchange will list a swing, basis and index futures contract for each price point. These new contracts, which are listed below, are similar in most respects to other swing, basis and index natural gas futures contracts currently listed by the Exchange for other hubs.

Contract Name	Code	Size	Quotation Basis	NCR	Block Min
Iroquois-Z2 Basis (Platts) Futures	IZB	2500 MMBtus	$0.0001	0.05	25
Iroquois (Into) Basis (Platts) Futures	IRB	2500 MMBtus	$0.0001	0.05	25
Iroquois-Z2 Index (Platts) Futures	IZI	2500 MMBtus	$0.0001	0.05	25
Iroquois (Into) Index (Platts) Future	IRI	2500 MMBtus	$0.0001	0.05	25
Iroquois-Z2 Swing (Platts) Futures	IZS	2500 MMBtus	$0.0001	0.05	25
Iroquois (Into) Swing (Platts) Futures	IRS	2500 MMBtus	$0.0001	0.05	25

The contract sizes, listing cycles, quotation basis, minimum price fluctuations, no cancellation ranges and block minimum sizes are common amongst other natural gas futures contracts currently listed by the Exchange.

Also similar to other cash settled natural gas futures listed by the Exchange, the final settlement price for each contract, which is described in detail in the product rules, are based upon published prices. Position limits are based upon the cash market and deliverable supply as described in Exhibit B. Trading hours for the new natural gas contracts will be from 7:50PM to 6:05PM the next day.

Physical Environmental Futures Contracts

The Exchange is listing four (4) new physical environmental futures contracts. Two of the contracts call for delivery of allowances for oxides of nitrogen ("NOx") issued under the Environmental Protection Agency's ("EPA") Clean Air Interstate Rule ("CAIR"). Until March 2012, similar products were listed for trading by the Chicago Climate Futures Exchange. Under CAIR, the EPA established programs for the annual and seasonal limitations for total amounts of NOx emitted from regulated power plant sources. The new CAIR Annual NOx futures contract calls for delivery of the annual allowance and the new CAIR Ozone Season NOx futures contract calls for delivery of the seasonal allowance.

Both annual and seasonal allowances under the CAIR are assigned vintage years, which may be used for compliance in the year matching the vintage or in a future year. The Exchange will list a 2013 and 2014 vintage for both the annual and seasonal futures contracts. Allowances with vintages that correspond to the specified vintage of the futures contract and allowances having a vintage of any year prior to the specified vintage-year may be delivered against the futures contract. Both the annual and the seasonal contract provide for delivery of 5 allowances.

Contract Name	Vintages	Size	Quotation Basis	NCR	Block Min
CAIR Annual NOx Futures	2013, 2014	5 Annual Allowances	$0.10	5	10
CAIR Ozone Season Futures	2013, 2014	5 Ozone Season Allowances	$0.10	5	10

The two other new physical environmental contracts being listed by the Exchange are futures for the state based renewable energy programs of New Jersey and Texas. The New Jersey Renewable Energy Certificate futures contract provides for delivery of solar renewable energy certificates ("SRECs"). In 2004, the State of New Jersey put in place legislation to require entities to acquire such certificates in an amount corresponding to their retail sales. A SREC is assigned a vintage year and SRECs from one year may be used for a compliance obligation in the year of generation and following years. The Exchange will list futures contracts for the 2013, 2014 and 2015 vintages. SRECs with vintages that correspond to the specified vintage of the futures contract must be delivered against the futures contract. The contract calls for delivery of 10 SRECs.

The Texas Compliance Renewable Energy Certificate futures contract provides for the delivery of certain renewable energy certificates (RECs) which are eligible to meet the designation for a REC under applicable Texas law. The market for Texas RECs is by far the largest and most liquid of the state based renewable energy programs. Like other state programs, certain entities are required to obtain RECs on an annual basis. The annual compliance deadline for meeting REC obligations generally occurs in mid-March and RECs which have been generated during the compliance year or two previous years may be used to satisfy such obligations. Accordingly, for January and February contract expirations, RECs generated during any of the three prior calendar years may be delivered. For the contracts expiring from March through December, RECs generated during the year of the contract expiration and the prior two calendar years.

Position limits for these contracts are based upon the cash market and deliverable supply as described in Exhibit B. Trading hours for the new physical environmental contracts will be from 7:50PM to 6:05PM the next day.

Contract Name	Vintages	Size	Quotation Basis	NCR	Block Min
New Jersey Solar Renewable Energy Certificate Futures	2013, 2014, 2015	10 MWh (10 SRECs)	$0.01	5	10
Texas Compliance Renewable Energy Certificate Futures	None	100 MWh (100 RECs)	$0.01	0.25	50

Financial Environmental Futures Contracts

The Exchange is listing three (3) new cash-settled environmental futures contracts based upon the renewable fuel standard program created in the Energy Policy Act of 2005 and subsequently revised in the Energy Independence and Security Act of 2007. The program was enacted to increase the volume and types of renewable fuel used in domestic transportation and sets annual mandates for the minimum amounts and types of fuels that must be in the fuel mix. The program sets a mandate for volumes of 4 categories of compliance fuels, (1) renewable fuels, (2) boil fuel, (3) biomass and (4) cellulosic biofuel.

Administration and enforcement of the program is based on the creation of a certificate with a Renewable Information Number ("RIN") for each gallon of renewable fuel created or imported into the US. RINs are generated by renewable fuel manufacturers. These parties create RINs within the EPAs registry system. When these parties transfer custody of the fuel to a blender, they must send at least one RIN for each gallon of fuel sold/transferred. The RINs are "attached" to the fuel. Once the fuel is blended into regular gasoline or diesel, the blender may separate the RIN from the fuel. These separated RINs may be freely traded in the market with no association with the underlying fuel.

Obligated Parties must hold sufficient RINs of each type of compliance fuel to meet their annual obligation within the program. The compliance party's obligation within the program is called their Renewable Volume obligation (RVO). The RVO is set for each compliance party for all 4 categories of RINs regardless of the type of fuel the compliance party actually manufactures/refines. The program is designed to cover calendar year obligations. Compliance with the obligation for the prior year is due on February 28 of the current year. Obligated parties may carry a deficit in their obligation for one year provided full compliance with both year in made with the second year compliance. Additionally, 20% of the obligated party's current obligation may be satisfied with RINs from the prior calendar year.

The Exchange is listing futures contracts for three different RIN types, which relate to identified compliance fuels, the RIN D-4, RIN D-5 and RIN D-6. There will be two vintage years, each having up to 25 consecutive monthly contract periods, for each contract. Final settlement will be based upon the average of the high and low for each publication day of the Platts Biofuelscan for the specific RIN during the monthly contract period. Position limits for these contracts are based upon the cash market and deliverable supply as described in Exhibit B. Trading hours for the new financial environmental contracts will be from 7:50PM to 6:05PM the next day.

Contract Name	Vintages	Size	Quotation Basis	NCR	Block Min
RIN D4 Futures	2012, 2013	10,000 RINs	$0.0001	0.05	10
RIN D5 Futures	2012, 2013	10,000 RINs	$0.0001	0.05	10
RIN D6 Futures	2012, 2013	10,000 RINs	$0.0001	0.05	10

Natural Gas Liquid Futures

The Exchange is also listing a new cash-settled natural gas liquid ("NGL") futures contract based on the Natural Gas Exchange ("NGX") index assessment for "C5" NGL. Also referred to as condensate or pentane, C5

is one of the four primary NGLs, each represented by the number of carbon atoms in their molecular formula, Ethane (C2), Propane (C3), Butane (C4) and Pentanes plus (C5+). It is closely associated with and used in the production and transportation of Canadian crude oil (bitumen) as a dilutent to lower the crude viscosity and enable it to flow more easily in pipelines and meet refinery specifications. Therefore, as the production of Canadian crude oil increases so does the demand for condensate, and as a result condensate is the most valuable NGL that at times receives a premium to crude oil. Final settlement is based on the TMX C5 1b index (TMX C5 1b) for each contract month, as published by NGX. Position limits for this contract are based upon the cash market and deliverable supply as described in Exhibit B. Trading hours will be from 7:50PM to 6:05PM the next day.

Contract Name	Code	Size	Quotation Basis	Listing Cycle: Contract Periods	Block Min
Condensate Diff – TMX C5 1B Future	TMC	1,000 Barrels	$0.0001	60 Consecutive Monthly	10

Certifications

The Exchange certifies that the rules and amendments related to the listing of the contracts comply with the requirements of the CEA and the rules and regulations promulgated by the Commission thereunder. The Exchange has reviewed the designated contract market Core Principles and has determined that the listing of the contracts impacts the following relevant Core Principles:

COMPLIANCE WITH RULES (Principle 2): The terms and conditions of the new contracts are set forth in Chapter 18 and amendments to Rule 27.18, which will be enforced by the Exchange. In addition, trading of the contracts is subject to all relevant Exchange rules which are enforced by the Market Regulation Department.

CONTRACTS NOT READILY SUBJECT TO MANIPULATION (Principle 3): The new contracts should not be readily subject to manipulation as they are based on liquid cash markets and are subject to position reporting and position limits.

PREVENTION OF MARKET DISRUPTION, PROTECTION OF MARKETS AND MARKET PARTICIPANTS (Principles 4 and 12): All contracts listed for trading by the Exchange are subject to prohibitions against abusive trading practices as set forth in Chapters 4 and 27 of the Rules. The Exchange's Market Regulation Department actively monitors all Exchange markets to detect and sanction abusive practices.

POSITION LIMITS OR ACCOUNTABILITY (Principle 5): The Exchange has set spot month limits as well as single month and all months combined accountability levels that take into account the size of the underlying cash market and deliverable supply. A cash market analysis is attached as Exhibit B.

AVAILABILITY OF GENERAL INFORMATION/ DAILY PUBLICATION OF TRADING INFORMATION (Principle 7): Prior to the commencement of trading, the terms and conditions for the contracts will be available on the Exchange's website. In addition, the Exchange will publish on a daily basis the settlement prices, volume, open interest and the opening and closing ranges for actively traded contracts.

DAILY PUBLICATION OF TRADING INFORMATION (Principle 8): The Exchange will publish on its website and distribute through quote vendors contract trading volume, open interest levels, and daily price information as it does for other futures contracts.

