



RULE SELF-CERTIFICATION

May 08, 2012

Office of the Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st St., N.W.
Washington, D.C. 20581

Re: Green Exchange LLC
Reference File: GX-2012-11

Ladies and Gentlemen:

Pursuant to Section 40.6 of the regulations (the “CFTC Rules”) promulgated by the Commodity Futures Trading Commission (the “Commission”) under the Commodity Exchange Act, as amended (the “Act”), Green Exchange LLC (“GreenX”), a designated contract market under the Act, hereby submits this self-certification for the following:

1. GreenX is removing Rules 1501, 1502, 1503, 1504, 1506, 1507 and 1508 in their entirety to reflect the delisting of all the GreenX NOX Emissions Allowance Futures Contracts. There is no open interest in these contracts. The delisting of these products shall be effective immediately. The Delisted Contracts are set forth below.

Contract Name	ClearPort Code	Globex Code	Rule
NOX Emissions Allowance Futures	RN	RNN	1501
Seasonal NOX Emissions Allowance Vintage 2009 Futures	YI	YIN	1502
Seasonal NOX Emissions Allowance Vintage 2010 Futures	YJ	YJN	1503
Seasonal NOX Emissions Allowance Vintage 2011 Futures	YN	YKN	1504
Annual NOX Emissions Allowance Vintage 2009 Futures	WW	WWN	1506
Annual NOX Emissions Allowance Vintage 2010 Futures	YP	YPN	1507
Annual NOX Emissions Allowance Vintage 2011 Futures	YQ	YQN	1508

2. GreenX is amending Rule 535, the Position Limit, Position Accountability and Reportable Level Table, to delete references to the Delisted Contracts.

3. GreenX is amending Rule 543.G, the Non-Reviewable Ranges table, to delete the Delisted NOX Emissions Allowance Futures Contract.

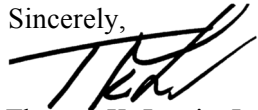
With the majority of Vintage 2009, 2010 and 2011 allowances surrendered for past compliance, the deliverable supply for these contracts has diminished considerably. As a result, trading in these contracts is non-existent and the basis for GreenX's decision to delist.

GreenX hereby certifies this submission has been posted on the GreenX website under the "Market Regulation" tab at <http://www.thegreenx.com/market-regulation/pending-rules.html>.

GreenX hereby certifies that the rule amendments comply with the Act and the CFTC Rules. There are no opposing views among GreenX's Board of Directors, Participants or market participants regarding the rule amendments.

The text of the rule amendments, showing deletions and additions is attached as Appendix A hereto. If you have any further questions or comments about GreenX's actions, please contact me at 212-299-2722.

Sincerely,



Thomas K. Lewis, Jr.
Chief Executive Officer

Attachments: Appendix A: Deletions of Terms and Conditions from Exchange Rulebook

APPENDIX A

(strikethrough indicates deletion)

RULE 535. Position Limit, Position Accountability and Reportable Level Table

[Note: Contracts for which no changes have been made are omitted.]

Contract Name	Rule	Commodity Code	All Month Accountability Level	Any One Month Accountability Level	Any/All Month Limit	Expiration Month Limit	Reporting Level	Aggregate Into (1)
			Rule 533	Rule 533	Rule 532	Rule 532	Rule 534	
Emissions								
NOX Emissions Allowance Futures	1501	RN	2,500	1,200	-	600	25	RN
Seasonal NOX Emissions Allowance Vintage 2009 Futures	1502	YI	2,500	1,200	-	600	25	YI
Seasonal NOX Emissions Allowance Vintage 2010 Futures	1503	YJ	2,000	1,000	-	500	25	YJ
Seasonal NOX Emissions Allowance Vintage 2011 Futures	1504	YN	2,000	1,000	-	500	25	YN
Annual NOX Emissions Allowance Vintage 2009 Futures	1506	WW	4,500	2,500	-	375 (Jan-Nov 2009) 250 (Dec 2009)	25	WW
Annual NOX Emissions Allowance Vintage 2010 Futures	1507	YP	3,500	2,000	-	375 (Jan-Nov 2010) 250 (Dec 2010)	25	YP
Annual NOX Emissions Allowance Vintage 2011 Futures	1508	YQ	3,500	2,000	-	375 (Jan-Nov 2011) 250 (Dec 2011)	25	YQ

Rule 543.G. NON-REVIEWABLE RANGES

Futures Contract	Non-Reviewable Range (NRR)	NRR Ticks
NOX Emissions	\$2.00 per ton or less	

[Note: Contracts for which no changes have been made are omitted.]