EXECUTION OF TRANSACTIONS (Principle 9): The new contracts will be listed on the Exchange's electronic trading system which provides a competitive, centralized market for transparent execution of transactions. In addition, the Exchange will permit certain noncompetitive transactions pursuant to existing Exchange Rules which specifically provide for the execution of EFP and EFS transactions and block trades, all of which have been previously reviewed by the Commission.

RECORDKEEPING AND TRADE INFORMATION (Principle 10): The Exchange has rules and procedures in place to provide for the recording and storage of the requisite trade information sufficient for the Market Regulation Department to detect and prosecute customer and market abuses.

FINANCIAL INTEGRITY OF CONTRACTS (Principle 11): The contracts will be cleared by ICE Clear Europe, a registered DCO subject to Commission regulation, and carried by registered futures commission merchants qualified to handle customer business.

DISCIPLINARY PROCEDURES (Principle 13): Pursuant to chapters 4 and 21 of the Rules, the Market Regulation Department and the Business Conduct Committee have the authority to sanction, suspend or expel members and market participants that violate Exchange rules.

DISPUTE RESOLUTION (Principle 14): Market participants may arbitrate claims arising from trading of the Credit Index Contracts in accordance with Chapter 20 of the Rules. Such arbitration is mandatory for claims by customers against Exchange Members and for claims by Exchange Members against each other. Non-members with claims arising from trading of the contracts may also opt for Exchange arbitration.

The Exchange is not aware of any substantive opposing views expressed with respect to the rules and the amendments. The Exchange further certifies that concurrent with this filing, a copy of this submission was posted on the Exchange's website.

If you have any questions or need further information, please contact the undersigned at 212-748-4021 or (jason.fusco@theice.com).

Sincerely,

Jason V. Fusco
Assistant General Counsel
Market Regulation

cc: Division of Market Oversight
New York Regional Office

EXHIBIT A

ICE Futures U.S.®, Inc.

[~~CASH-SETTLED~~] U.S. NATURAL GAS, POWER, [~~AND~~] [~~PHYSICAL~~] ENVIRONMENTAL AND NATURAL GAS LIQUIDS FUTURES AND OPTIONS CONTRACTS

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Rule 18.01 Definitions

As used in this Chapter 18, the following terms shall have the following meanings:

* * *

Renewable Identification Number
The term Renewable Identification Number (RIN) shall mean an electronic certificate which represents one gallon of renewable fuel in the context of demonstrating compliance with the Renewable Fuel Standard Program of the Energy Independence and Security Act of 2007.

* * *

Biofuelscan
The Term "Biofuelscan" shall mean Platts Biofuelscan, or any successor publication, published by The McGraw-Hill Companies Inc. or its successor.

[REMAINDER OF RULE UNCHANGED]

Resolution No. 1-Minimum Price Fluctuation Table

The following minimum price fluctuations shall be applicable to Energy Contracts.

Rule Number	Product	Minimum Price Fluctuation	
		Screen	Blocks and other trades outside the central limit order book
	* * *		
18.A.148	Iroquois (Into) Basis (Platts) Future	$0.0005	$0.0001
18.A.149	Iroquois-Z2 Basis (Platts) Future	$0.0005	$0.0001
18.A.151	Iroquois (Into) Swing (Platts) Future	$0.0010	$0.0001
18.A.152	Iroquois-Z2 Swing (Platts) Future	$0.0010	$0.0001
18.A.154	Iroquois (Into) Index (Platts) Future	$0.0005	$0.0001
18.A.155	Iroqouis-Z2 Index (Platts) Future	$0.0005	$0.0001
18.C.001	RIN D4 (Platts) Future	$0.0001	$0.0001
18.C.002	RIN D5 (Platts) Future	$0.0001	$0.0001
18.C.003	RIN D6 (Platts) Future	$0.0001	$0.0001
18.D.013	CAIR ANNUAL NOx Future	$0.10	$0.10
18.D.014	CAIR OZONE SEASON NOx Future	$0.10	$0.10
18.D.015	New Jersey Solar Renewable Energy Certificate Future	$0.01	$0.01
18.D.016	Texas Compliance Renewable Energy Certificate Future	$0.01	$0.01
18.F.001	Condensate Diff – TMX C5 1B Swap Future	$0.0010	$0.0010

[REMAINDER OF RULE UNCHANGED]

Resolution No. 2 – Position Limit/Accountability Table
The position limit/accountability levels and reportable levels shall be applicable to Energy Contracts

Rule	Contract Name	Commodity Code	Contract Size	Unit of Trading	Spot Month Limit	Single Month Accountability Level	All Month Accountability Level	Aggregate 1 (Positive Correlation)	Aggregate 2 (Negative Correlation)	Exchange Reportable Level
North American Financial Natural Gas										
18.A.148	Iroquois (Into) Basis (Platts) Future	IRB	2,500	MMBtu	3,500	7,000	15,000	IRB		25
18.A.149	Iroquois-Z2 Basis (Platts) Future	IZB	2,500	MMBtu	7,000	10,000	20,000	IZB		25
18.A.151	Iroquois (Into) Swing (Platts) Future	IRS	2,500	MMBtu	3,500	7,000	7,000	IRS		25
18.A.152	Iroquois-Z2 Swing (Platts) Future	IZS	2,500	MMBtu	7,000	10,000	10,000	IZS		25
18.A.154	Iroquois (Into) Index (Platts) Future	IRI	2,500	MMBtu	3,500/3,500	7,000/7,000	7,000/7,000	IRS	IRB	25
18.A.155	Iroquois-Z2 Index (Platts) Future	IZI	2,500	MMBtu	7,000/7,000	10,000/10,000	10,000/10,000	IZS	IZB	25
North American Financial Crude Oil										
18.F.001	TMX C5 1B Swap Future	TMC	1,000	Bbl	1,500	5,000	7,000	TMC		25
Physical Environmental										
18.D.013	CAIR Annual NOx Future - Vintage 2013	CQA	5	Allowances	5,000	10,000	15,000	CQA		25
18.D.013	CAIR Annual NOx Future - Vintage 2014	CQB	5	Allowances	5,000	10,000	15,000	CQB		25
18.D.014	CAIR Ozone NOx Future- Vintage 2013	CZO	5	Allowances	5,000	10,000	15,000	CZO		25
18.D.014	CAIR Ozone NOx Future - Vintage 2014	CZP	5	Allowances	5,000	10,000	15,000	CZP		25
18.D.015	NJ SREC Future - Energy Year 2013	NJE	10	MWh	2,500	5,000	10,000	NJE		25
18.D.015	NJ SREC Future - Energy Year 2014	NJF	10	MWh	2,500	5,000	10,000	NJF		25
18.D.015	NJ SREC Future - Energy Year 2015	NJG	10	MWh	2,500	5,000	10,000	NJG		25
18.D.016	Texas Compliance REC Future	TEC	100	MWh	10,000	15,000	30,000	TEC		25
Financial Environmental										
18.C.001	RIN D4 (Platts) Future - Vintage 2012	RIA	10,000	RIN	1,000	2,000	4,000	RIA		25
18.C.001	RIN D4 (Platts) Future - Vintage 2013	RIB	10,000	RIN	3,000	6,000	12,000	RIB		25
18.C.002	RIN D5 (Platts) Future - Vintage 2012	RIC	10,000	RIN	500	1,000	2,000	RIC		25
18.C.002	RIN D5 (Platts) Future - Vintage 2013	RID	10,000	RIN	1,500	3,000	6,000	RID		25
18.C.003	RIN D6 (Platts) Future - Vintage 2012	RIE	10,000	RIN	5,000	10,000	20,000	RIE		25
18.C.003	RIN D6 (Platts) Future - Vintage 2013	RIF	10,000	RIN	15,000	30,000	60,000	RIF		25

18.A.148 Iroquois (Into) Basis (Platts) Future

Contract Description:
A monthly cash settled Exchange Futures Contract based upon the mathematical result of subtracting the price of the NYMEX Henry Hub Natural Gas Futures Contract, as defined in Reference Price B, from the monthly price published by Inside FERC for the location specified in Reference Price A.

Contract Symbol: IRB

Settlement Method: Cash settlement

Contract Size: 2500 MMBtus

Currency: USD

Minimum Price Fluctuation: The price quotation convention shall be One hundredth of a cent ($0.0001) per MMBtu; minimum price fluctuation may vary by trade type. Please see Table in Resolution 1 to this Chapter 18.

Listing Cycle: Up to 84 consecutive monthly Contract Periods

Last Trading Day: The last Business Day prior to the first calendar day of the Contract Period

Final Settlement: Reference Price A minus Reference Price B

Reference Price A: NATURAL GAS-NORTHEAST-(IROQUOIS, RECEIPTS)-INSIDE FERC

a) **Description:** "NATURAL GAS-NORTHEAST-(IROQUOIS, RECEIPTS)-INSIDE FERC means that the price for a Pricing Date will be that day's Specified Price per MMBTU of natural gas for delivery on the Delivery Date, stated in U.S. Dollars, published under the heading "Market Center Spot Gas Prices ($/MMBtu): Northeast.: Iroquois, Receipts: Index" in the issue of Inside FERC that reports prices effective on that Pricing Date.

b) **Pricing Date:** First publication date of Contract Period

c) **Specified Price:** Index

d) **Pricing Calendar**: Inside FERC

e) **Delivery Date:** Contract period

Reference Price B*:* NATURAL GAS-NYMEX

a) **Description:** "NATURAL GAS-NYMEX" means that the price for a Pricing Date will be that day's Specified Price per MMBtu of natural gas on the NYMEX of the Henry Hub Natural Gas Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the NYMEX on that Pricing Date.

b) **Pricing Date:** Last scheduled trading day of the NYMEX Henry Hub Natural Gas Futures Contract for the Delivery Date

c) **Specified Price:** Settlement price

d) **Pricing Calendar:** NYMEX

e) **Delivery Date:** Contract Period

Final Payment Date: The third Clearing Organization business day following the Last Trading Day

18.A.149 Iroquois-Z2 Basis (Platts) Future

Contract Description:
A monthly cash settled Exchange Futures Contract based upon the mathematical result of subtracting the price of the NYMEX Henry Hub Natural Gas Futures Contract, as defined in Reference Price B, from the monthly price published by Inside FERC for the location specified in Reference Price A.

Contract Symbol: IZB

Settlement Method: Cash settlement

Contract Size: 2500 MMBtus

Currency: USD

Minimum Price Fluctuation: The price quotation convention shall be One hundredth of a cent ($0.0001) per MMBtu; minimum price fluctuation may vary by trade type. Please see Table in Resolution 1 to this Chapter 18..

Listing Cycle: Up to 84 consecutive monthly Contract Periods

Last Trading Day: The last Business Day prior to the first calendar day of the Contract Period

Final Settlement: Reference Price A minus Reference Price B

Reference Price A: NATURAL GAS-NORTHEAST (IROQUOIS, ZONE 2)-INSIDE FERC

a) **Description:** "NATURAL GAS-NORTHEAST (IROQUOIS, ZONE 2)-INSIDE FERC means that the price for a Pricing Date will be that day's Specified Price per MMBTU of natural gas for delivery on the Delivery Date, stated in U.S. Dollars, published under the heading "Market Center Spot Gas Prices($/MMBtu): Northeast.: Iroquois, Zone 2: Index" in the issue of Inside FERC that reports prices effective on that Pricing Date.

b) **Pricing Date:** First publication date of Contract Period

c) **Specified Price:** Index

d) **Pricing Calendar**: Inside FERC

e) **Delivery Date:** Contract period

Reference Price B*:* NATURAL GAS-NYMEX

a) **Description:** "NATURAL GAS-NYMEX" means that the price for a Pricing Date will be that day's Specified Price per MMBtu of natural gas on the NYMEX of the Henry Hub Natural Gas Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the NYMEX on that Pricing Date.

b) **Pricing Date:** Last scheduled trading day of the NYMEX Henry Hub Natural Gas Futures Contract for the Delivery Date

c) **Specified Price:** Settlement price

d) **Pricing Calendar:** NYMEX

e) **Delivery Date:** Contract Period

Final Payment Date: The third Clearing Organization business day following the Last Trading Day

18.A.150 - Reserved

18.A.151 Iroquois (Into) Swing (Platts) Future

Contract Description: A daily cash settled Exchange Futures Contract based upon the daily price published by Gas Daily for the location specified in Reference Price A.

Contract Symbol: IRS

Settlement Method: Cash settlement

Contract Size: 2500 MMBtus

Currency: USD

Minimum Price Fluctuation: The price quotation convention shall be One hundredth of a cent ($0.0001) per MMBtu; Minimum Price Fluctuation may vary by trade type. Please see Table A in Resolution 1 to this Chapter 18.

Listing Cycle: Up to 65 consecutive daily Contract Periods

Last Trading Day: The Business Day prior to the Contract Period

Final Settlement: Reference Price A

Reference Price A: NATURAL GAS-CANADIAN GAS (IROQUOIS, RECEIPTS)-GAS DAILY

a) **Description:** "NATURAL GAS-CANADIAN GAS (IROQUOIS, RECEIPTS)-GAS DAILY" means that the price for a Pricing Date will be that day's Specified Price per MMBTU of natural gas for delivery on the Delivery Date, stated in U.S. Dollars, published under the heading "Daily price survey ($/MMBtu): Canadian Gas: Iroquois, receipts: Midpoint" in the issue of Gas Daily that reports prices effective on that Pricing Date.

b) **Pricing Date:** Each day that prices are reported for the Delivery Date

c) **Specified Price:** Midpoint

d) **Pricing Calendar**: Gas Daily

e) **Delivery Date:** Contract Period

Final Payment Date: The third Clearing Organization business day following the Last Trading Day

18.A.152 Iroquois-Z2 Swing (Platts) Future

Contract Description: A daily cash settled Exchange Futures Contract based upon the daily price published by Gas Daily for the location specified in Reference Price A.

Contract Symbol: IZS

Settlement Method: Cash settlement

Contract Size: 2500 MMBtus

Currency: USD

Minimum Price Fluctuation: The price quotation convention shall be One hundredth of a cent ($0.0001) per MMBtu; Minimum Price Fluctuation may vary by trade type. Please see Table A in Resolution 1 to this Chapter 18.

Listing Cycle: Up to 65 consecutive daily Contract Periods

Last Trading Day: The Business Day prior to the Contract Period

Final Settlement: Reference Price A

Reference Price A: NATURAL GAS-CITYGATES (IROQUOIS, ZONE 2)-GAS DAILY

a) **Description:** "NATURAL GAS-CITYGATES (IROQUOIS, ZONE 2)-GAS DAILY" means that the price for a Pricing Date will be that day's Specified Price per MMBTU of natural gas for delivery on the Delivery Date, stated in U.S. Dollars, published under the heading "Daily price survey ($/MMBtu): Citygates: Iroquois, zone 2: Midpoint" in the issue of Gas Daily that reports prices effective on that Pricing Date.

b) **Pricing Date:** Each day that prices are reported for the Delivery Date

c) **Specified Price:** Midpoint

d) **Pricing Calendar**: Gas Daily

e) **Delivery Date:** Contract Period

Final Payment Date: The third Clearing Organization business day following the Last Trading Day

18.A.153 - Reserved

18.A.154 Iroquois (Into) Index (Platts) Future

Contract Description: A monthly cash settled Exchange Futures Contract based upon the mathematical result of subtracting the monthly price published by Inside FERC, as defined in Reference Price B, from the average of the daily prices published by Gas Daily, as defined in Reference Price A.

Contract Symbol: IRI

Settlement Method: Cash settlement

Contract Size: 2500 MMBtus

Currency: USD

Minimum Price Fluctuation: The price quotation convention shall be One hundredth of a cent ($0.0001) per MMBtu; Minimum Price Fluctuation may vary by trade type. Please see Table A in Resolution 1 to this Chapter 18.

Listing Cycle: Up to 36 consecutive monthly Contract Periods

Last Trading Day: The last Business Day prior to the first calendar day of the Contract Period

Final Settlement: Average of the Reference Price A prices minus Reference Price B

Reference Price A: NATURAL GAS-CANADIAN GAS (IROQUOIS, RECEIPTS)-GAS DAILY

a) **Description:** "NATURAL GAS-CANADIAN GAS (IROQUOIS, RECEIPTS)-GAS DAILY" means that the price for a Pricing Date will be that day's Specified Price per MMBTU of natural gas for delivery on the Delivery Date, stated in U.S. Dollars, published under the heading "Daily price survey ($/MMBtu): Canadian Gas: Iroquois, receipts: Midpoint" in the issue of Gas Daily that reports prices effective on that Pricing Date.

b) **Pricing Date:** Each day that prices are reported for the Delivery Date

c) **Specified Price:** Midpoint

d) **Pricing Calendar**: Gas Daily

e) **Delivery Date:** Each calendar day in the Contract Period

Reference Price B*:* NATURAL GAS-NORTHEAST-(IROQUOIS, RECEIPTS)-INSIDE FERC

a) **Description:** "NATURAL GAS-NORTHEAST-(IROQUOIS, RECEIPTS)-INSIDE FERC means that the price for a Pricing Date will be that day's Specified Price per MMBTU of natural gas for delivery on the Delivery Date, stated in U.S. Dollars, published under the heading "Market Center Spot Gas Prices($/MMBtu): Northeast.: Iroquois, Receipts: Index" in the issue of Inside FERC that reports prices effective on that Pricing Date.

b) **Pricing Date:** First publication date of the Contract Period

c) **Specified Price:** Index

d) **Pricing Calendar**: Inside FERC

e) **Delivery Date:** Contract Period

Final Payment Date: The third Clearing Organization business day following the last Business Day of the Contract Period

18.A.155 Iroquois-Z2 Index (Platts) Future

Contract Description: A monthly cash settled Exchange Futures Contract based upon the mathematical result of subtracting the monthly price published by Inside FERC, as defined in Reference Price B, from the average of the daily prices published by Gas Daily, as defined in Reference Price A.

Contract Symbol: IZI

Settlement Method: Cash settlement

Contract Size: 2500 MMBtus

Currency: USD

Minimum Price Fluctuation: The price quotation convention shall be One hundredth of a cent ($0.0001) per MMBtu; Minimum Price Fluctuation may vary by trade type. Please see Table A in Resolution 1 to this Chapter 18.

Listing Cycle: Up to 36 consecutive monthly Contract Periods

Last Trading Day: The last Business Day prior to the first calendar day of the Contract Period

Final Settlement: Average of the Reference Price A prices minus Reference Price B

Reference Price A: NATURAL GAS-CITYGATES (IROQUOIS, ZONE 2)-GAS DAILY

f) **Description:** "NATURAL GAS-CITYGATES (IROQUOIS, ZONE 2)-GAS DAILY" means that the price for a Pricing Date will be that day's Specified Price per MMBTU of natural gas for delivery on the Delivery Date, stated in U.S. Dollars, published under the heading "Daily price survey ($/MMBtu): Citygates: Iroquois, zone 2: Midpoint" in the issue of Gas Daily that reports prices effective on that Pricing Date.

g) **Pricing Date:** Each day that prices are reported for the Delivery Date

h) **Specified Price:** Midpoint

i) **Pricing Calendar**: Gas Daily

j) **Delivery Date:** Each calendar day in the Contract Period

Reference Price B*:* NATURAL GAS-NORTHEAST (IROQUOIS, ZONE 2)-INSIDE FERC

f) **Description:** "NATURAL GAS-NORTHEAST (IROQUOIS, ZONE 2)-INSIDE FERC means that the price for a Pricing Date will be that day's Specified Price per MMBTU of natural gas for delivery on the Delivery Date, stated in U.S. Dollars, published under the heading "Market Center Spot Gas Prices($/MMBtu): Northeast.: Iroquois, Zone 2: Index" in the issue of Inside FERC that reports prices effective on that Pricing Date.

g) **Pricing Date:** First publication date of the Contract Period

h) **Specified Price:** Index

i) **Pricing Calendar**: Inside FERC

j) **Delivery Date:** Contract Period

Final Payment Date: The third Clearing Organization business day following the last Business Day of the Contract Period

18.D.013 CAIR ANNUAL NOx Future

Contract Description: Physically delivered United States Environmental Protection Agency ("EPA") Clean Air Interstate Rule ("CAIR") NOx Annual Allowances ("U.S. EPA CAIR NOx Annual Allowances").

Contract Symbol: Vintage 2013: CQA, Vintage 2014: CQB

Settlement Method: Physical delivery

Contract Size: 5 U.S. EPA CAIR NOx Annual Allowances

Currency: USD

Minimum Price Fluctuation: The price quotation convention shall be ten cents ($0.10) per U.S. EPA CAIR NOx Annual Allowance; minimum price fluctuation may vary by trade type. Please see Table in Resolution 1 to this Chapter 18.