CHAPTER 15
NOX EMISSIONS ALLOWANCE CONTRACT SPECIFICATIONS

RULE 1501. — NOX Emissions Allowance Futures

1501.01. — SCOPE

The provisions of these rules shall apply to all Seasonal NOx emissions allowances vintage 2012 (or earlier vintages) bought or sold for future delivery on the Exchange with the Delivery at the U.S Environmental Protection Agency's (EPA) NOx Allowance Management System (NAMS).

1501.01A. — DEFINITIONS

- (a) "EPA" means the U.S. Environmental Protection Agency or any successor agency with similar jurisdiction.
- (b) "NOx Allowance" refers to a tradable permit to emit NOx as specified further by EPA.
- (c) "NOx Allowance Management System" ("NAMS") means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.
- (d) "Vintage Year" means the first calendar year for which the allowance may be utilized for compliance.
- (e) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.
- (f) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product or swap transaction.
- (g) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last day of the trading shall be determined in accordance with the procedures set forth in GreenX Rule 905.

1501.02. — TIME REFERENCES

For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.

1501.03. — CONTRACT UNIT

The Contract unit shall be ten (10) allowances of NOx emissions allowances for delivery made by transfer through NAMS. Deliverable NOx emissions allowances are of the current vintage year.

1501.04. — DELIVERY

Emission allowance delivery shall comply with all requirements for the electronic transfer of Seasonal NOx allowances through the NOx Allowance Management System. All deliveries made under this Rule shall be final and there shall be no appeal.

1501.05. — DELIVERY MONTHS

Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.

1501.06. — MINIMUM PRICE FLUCTUATIONS

Prices shall be quoted in dollars per allowance. The minimum price fluctuation shall be \$25.00 per allowance (\$250.00 per Contract). There shall be no maximum price fluctuation.

~~1501.07. — TERMINATION OF TRADING~~

~~Trading in the current delivery month shall cease at termination of the third Business Day prior to the last Business Day of the contract month.~~

~~1501.08. — RESERVED~~

~~1501.09. — DELIVERY PROCEDURES~~

~~By transferring Seasonal NOX allowances to the Clearing House, the Seller represents and warrants that, at the time of delivery, it has good and marketable title to such Seasonal NOX allowances, and that such Seasonal NOX allowances are free and clear of all liens, security interests, claims, encumbrances and adverse claims. A Clearing Member that breaches its representation and warranty in this Rule 1501.09, shall be liable to the Clearing House and Exchange for their respective losses arising from such breach.~~

(a) ~~RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS~~

(i) ~~NOTICE OF INTENTION TO ACCEPT~~

~~By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include the Name of the Buyer's Customer, Number of Contracts to be accepted, and any additional information as may be required by the Exchange.~~

(ii) ~~INFORMATION PROVIDED BY SELLER TO BUYER~~

~~By 4:00 p.m. on Notice Day, the Buyer shall provide the Seller with the following information: NAMS Account Number, Vintage Year, Name, Phone Number and e mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.~~

(b) ~~RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS~~

(i) ~~NOTICE OF INTENTION TO DELIVER~~

~~By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Name of the Seller's Customer, Number of Contracts to be delivered, NAMS Account Number, Vintage Year, Name, Phone Number and e mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account, Any additional information as may be required by the Exchange.~~

(ii) ~~INFORMATION PROVIDED BY SELLER TO BUYER~~

~~By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: NAMS Account Number, Vintage Year, Name, Phone Number and e mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.~~