Listing Cycle: 1. Standard-cycle contract listings: a. Monthly contract sets for the current and coming calendar year; b. December contracts for up to forward 5 years

2. The Exchange may list any other calendar month contract set off the standard-cycle listing schedule through the last annual December contract set.

Last Trading Day: Three Business Days prior to the last Business Day of the delivery month

Deliverable Instruments: Allowances acceptable for delivery are those designated as U.S. EPA CAIR NOx Annual Allowances as promulgated under CAIR having a vintage corresponding to the specified vintage and allowances having a vintage of any year prior to the specified vintage-year.

If the Registry is not operational and capable of transferring allowances at the expiration of any contract for reasons other than Force Majeure all open positions in the expiring contract will settle at $0.00.

Registry: CAMD ATS

18.D.014 CAIR OZONE SEASON NOx Future

Contract Description: Physically delivered United States Environmental Protection Agency ("EPA") Clean Air Interstate Rule ("CAIR") NOx Ozone Season Allowances ("U.S. EPA CAIR NOx Ozone Season Allowances").").

Contract Symbol: Vintage 2013: CZO, Vintage 2014: CZP

Settlement Method: Physical delivery

Contract Size: 5 U.S. EPA CAIR NOx Ozone Season Allowances

Currency: USD

Minimum Price Fluctuation: The price quotation convention shall be ten cents ($0.10) per U.S. EPA CAIR NOx Ozone Season Allowance; minimum price fluctuation may vary by trade type. Please see Table in Resolution 1 to this Chapter 18.

Listing Cycle: 1. Standard-cycle contract listings: a. Monthly contract sets for the current and coming calendar year; b. September contracts for up to forward 5 years

2. The Exchange may list any other calendar month contract set off the standard-cycle listing schedule through the last annual December contract set.

Last Trading Day: Three Business Days prior to the last Business Day of the delivery month

Deliverable Instruments: Allowances acceptable for delivery are those designated as U.S. EPA CAIR NOx Ozone Season Allowances as promulgated under CAIR having a vintage corresponding to the specified vintage and allowances having a vintage of any year prior to the specified vintage-year.

If the Registry is not operational and capable of transferring allowances at the expiration of any contract for reasons other than Force Majeure all open positions in the expiring contract will settle at $0.00.

Registry: CAMD ATS

18.D.015 New Jersey Solar Renewable Energy Certificate Future

Contract Description: Physically delivered New Jersey Solar Renewable Energy Certificates ("New Jersey SREC") where a SREC is an electronic certificate issued by the PJM Environmental Information System Generation Attribute Tracking System ("PJM GATS") for qualifying generation

Contract Symbol: Vintage 2013: NJE Vintage 2014: NJF Vintage 2015: NJG

Settlement Method: Physical delivery

Contract Size: 10 MWh representing 10 New Jersey SRECs

Currency: USD

Minimum Price Fluctuation: The price quotation convention shall be One cent ($0.01) per MWh; minimum price fluctuation may vary by trade type. Please see Table in Resolution 1 to this Chapter 18.

Listing Cycle: 1. Standard-cycle contract listings: Monthly contract sets through the current year and forward up to 4 consecutive years.

2. The Exchange may list any other calendar month contract set off the standard-cycle listing schedule through the last expiring contract set.

Last Trading Day: Three Business Days prior to the last Business Day of the delivery month

Deliverable Instruments: New Jersey SRECs eligible for delivery are those which are eligible to meet the SREC requirements specified in N.J.A.C. 14:8-2-3 under the New Jersey Renewable Energy Portfolio Standard promulgated under N.J.A.C. 14:8 verified and qualified by the NJ Board of Public Utilities having an Energy Year designation that corresponds to the specified Energy Year of the expiring contract.

Registry: PJM GATS

18.D.016 Texas Compliance Renewable Energy Certificate Future

Contract Description: Physically delivered Texas Compliance Renewable Energy Certificates (REC) where a Texas REC is an electronic certificate issued by the ERCOT Renewables Registry for qualifying wind energy production.

Contract Symbol: TEC

Settlement Method: Physical delivery

Contract Size: 100 MWh representing 100 Texas RECs

Currency: USD

Minimum Price Fluctuation: The price quotation convention shall be One cent ($0.01) per MWh; minimum price fluctuation may vary by trade type. Please see Table in Resolution 1 to this Chapter 18.

Listing Cycle: 1. Standard-cycle contract listings: Monthly contract sets through the current year and forward up to 5 consecutive years.

2. The Exchange may list any other calendar month contract set off the standard-cycle listing schedule through the last expiring contract set.

Last Trading Day: Three Business Days prior to the last Business Day of the delivery month

Deliverable Instruments: Texas RECs eligible for delivery are those which are eligible to meet the REC requirements specified in the Public Utility Commission of Texas Substantive Rule Chapter 25, Subchapter H, Division 1 under the renewable energy trading program, having been generated from wind energy production technology.

Applicable for the January and February contract expirations, RECs acceptable for delivery are those having been generated during any of the three prior calendar years.

Applicable for the March through December contract expirations, RECs acceptable for delivery are those having been generated during the year of the contract expiration and the prior two calendar years.

REC Offsets are not deliverable.

Registry: ERCOT Renewables Registry

18.C.001 RIN D4 (Platts) Future

Contract Description: A monthly cash settled Exchange Futures Contract based upon the daily price published by Platts for the RIN specified in Reference Price A.

Contract Symbol: Vintage 2012: RIA Vintage 2013: RIB

Settlement Method: Cash settlement

Contract Size: 10,000 Renewable Identification Numbers (RINs)

Currency: USD

Minimum Price Fluctuation: The price quotation convention shall be one hundredth of a cent ($0.0001) per RIN; Minimum Price Fluctuation may vary by trade type. Please see Table A in Resolution 1 to this Chapter 18.

Listing Cycle: Up to 25 consecutive monthly Contract Periods.

Last Trading Day: The last Business Day of the Contract Period

Final Settlement: Reference Price A

Reference Price A: BIOFUELSCAN D4 RIN ASSESSMENT-PLATTS

a) **Description:** "**BIOFUELSCAN D4 RIN ASSESSMENT-PLATTS** " means that the Final Settlement price for a Contract Period will be arithmetic average of the high and low quotations for each publication day of the Platts Biofuelscan per D4 RIN in the Contract Period for the applicable vintage year designation, stated in U.S. Dollars and Cents, published under the heading "Renewable Identification Number (RIN)" in the issue of Platts Biofuelscan that reports prices effective on that Pricing Date.

b) **Pricing Date:** Each day that prices are reported for the Contract Period

c) **Specified Price:** Arithmetic average of the high and low quotation

d) **Pricing Calendar**: Platts Biofuelscan

e) **Delivery Date:** Contract Period

Final Payment Date: The second Clearing Organization business day following the Last Trading Day

18.C.002 RIN D5 (Platts) Future

Contract Description: A monthly cash settled Exchange Futures Contract based upon the daily price published by Platts for the RIN specified in Reference Price A.

Contract Symbol: Vintage 2012: RIC Vintage 2013: RID

Settlement Method: Cash settlement

Contract Size: 10,000 Renewable Identification Numbers (RINs)

Currency: USD

Minimum Price Fluctuation: The price quotation convention shall be one hundredth of a cent ($0.0001) per RIN; Minimum Price Fluctuation may vary by trade type. Please see Table A in Resolution 1 to this Chapter 18.

Listing Cycle: Up to 25 consecutive monthly Contract Periods
Last Trading Day: The last Business Day of the Contract Period

Final Settlement: Reference Price A

Reference Price A: BIOFUELSCAN D5 RIN ASSESSMENT-PLATTS

a) **Description:** "**BIOFUELSCAN D5 RIN ASSESSMENT-PLATTS** " means that the Final Settlement price for a Contract Period will be arithmetic average of the high and low quotations for each publication day of the Platts Biofuelscan per D5 RIN in the Contract Period for the applicable vintage year designation, stated in U.S. Dollars and Cents, published under the heading "Renewable Identification Number (RIN)" in the issue of Platts Biofuelscan that reports prices effective on that Pricing Date.

b) **Pricing Date:** Each day that prices are reported for the Contract Period

c) **Specified Price:** Arithmetic average of the high and low quotation

d) **Pricing Calendar**: Platts Biofuelscan

e) **Delivery Date:** Contract Period

Final Payment Date: The second Clearing Organization business day following the Last Trading Day

18.C.003 RIN D6 (Platts) Future

Contract Description: A monthly cash settled Exchange Futures Contract based upon the daily price published by Platts for the RIN specified in Reference Price A.

Contract Symbol: Vintage 2012: RIE Vintage 2013: RIF

Settlement Method: Cash settlement

Contract Size: 10,000 Renewable Identification Numbers (RINs)

Currency: USD

Minimum Price Fluctuation: The price quotation convention shall be one hundredth of a cent ($0.0001) per per RIN; Minimum Price Fluctuation may vary by trade type. Please see Table A in Resolution 1 to this Chapter 18.

Listing Cycle: Up to 25 consecutive monthly Contract Periods

Last Trading Day: The last Business Day of the Contract Period

Final Settlement: Reference Price A

Reference Price A: BIOFUELSCAN D6 RIN ASSESSMENT-PLATTS

a) **Description:** "**BIOFUELSCAN D6 RIN ASSESSMENT-PLATTS** " means that the Final Settlement price for a Contract Period will be arithmetic average of the high and low quotations for each publication day of the Platts Biofuelscan per D6 RIN in the Contract Period for the applicable vintage year designation, stated in U.S. Dollars and Cents, published under the heading "Renewable Identification Number (RIN)" in the issue of Platts Biofuelscan that reports prices effective on that Pricing Date.

b) **Pricing Date:** Each day that prices are reported for the Contract Period

c) **Specified Price:** Arithmetic average of the high and low quotation

d) **Pricing Calendar**: Platts Biofuelscan

e) **Delivery Date:** Contract Period

Final Payment Date: The second Clearing Organization business day following the Last Trading Day

18.F.001 Condensate Diff – TMX C5 1B Swap Future

Contract Description: A monthly cash settled fixed for floating swap future based on the TMX C5 (Canadian Condensate) Daily Weighted Average Index Price (TMX C5 1B). The TMX C5 1b index is expressed as a differential to the NYMEX Light Sweet Calendar Month Average (CMA).

Contract Symbol: TMC

Settlement Method: Cash settlement

Contract Size: 1,000 barrels

Currency: USD

Minimum Price Fluctuation: The price quotation convention shall be One hundredth of one cent ($0.0001) per barrel.

Listing Cycle: up to 60 consecutive monthly Contract Periods

Last Trading Day: One Canadian business day prior to the applicable Notice of Shipments (NOS) date on the Enbridge Pipeline. The NOS date occurs on or about the 20th calendar day of the month, subject to confirmation by Enbridge Pipeline. The official schedule of NOS dates will be made publicly available by Enbridge Pipeline prior to the start of each year.

Floating Price: In respect of daily settlement, the Floating Price will be the TMX C5 1b index for the applicable month, expressed in US dollars and cents per barrel.

The TMX C5 1b index price is expressed as a differential to NYMEX WTI CMA and is calculated as the simple average of all of the daily weighted average settlement prices as published by NGX for Canadian Condensate from the first trading day of the month prior to delivery until the last day before the first Notice of Shipments (NOS) date for the applicable month. The daily weighted average settlement prices will be the weighted averate of all completed trades for the day.

For forward months, the Floating Price will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products.

Final Settlement: In respect of final settlement, the Floating Price will be a price in USD and cents per barrel based on the TMX C5 1b index (TMX C5 1b) for each contract month, as published by NGX. The index pricing period for each contract month begins on the first Canadian business day of the prior month and ends on the day prior to NOS in the same month (as published by Enbridge).

Final Payment Date: Two clearing house business days following the Last Trading Day.

Business Days: Publication days for NGX Crude Oil Markets.

Rule 27.18. Trading Hours

* * *

(b) The time period during which daily Settlement Prices shall be determined is:

* * *

(xi) for Energy Futures and Options Contracts involving Power and Natural Gas, 2:28 PM-2:30 PM and for [~~Physical~~] Environment products, 3:45-4:00 PM.

[REMAINDER OF RULE UNCHANGED]

APPENDIX I

ERROR TRADE POLICY

* * *

ICE Futures U.S. – Energy Division No Cancellation Ranges
(Maximum Number of Ticks from Market Value expressed as Price Difference)
As of February 19, 2013

Financial Gas	Day	Spread	Month	Spread	Season	Spread	Calendar	Spread
Henry Hub	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Non-Henry Fixed Price	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Index			0.02	0.02	0.02	0.02	0.02	0.02
Index Bidweek (Prompt Month Only)			0.04	0.04	0.04	0.04	0.04	0.04
Basis	20% of Basis/Spread FMV up to 0.05				Min/Max Range = 0.02/0.05			
Options	20% of Premium FMV up to 0.05				Min/Max Range = 0.005/0.05			

Natural Gas Liquid	Day	Spread	Quarter	Spread	Calendar	Spread
TMX C5 1B	0.5	0.1	0.2	0.08	0.1	0.08

Financial Power	BalDay/ NextDay/ BalWeek	Spread	Weekly & Balmo	Spread	Month & Season	Spread	Quarter & Calendar	Spread
PJM WHRT, Indiana RL, Nepool DA	5.00	5.00	2.00	2.00	0.60	0.60	0.40	0.40
All other contracts	5.00	5.00	2.00	2.00	1.00	1.00	0.60	0.60
Post Daily LMP Publish	0.05	0.05						
Options	20% of Premium FMV up to 5.00				Min/Max Range = 0.50/5.00			

Heat Rate Spread	Month	Quarters	Calendar
Heat Rate	0.30	0.30	0.30
DART	0.60	0.40	0.40

Physical Environmental	Month	Option	Min/Max Range
RGGI	0.10	20% of Premium FMV up to 0.10	0.05/0.10
CAR-CRT, CFI-US & REC-NJ	0.25	20% of Premium FMV up to 0.25	0.05/0.25
CCA & SFI	0.50	20% of Premium FMV up to 0.50	0.05/0.50
CT & MA REC	1.00	N/A	N/A
CSAPR SO2 & NOX	10.00	20% of Premium FMV up to 10.00	0.50/10.00
RIN	0.05	N/A	N/A
NJ SREC	5	N/A	N/A
TX REC	0.25	N/A	N/A
CAIR NOx	5	N/A	N/A

ICE FUTURES U.S.
BLOCK TRADE – FAQs

* * *

2. What are the eligible contracts and the minimum threshold quantities for a block trade?

Table 1 below lists the eligible non-currency futures contracts and minimum quantity requirements for block trades. Table 2 below list the eligible currency future contracts and minimum quantity requirements for block trades. Table 3 below lists the minimum block quantity requirements for Energy futures and options contracts.

* * *

Market Type	Contract Name	Contract Symbol	Contract Size	Unit	Minimum Qty
Gas	Iroquois-Z2 Basis (Platts) Futures	IZB	2500	MMBtus	25
Gas	Iroquois (Into) Basis (Platts) Futures	IRB	2500	MMBtus	25
Gas	Iroquois-Z2 Index (Platts) Futures	IZI	2500	MMBtus	25
Gas	Iroquois (Into) Index (Platts) Future	IRI	2500	MMBtus	25
Gas	Iroquois-Z2 Swing (Platts) Futures	IZS	2500	MMBtus	25
Gas	Iroquois (Into) Swing (Platts) Futures	IRS	2500	MMBtus	25
NGL	TMX C5 1B Swap Future	TMC	1000	Barrels	10
Environ	CAIR Annual NOx Future - Vintage 2013	CQA			10
Environ	CAIR Annual NOx Future - Vintage 2014	CQB			10
Environ	CAIR Ozone NOx Future- Vintage 2013	CZO			10
Environ	CAIR Ozone NOx Future - Vintage 2014	CZP			10
Environ	NJ SREC Future - Energy Year 2013	NJE			10
Environ	NJ SREC Future - Energy Year 2014	NJF			10
Environ	NJ SREC Future - Energy Year 2015	NJG			10
Environ	Texas Compliance REC Future	TEC			10
Environ	RIN D4 (Platts) Future - Vintage 2012	RIA			10
Environ	RIN D4 (Platts) Future - Vintage 2013	RIB			10
Environ	RIN D5 (Platts) Future - Vintage 2012	RIC			10
Environ	RIN D5 (Platts) Future - Vintage 2013	RID			10
Environ	RIN D6 (Platts) Future - Vintage 2012	RIE			10
Environ	RIN D6 (Platts) Future - Vintage 2013	RIF			10

EXHIBIT B

Description of Underlying Cash Market and Deliverable Supply

NATURAL GAS LIQUID CONTRACT

TMX C5 1B Swap Future

Futures Contract Overview

The ICE TMX C5 1b Future is cash settled based on the Natural Gas Exchange ("NGX") index assessment for "C5" natural gas liquid ("NGL"). The contract size is equal to 1,000 barrels of C5 and trades in US Dollars and cents with a minimum price fluctuation of one hundredth of one cent per barrel.

Cash Market Overview

C5, also referred to as condensate or pentane, is one of the four primary NGLs, each represented by the number of carbon atoms in their molecular formula, Ethane (C2), Propane (C3), Butane (C4) and Pentanes plus (C5+). It is closely associated with and used in the production and transportation of Canadian crude oil (bitumen) as a dilutent to lower the crude viscosity and enable it to flow more easily in pipelines and meet refinery specifications. Therefore, as the production of Canadian crude oil increases so does the demand for condensate, and as a result condensate is the most valuable NGL that at times receives a premium to crude oil.

According to the National Energy Board of Canada, projections to year 2035 indicate that production of C5 is expected decline however, demand for C5 is expected to grow at an average rate of 5.7% per year until 2035.[1] As such, imports of C5 are projected to increase at an average rate of 10% per year, reaching 668,000 barrels per day by 2035.[2] Most of the condensate that comes into Canada to meet its dilutent demand is imported from the United States.[3] According to data compiled by the U.S. Energy Information Administration ("EIA"), in 2010 an estimated 224 million barrels were produced in the United States, an increase of over 20% from 2009, while domestic demand remained low.[4]

Price Source

Natural Gas Exchange Inc. ("NGX") operates an electronic trading platform and provides clearing and data services for natural gas, electricity and crude oil markets. NGX owns the C5 WTI 1b index which is available on the NGX crude oil trading platform to market participants that have entered into a Contracting Parties Agreement ("CPA") with NGX. The CPA governs all transactions that are included in calculating NGX's price indices, and sets forth rules and regulations for trading in NGX's markets, which include, among others, the prohibition of price manipulation, reporting of false or non-competitive transactions, wash trades and money passes.[5]

NGX's price indices are generated from fixed price contracts that are traded in NGX's markets. NGX uses trade data files that are extracted directly from the NGX trading system and data imported into the NGX Clearing System from Shorcan Energy Brokers Inc. to generate crude index prices. For crude oil indices, bilateral transactions and request for quote transactions that are entered into on the Oil Trading Platform or on the trading system of Shorcan Energy Brokers Inc. and reported to NGX on the day of the trade are also included in the index price calculation. The trade data NGX uses to calculate index prices includes product name, buyer and seller

[1] http://www.neb-one.gc.ca/clf-nsi/rnrgynfmtn/nrgyrprt/nrgyftr/2011/fctsht1134ntrlgslqd-eng.html
[2] Id.
[3] http://www.neb-one.gc.ca/clf-nsi/rnrgynfmtn/nrgyrprt/nrgyftr/2009/nfrstrctrchngchllng2010/nfrstrctrchngchllng2010-eng.html

[4] http://www.eia.gov/dnav/ng/NG_ENR_LC_A_EPL0_R57_MMBBL_A.htm,
[5] http://www.ngx.com/pdf/CPA%20149-final-cln.pdf

company names, the date and time of the transaction, the transaction price and the daily delivery quantity. Because the trade data used contains a single line with both counterparties for each transaction, each trade is only counted once in generating the final index price.

As a result of the relationship between C5 and crude oil, the TMX C5 1b index is priced at a differential to the price of West Texas Intermediate ("WTI"), the North American benchmark crude. WTI is actively traded at NYMEX and ICE, and as one of the world's most liquid oil commodities, provides a liquid market for the price of Canadian condensate to follow and rely on. For the C5 WTI 1b index, NGX collates C5 trades of different pipeline delivery routes from locations in Canada to the Edmonton delivery hub, and includes all trades consummated during NGX market hours (Monday-Friday, 7:00am-3:00pm (MT)). The index period for C5 WTI 1b is defined as the first Canadian business day of the month prior to delivery until the last day before the Notice of Shipments date for the delivery month. The C5 WTI 1b index price is calculated as the simple weighted average of the volume-weighted averages for each trading day during this index period.
NGX investigates transactions included in its index prices and will exclude trades that are disputed or were entered into in error from the index price. For error trades, NGX provides notice on the trading system when error trades are reported, and at its discretion may suspend trading in the product or cancel the error transaction. Transactions that are under investigation by NGX will be excluded from index prices unless the investigation is resolved satisfactorily before the open of the next trading day in NGX's markets. Request for Quote transactions that fall outside of the bid/offer spread shown on the NGX trading system at the time of the trade are also excluded from NGX's index price calculations.

Deliverable Supply Analysis

In its analysis of deliverable supply for Canadian condensates, ICE used data compiled by the Canadian Association of Petroleum Producers ("CAPP") in its 2012 Annual Crude Oil: Forecast, Markets & Pipelines Report[6] and the U.S. Energy Information Agency ("EIA"). Since all sources indicate future Canadian production of C5 will decline, ICE has used for its deliverable supply estimate forecasted figures that reflect decreasing production instead of historical figures that would reflect production levels that no longer exist.
According to CAPP[7], forecasted production of "pentanes/condensate" for 2013, 2014 and 2015 are 132,000 bpd, 127,000 bpd and 124,000 bpd, respectively. According to the EIA[8], US exports to Canada of pentanes in 2010, 2011 and 2012 averaged 32,000 bpd, 100,283 bpd, and 113,769 bpd, respectively. Based on the available data, the estimate for deliverable supply of Canadian condensates includes the three year average production of 127,667 bpd and three year average export to Canada from the U.S. of 209,684 bpd. As result, ICE set the spot month position limit at 1,500 contracts, which is approximately 25% of the deliverable supply estimate.

	Barrels per Day ("BPD")	**Barrels per Month ("BPM")**	**ICE Lots**
Production	128,000	3,840,000	3,840
Imports	82,000	2,460,000	2,460

Total Deliverable Supply (ICE Lots)	6,300
Spot Month Position Limit	1,500

[6] http://www.capp.ca/getdoc.aspx?DocId=209546&DT=NTV

[7] http://www.capp.ca/getdoc.aspx?Docid=209350&DT=NTV

[8] http://www.eia.gov/dnav/pet/pet_move_expc_a_EPLP_EEX_mbbl_m.htm

NATURAL GAS CONTRACTS

Iroquois Zone 2 and Receipt Contracts

Cash Market Overview

According to the U.S. Energy Information Administration ("EIA"), approximately 25% of the energy used in the U.S. in 2011 came from natural gas.[9] Natural gas has an abundant supply in the U.S. and highly liquid physical and financial markets that are regulated at both the federal and state level. The Environmental Protection Agency regulates aspects natural gas mining, the Federal Energy Regulatory Commission ("FERC") regulates the interstate transmission and sale of natural gas, state level governments or agencies regulate intrastate commerce, and the Commodity Trading Futures Commission regulates the majority of natural gas financial markets. Price reporting agencies publish physical transaction price and publish indexes daily, which results in a highly transparent price of physical natural gas, which is unique amongst commodities.

Commercial energy companies, such as Exxon Mobile, Chesapeake Energy and BP, extract natural gas from wells drilled across North America and process it (clean it of impurities) so it can be transported from production areas to consumption areas across a series of interstate and intrastate pipelines. Typically, natural gas producers sell to pipeline owners and operators, who sell to local distribution companies, who then sell to the end users and consumers. Natural gas extraction and production occurs every day but the demand fluctuates by season. To meet the seasonal demand needs, natural gas is stored during summer months and withdrawn to meet increased demand during the winter months. Like all other commodities, natural gas is the same basic product at all U.S. locations and be injected into a pipeline in one geographic area to fulfill a delivery obligation in a different geographic area.

There are over 40 different natural gas market centers, or hubs, across the U.S. where thousands of market participants can buy and sell natural gas 24 hours a day, 7 days a week. The majority of physical natural gas transactions occur the last week of every month during what is called bid week. This is when consumers of natural gas make purchases to take delivery during the entire following month and producers sell the majority of their production. Consumers and producers also transact for daily delivery during a month to meet their balancing needs.

Participation in the physical natural gas cash market is robust and made up of a diverse group of fully integrated natural gas companies, producers, natural gas pipeline companies, gas and electric utilities, storage operators, and marketers. Most market participants simultaneously engage in transportation, trading, storage, and other activities at multiple hubs in the U.S. where all physical natural gas hubs are intertwined and linked together by the interstate and intrastate pipeline system. Market participants report the price and volume of gas for each transaction to price reporting agencies who publish the data daily. Market participants hedge the risk associated with participating in the physical natural gas market with a variety of financial derivative products.

Basis Contracts

In the natural gas market, a basis contract represents the difference in the price of gas between two distinct delivery points. Basis transactions play an important price discovery role in the natural gas market, and serve to assign value to natural gas at a specific location for the coming months.[10] Market participants use basis contracts to hedge the difference between the price of natural gas at the Henry Hub in Louisiana (LD1) and the price of gas at another geographic location. The difference between the price of gas at a basis location and the Henry Hub is often referred to as a basis risk, which is a factor of transportation costs, weather, and demand. Basis contracts

[9] http://www.eia.gov/energyexplained/index.cfm?page=natural_gas_use
[10] Sturm, 57.

allow market participants to manage this risk. The seller in an ICE basis transaction receives a fixed price based on the monthly last settlement price for the NYMEX Natural Gas Contract (NG) plus or minus a fixed basis differential, and pays the buyer the monthly published index price at the contract's geographic location.[11] ICE will use the monthly price published in Platt's "Inside FERC Gas Market Report" for U.S. natural gas delivery locations.

Index Contracts

An index contract represents the difference between the monthly index price and daily index price at the same delivery location. The buyer in an index transaction pays the published monthly index price at the contract's geographic location and receives the published daily index price at that geographic location. In determining the final settlement, ICE will use the monthly price published in Platt's "Inside FERC Gas Market Report" for U.S. natural gas delivery locations and the monthly price published for NGX for Canadian delivery locations in determining the monthly index assessment. For the daily index assessment, ICE will use the daily price published in Platt's "Gas Daily, Daily Price Survey" for U.S. natural gas locations and the daily price published by NGX for Canadian delivery locations.

Swing Contracts

A swing contract references the published daily index price for gas at a specific delivery location. Market participants use swing contracts to hedge physical exposure on a day-to-day basis.[12] The gas buyer in an ICE swing transaction pays a fixed price and receives the average of the daily index prices for the month at the contract's geographic location. ICE will use the daily price published in Platt's "Gas Daily, Daily Price Survey" for U.S. natural gas locations.

Price Sources

Platts publishes benchmark price assessments for daily and monthly natural gas markets and its price reporting is well known in the industry as fair and accurate. The daily and monthly indexes Platts publishes are based on original reporting that is collected by Platts from actual buyers and sellers. Pursuant to the Federal Energy Regulatory Commissions' guidance, firms provide price reports to Platts from noncommercial departments separate from the trading activity. Entities reporting to Platts are required to certify that data submitted is complete and accurate, and make a reasonable effort to inform Platts of any errors or omissions in the data submitted. Platts also employs a comprehensive compliance review of submissions and its methodologies to ensure the published prices accurately reflect physical deals.

Reports submitted to Platts are required to specify the delivery point, or market center location, as defined by Platts in its North American Natural Gas Methodology and Specifications Guide, as well as the price, volume, source, buy/sell indicator, trade date, start and end flow dates, and counterparty and intermediary names. Platts performs a number of tests to analyze the quality and completeness of the reports received and determines any outlying or anomalous transactions that may require exclusion.

For the monthly bid week index (Inside FERC), each day of bidweek entities report all fixed-price physical deals negotiated that day for delivery throughout the next month. Entities also report physical deal when the basis value is negotiated on one of the first three days of bidweek and the price is set by the final closing price of the NYMEX (NG) futures contract plus or minus the basis value. The monthly index price is the volume-weighted average at delivery points where there is robust trading activity and transaction data available. In circumstances where trading activity at a point is too limited to use a volume-weighted average, Platts will perform an assessment to determine the index price. In making an assessment of thinly traded points, Platts uses other

[11] Sturm, 56.
[12] Sturm, 83.

available information to make a determination as to whether the reported transactions reflect a representative value at the trading point compared to more liquid locations. For the daily price index (Gas Daily) entities report each business day all fixed-price physical deals completed prior to the 11:30 am CPT NAESB nomination deadline for next-day delivery in North America. Platts does not perform assessments in determining daily index prices and relies only on the volume-weighted average of deals reported at the delivery point.

Deliverable Supply Analysis

In its analysis of deliverable supply for the natural gas contracts included in this submission, ICE relied on data provided by Bentek, a subsidiary of Platts and an industry leader in natural gas market fundamental analysis. Bentek provides detailed data on the North American inter- and intra-state pipelines, including average daily flow, volume, production and capacity figures based on pipeline, market zone, delivery location, state, geographic region, and many other measures. Bentek's Energy Trend Analyzer (ETA) tool allowed ICE to create a unique model of deliverable supply at the market location identified in each natural gas contract listed.

In determining the scope of its deliverable supply analysis, ICE relied on Platts' description of the price index for both of the natural gas index locations included in this submission. The Iroquois Receipts and Iroquois Zone 2 descriptions are the same for both the daily and monthly index surveys. According to Platts, the index price for Iroquois Receipts includes "deliveries into Iroquois Gas Transmission system at the U.S./Canadian border at the Waddington interconnect with TransCanada pipelines." Based on Bentek data, the average daily receipts of gas by Iroquois Gas Transmission at the Waddington interconnect from 2010 to 2013 was 1,195,000 MMBtus, or 14,350 ICE Lots per month. The index price for Iroquois Zone 2 includes "deliveries from Iroquois Gas Transmission system starting at the Athens, N.Y., power plant downstream to the terminus of the pipeline at Hunts Point and South Commack." ICE relied on the system map published by Iroquois Gas Transmission and only included deliveries into system points located downstream of Athens, N.Y.[13] From 2010 to 2013 the average daily delivery capacity for Iroquois Zone 2 locations was 2,408,000 MMBtus, or 28,896 ICE Lots per month.
ICE has set spot month position limits for the four contracts included in this submission at the following levels, which do not exceed 25% of the estimated deliverable supply:

Contract Name	Estimated Deliverable Supply (ICE Lots/Month)	Position Limit
Iroquois-Z2 Basis (Platts) Future	28,896	7,000
Iroquois (Into) Basis (Platts) Future	14,340	3,500
Iroquois-Z2 Index (Platts) Future	28,896	7,000/7,000
Iroquois (Into) Index (Platts) Future	14,340	3,500/3,500
Iroquois-Z2 Swing (Platts) Future	28,896	7,000
Iroquois (Into) Swing (Platts) Future	14,340	3,500

FINANCIAL ENVIRONMENTAL CONTRACTS

Financial RIN Futures

The renewable fuel standard is a program created in the Energy Policy Act of 2005 and subsequently revised in the Energy Independence and Security Act of 2007 to increase the volume and types of renewable fuel used in domestic transportation. The program sets annual mandates for the minimum amounts and types of fuels that must be in the fuel mix. Administration and enforcement of the program is based on the creation of a certificate, Renewable Information Number (RIN), for each gallon of renewable fuel created or imported into the US. The program sets a mandate for volumes of 4 categories of renewable fuel and assigns them distinct identification

[13] Iroquois Gas Transmission System Map, http://www.iroquois.com/Iroquois_system_map.pdf.

codes within the RIN. The types of compliance fuels are renewable fuel (e.g. ethanol), advanced biofuel, biomass based diesel and cellulosic biofuel.

Program Design:

The program splits the mandate into 4 categories and requires that each be achieved. The categories are shown below along with the target for 2012 and 2022. The interim targets are scaled approximately linearly.

Year	Cellulosic biofuel requirement RIN D: D 3 and 7	Biomass-based diesel requirement RIN D: 4 and 7	Advanced Biofuel Requirement RIN D: 3,4,5 and 7	Total renewable fuel requirement RIN D 3,4,5,6 and 7
2012	0.865	1	2	15.2
2022	16	>1	>21	36

Compliance entities (called Obligated Parties) must hold sufficient RINs of each type to meet their annual obligation within the program. The compliance party's obligation within the program is called their Renewable Volume obligation (RVO). The RVO is set for each compliance party for all 4 categories of RINs regardless of the type of fuel the compliance party actually manufactures/refines.

RINs are generated by renewable fuel manufacturers. These parties create RINs within the EPAs registry system. When these parties transfer custody of the fuel to a blender, they must send at least one RIN for each gallon of fuel sold/transferred (i.e. RINs are "attached" to fuel). Once the fuel is blended into regular gasoline or diesel e.g. E10 (the standard 90% gasoline 10% ethanol mix that is available at most gas stations), the blender may separate the RIN from the fuel. These separated RINs may be freely traded in the market with no association with the underlying fuel.[14]

Natural longs in the program are fuel blenders/retailers with little or no fuel refining operations. Other natural longs in the program are renewable fuel manufacturers who produce fuel with RIN equivalencies greater than 1.[15] The natural shorts in the program are fuel refiners and importers who refine or import much more fuel than they sell retail. Other refiners and importers who are vertically integrated have a compliance obligation but will also be transferred significant number of RINs at their blending sites.

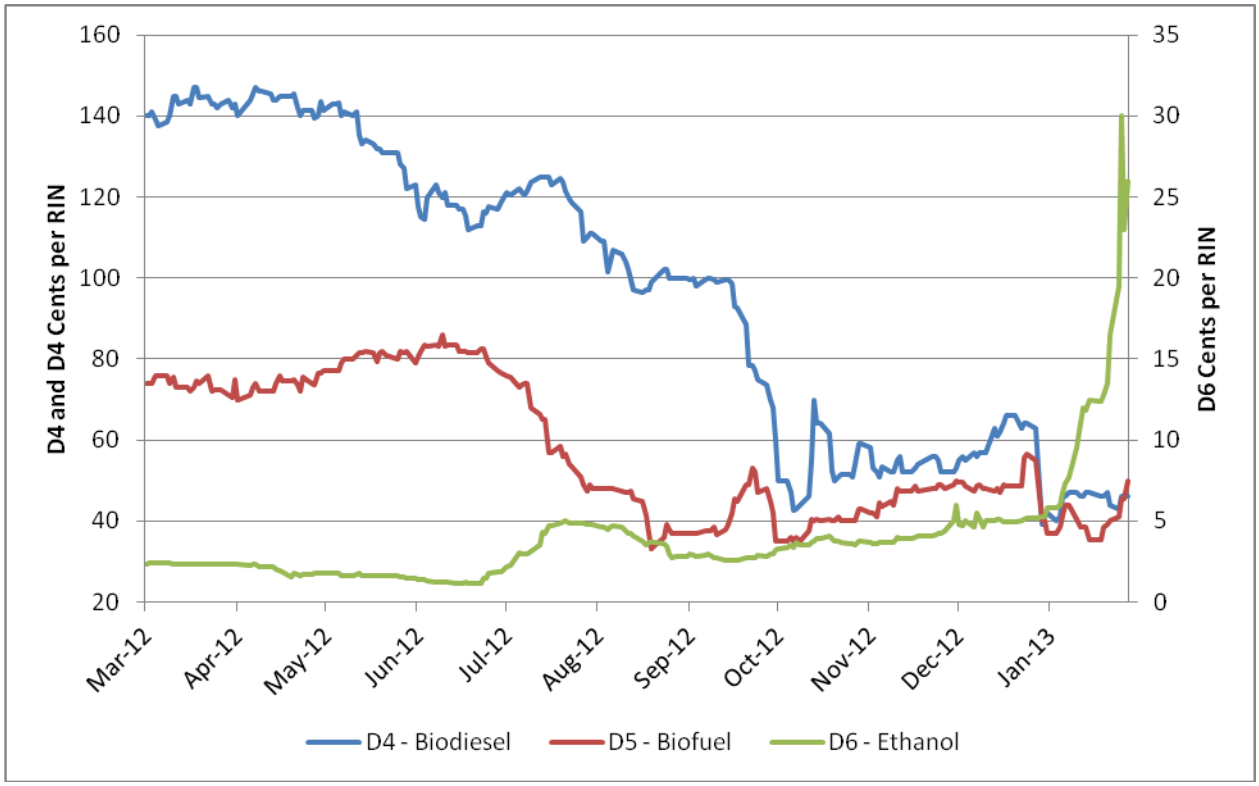
Compliance deadlines, obligation carry forwards and RIN banking

The program is designed to cover calendar year obligations. Compliance with the obligation for the prior year is due on February 28 of the current year. Compliance parties may carry a deficit in their obligation for one year provided full compliance with both year in made with the second year compliance. Additionally, 20% of the obligated party's current obligation may be satisfied with RINs from the prior calendar year.

[14] Attached RINs have a K code of 1 and separated RINs have a K code of 2. Primarily only the blender may change the K code.
[15] Gallons of certain fuel types produce more than 1 RIN per gallon (e.g. biodiesel generates 1.5 RINs per gallon). Since the manufacturers obligation is to transfer at least one RIN per gallon of fuel, these parties could be long 0.5 RINs per gallon should they retain them.

Pricing, trading and market elements

RINs are traded and according to their D code (compliance category). The chart below provides historical pricing by RIN type based on market data collected and published by Platts.



Current trade in RINs is estimated to be in the hundreds of thousands to millions of RINs daily. The 4 RIN types trade separately. A typical transaction is 10,000 to 250,000 RINs. Trading parties are the typical fuel market participants and brokers.

Market Issues

The market is relatively new and many operational issues are still being resolved. The most pressing issue in the market is buyer liability. Even though all RINs are minted within the registry controlled by the EPA, the EPA does not warrant that RINs in the system are valid. In fact, some RINs in 2010 and 2011 were fraudulently produced and ended up in the hands of unsuspecting buyers. There is currently industry working groups established to resolve this issue. As a result of the risk of receiving fraudulent RINs, buyers appear to be willing to pay a premium or deal in larger volumes with known counterparties.

Deliverable Supply

Deliverable supply for the listed contracts is similarly bifurcated by RIN type (D4, D5 and D6). The following table provides an overview of supply for the various RIN types in the years 2010-2012.

	D4	D5	D6	Grand Total
2010	309,464,325	28,546,364	6,784,851,765	7,122,862,454
2011	1,645,562,974	224,997,483	13,587,372,248	15,457,932,705

2012	1,726,473,428	610,836,796	12,971,442,933	15,308,753,157

This table represents the supply of RINs that enter the physical market. Because RINs are created with biofuel and biofuel is, for the most part, not produced by integrated oil companies, RINs are created by one entity (e.g. ethanol producer), separated from the biofuel by another (e.g. pure play blender or integrated refiner) and bought by a compliance player (e.g. where they have not blended and separated enough biofuel and RINs into their refined production). This feature minimizes the risk or possibility of supply hoarding in the physical market.

In spite of a plentiful supply scenario but as a result of the fraud that has taken place in the creation of certain RINs, buyers have implemented aggressive supplier qualification and quality control and it is our opinion that a contract for physical delivery using the standard futures markets delivery systems would not be commercially viable. As a result, we are proposing to list a monthly financially settled contract based on the arithmetic average of the Platts' Daily RIN assessments for all of the D codes. This solution provides the risk management tools desired by markets participants while eliminating the risk of the delivery of fraudulently produced RINs.

ICE is proposing a speculative position limits that are a small fraction of deliverable supply. The levels proposed by ICE for the current vintage year (2013) are no more than 2.5% of annual production. They are 30, 15 and 150 million for the D4, D5 and D6 RINs. With a contract size of 10,000 RINs each, the speculative position limits on a contract basis are proposed to be 3,000, 1,500 and 15,000 respectively for the D4, D5 and D6.

Applicable for the 2012 vintage year, the levels proposed by ICE are approximately 10% of deliverable supply. EPA has published data indicating that 280 million D4, 154 million D5 and 2,022 million D6 remained unretired following the 2012 compliance true up period. The front month speculative position limit proposed are 10, 5 and 50 million for the D4, D5 and D6 RINs specifically. With a contract size of 10,000 RINs each, the speculative position limits on a contract basis are proposed to be 1,000, 500 and 5,000 contracts respectively for the D4, D5 and D6 with a 2012 vintage year designation.

PHYSICAL ENVIRONMENTAL CONTRACTS

CAIR Annual NOx Futures

Under the Clean Air Interstate Rule (CAIR) US EPA established a program for the annual limitation and compliance for total amounts of oxides of nitrogen (NOx) emitted from regulated power plant sources. The first year of the program was 2009. Until March of 2012, a similar product was listed for trade at the Chicago Climate Futures Exchange. Following CCFE's acquisition by ICE, open interest in many contracts was migrated to ICE. Open interest in the NFI A contract was not migrated to ICE because the contract was not expected to attract significant trade prospectively. However, as a result of legal proceedings, products based on the US EPA CAIR program will be needed by covered electricity generators for the foreseeable future. As a result, ICE is proposing to relist this contract on its ICE Futures US exchange.

Deliverable supply

At the outset of the program EPA issued to compliance parties a forward amount of NOx allowances in specified vintages. The set of issued allowances is the total amount of emissions that will be allowed under the program and establishes the deliverable supply for program years. Like other program administered by EPA, allowances are assigned vintages and may be used for compliance in the year matching the vintage or in a future year. In addition to the allocation, EPA also issued an amount of allowances in recognition of early NOx reductions made in 2007 and 2008 by program participants; this amount is called the Compliance Supplemental Pool (CSP).

For 2013, the amount of allowances issued by EPA is 1.40 million. Allowance information is available at the EPA's website.[16] To determine whether the market is short or long, we examined full year NOx emissions for 2012 (based on quarterly data) in comparison to the 2013 total allocations. Full year NOx emissions for 2012 were 1.17 million tons. Information in respect of NOx emission is available at the EPA website.[17] Assuming that 2013 is similar to 2012 in energy production and fuel supply, there is an excess supply of some 0.23 million allowances.

In addition to the excess supply based on 2012 data, we expect increasing length in the program as a result of decreasing emission resulting from various pressure including increasing use of natural gas as opposed to coal, increased use of emissions reduction technology and the continued shut down of older coal fired facilities.
Speculative position limit:

Based on this analysis, CCFE established the speculative position limit on the NFI-A contract at a level which assured conformance with the CFTC's core principle that the market not be subject to manipulation. We propose a speculative position limit is 5,000 contracts. This is relative to an economically deliverable supply of at least 280,000 contracts. Quantitatively, this limit is set at a point at which is 1.8% of the economically deliverable supply.

CAIR Ozone Season NOx Futures

Under the Clean Air Interstate Rule (CAIR) US EPA established a program for the seasonal limitation and compliance for emissions of oxides of nitrogen (NOx) emitted from regulated sources. Entities regulated by the program must submit NOx Ozone Season allowances for every ton of NOx they emit during the 5 month ozone season (May 1 – September 30). EPA has been running a previous version of this program for many years and recently replaced it with this program under the Clean Air Interstate Rule (CAIR) beginning in 2009. Until September of 2011, a similar product was listed for trade at the Chicago Climate Futures Exchange. Following CCFE's acquisition by ICE, open interest in many contracts was migrated to ICE. Open interest in the NFI A contract was not migrated to ICE because the contract was not expected to attract significant trade prospectively. However, as a result of legal proceedings, products based on the US EPA CAIR program will be needed by covered electricity generators for the foreseeable future. As a result, ICE is proposing to relist this contract on its ICE Futures US exchange.

Deliverable Supply

At the outset of the program EPA issued to compliance parties a forward amount of NOx OS allowances. The set of issued allowances is the total amount of emissions that will be allowed under the program and establishes the deliverable supply within and across program years. Like other programs administered by EPA, allowances are assigned vintages and may be used for compliance in the year matching the vintage or in a future year. In addition, EPA provided for a transition of unused allowances from the previous version of the program into NOx OS allowances.

For 2013, the amount of allowances issued by EPA is 567,944. Allowance information is available at the EPA's website.[18] To determine whether the market is short or long, we examined full year NOx emissions for 2012 (based on quarterly data) in comparison to the 2013 total allocations. Full year NOx emissions for 2011 were 572,000 tons (note: 2011 is the first full year of data available at USEPA at the time of this writing).[19]

[16] http://camddataandmaps.epa.gov/gdm/index.cfm?fuseaction=iss.isshome
[17] http://camddataandmaps.epa.gov/gdm/index.cfm?fuseaction=emissions.wizard
http://camddataandmaps.epa.gov/gdm/index.cfm?fuseaction=iss.isshome
[19] U.S. EPA SO2 and NOx Emissions, Compliance and market Analyses. Available at: http://www.epa.gov/airmarkets/progress/ARPCAIR11_downloads/ARPCAIR11_analyses.pdf

Information in respect of NOx emission is available at the EPA website.[20] Assuming a continued trend of reduced use of coal and lower emissions from gas fired generation, we expect 2013 to see further reductions in emissions and small amount of excess supply in the market.
Speculative position limit:

Based on this analysis, we are proposing to establish the speculative position limit for the contract at a level which assured conformance with the CFTC's core principle that the market not be subject to manipulation. We propose a speculative position limit is 5,000 contracts. This is relative to an deliverable supply of at least 114,000 contracts. Quantitatively, this limit is set at a point at which is 4% of the deliverable supply.

New Jersey Solar Renewable Energy Certificate (SREC)

The New Jersey Solar Renewable Energy Certificate Futures (SREC NJ) is a contract which calls for the delivery of solar renewable energy certificates (SRECs) which are eligible to meet the solar requirements of the New Jersey renewable energy program. A SREC is a tradable environmental commodity in the form of an electronic certificate that represent an attribute associated with the generation of electrical energy from qualifying solar renewable generation sources. The value of a SREC is determined by the supply and demand for the certificate and is distinct from the value of the electricity actually supplied to the electricity grid.

The State of NJ put in place legislation, effective April 19, 2004 to require entities to acquire certificates produced by renewable generation for an amount corresponding to their retail sales. SRECs are issued by the PJM Generator Attribute Tracking System to the registered owners of qualifying production systems. The compliance year cycles are June 1 through May 31 with compliance on September 1. Further to changes made in 2012, SRECs from one reporting year can be held for compliance with a compliance obligation in the year of generation and the following years (i.e. they are bankable). This has the effect of smoothing out supply shocks and reducing cash market volatility.

For 2013, the statewide obligation for SRECs is 596,000 MWh. Based on production information through January of 2013, a total of 615,296 MWh of SRECs have been produced with four months of generation remaining in the production period. Assuming a linear production rate for RECs, we anticipate a total of approximately 900,000 SRECs to be produced for the 2013 energy year. In addition to the excess supply of 2013 SRECs, it appears that in 2012 against an obligation of 442,000 MWh, 713,842 MWh were generated. The excess will be banked forward into later compliance years in which the compliance obligation increases significantly.

Role of the Alternative Compliance Payment and Supply of RECs

Separate from the question of delivery of RECs and the availability of supply, the regulatory program allows a compliance entity to avoid acquiring SRECs simply pay a fee, called an alternative compliance payment (ACP). The existence of the ACP acts as a safety valve on the requirement to procure supply in the market. Entities that cannot or chose not to acquire SRECs may simply pay the ACP to the cash market regulator. This has the effect of making more supply available to others. Further, when SRECs reach a point where they have been bid up to the ACP price, entities will be indifferent to using SRECs to making the payment. For the 2013 year, the alternative compliance payment is $641/SREC relative to a current market price of $215/SREC.[21] While the current ICE contract requires that a SREC be delivered, even in the most tightly constricted markets, short parties could acquire RECs marginally above the ACP and deliver them to long parties.

[20] http://camddataandmaps.epa.gov/gdm/index.cfm?fuseaction=emissions.wizard
[21] Average spot price for SRECs in December of 2012. New Jersey Board of Public Utilities.

Deliverable Supply

Deliverable supply is the entire production amount of SREC produced in a period. Supply is typically aggregated from residential and small commercial owners and sold to compliance entities in spot and shorter term forward transactions. Deliverable supply is the entire production of SRECs for a given compliance year. For 2013, deliverable supply is currently 615,296 MWh. This should grow through the remaining months of the 2013 energy year generation period. As such we anticipate production to be approximately 900,000 relative to a requirement of 596,000.

Speculative position limit

Based on this analysis, we propose to a established the speculative position limit on the NJ SREC contract at a level which assured conformance with the CFTC's core principle that the market not be subject to manipulation. We propose a speculative position limit is 2,500 contracts. This is relative to an deliverable supply of at least 90,000 contracts. Quantitatively, this limit is set at a point at which is 2.7% of the deliverable supply.

Texas Compliance Renewable Energy Certificate Futures

The Texas Compliance Renewable Energy Certificate Futures (Texas REC) is a contract which is designed the meet the needs of the Texas compliance market and the broader voluntary market. As a result the contract establishes three primary criteria for delivery. First, the contracts calls for the delivery of a renewable energy certificates (REC) which are eligible to meet the state designation for a REC determined by the Public Utility Commission of Texas Substantive Rule Chapter 25, Subchapter H, Division 1 under the renewable energy trading program. Second, the contract requires that supply delivered into the contract be produced from wind production technology.

The renewable energy program in Texas calls for energy retailers to hold RECs in amounts consistent with a portion of their energy sales. The amount of RECs required to be held by the parties is determined by the Texas public utility commission on a regular basis. The program is voluntary for generators but mandatory for retailers and wholesalers. In 2011, there were 118 generation accounts held by renewable energy generators and 177 retail entities (compliance) accounts in the tracking registry.

The market for Texas RECs is by far the largest and most liquid of the state based renewable energy program. In 2011, a total of 31.8 million RECs were produced. This production was against a regulatory obligation of 9 million RECs. Of the 31.8 million RECs generated in 2011, some 30.8 million were generated by wind as the production technology. The balance of RECs in excess of the regulatory requirement is sourced for the voluntary markets.

Deliverable Supply

Deliverable supply is the entire production amount of RECs which is qualified for Texas compliance, and generated from wind technology. This amount was estimated to be 30.8 million in 2011. It is forecasted to be greater than this in 2012 and 2013.

Speculative position limit:

Based on this analysis, we propose to establish the speculative position limit on the Texas Compliance REC contract at a level which assured conformance with the CFTC's core principle that the market not be subject to manipulation. We propose a speculative position limit is 10,000 contracts. This is relative to an economically deliverable supply of at least 308,000 contracts. Quantitatively, this limit is set at a point at which is 3.3% of the economically deliverable supply.