(c) ~~USE OF SETTLEMENT PRICE: The final settlement price used for the delivery shall be the settlement price from the final day of trading.~~

(d) ~~Notice Day~~

(i) ~~The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.~~

(ii) ~~The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 2:00 p.m. on the second Business Day prior to the last Business Day of the delivery month.~~

(iii) ~~The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.~~

(e) ~~Payment and Delivery Margins~~

(i) ~~Definitions~~

(A) ~~“Payment” shall include the settlement price times the number of Contracts times 10.~~

(B) ~~“Payment Date” shall mean the Business Day after the Buyer's Customer receipt of proper notification from the NAMS that allowances have been transferred from the Seller's Customer account to the Buyer's Customer account, provided documentation is supplied to the Buyer's Customer by no later than 2:00 p.m. Documentation supplied to Buyer after 2:00 noon on any Exchange Business Day, shall be considered received on the following Exchange Business Day.~~

(C) ~~On the Business Day following the last day of trading, the long Clearing Member shall obtain from the long, if any, margin equal to the full value of the product to be delivered. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten (10) years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and shall be drawn in favor of the Clearing House.~~

(D) ~~The Buyer shall pay the Seller at the office of the Seller by a certified check or electronic funds transfer, or any other method acceptable to both parties by 12:00 p.m. on the payment date.~~

(E) ~~The Buyer and Seller shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins which shall not be greater than the margins charged to the Buyer's Customer and Seller's Customer, shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed. (f) On the Payment Date, the Seller shall deliver a Notice of Payment to the Buyer with a copy to the Exchange by 4:30 p.m. Upon receipt of such notice the delivery shall be complete.~~

(F) ~~Any payment made on Payment Date shall be based on allowances actually delivered.~~

(f) ~~Delivery Day~~

~~The day the Buyer receives the allowances shall be referred to as the Delivery Day.~~

~~**1501.10. — DELIVERY PERIOD**~~

~~Delivery shall take place on one Business Day prior to the last Business Day of the delivery month.~~

~~**1501.11. — VALIDITY OF DOCUMENTS**~~

~~The Exchange makes no representation respecting the authenticity, validity or accuracy of any Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.~~

~~**1501.12. — EXCHANGE OF FUTURES FOR RELATED POSITIONS**~~

~~Any Exchange of Futures for Related Positions (“EFRP”) shall be governed by the provisions of GreenX Rule 603.~~

~~An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.~~

~~1501.13. ALTERNATIVE DELIVERY PROCEDURE~~

~~A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or the Seller's Customer with which it has been matched by the Exchange under Rule 1505.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.~~

~~In executing such Alternative Notice of Intention to Deliver, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.~~

~~1501.14. FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM~~

~~(a) DEFINITION. As used in this Rule 1501.14, the following terms, as well as variations thereof, shall have the meaning described below.~~

~~(i) "Late Performance" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by, a Seller or a Buyer will be deemed a Failure to Perform.~~

~~(ii) "Day of Late Performance" shall mean the twenty four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.~~

~~(iii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.~~

~~(iv) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 10 (the number of allowances per Contract) times the number of Contracts to be delivered.~~

~~(v) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.~~

~~(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.~~

~~(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.~~

~~(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY~~

~~(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.~~

~~(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.~~

~~(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE~~

~~(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:~~

~~(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;~~

~~(B) Upon the written request of both the Buyer and the Seller;~~

~~(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or~~

~~(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.~~

~~(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.~~

~~(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.~~

~~(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.~~

~~(d) EXCHANGE ACTION~~

~~(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.~~

~~(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.~~

~~(iii) (A) — A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.~~

~~(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.~~

~~(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (d)(iii)(A) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to~~

~~pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.~~

~~(iv) Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.~~

~~(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.~~

~~(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:~~

~~(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.~~

~~(B) At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.~~

~~(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.~~

~~(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.~~

~~(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.~~

~~(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.~~

~~(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.~~

~~(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.~~

~~(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.~~

~~(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Chief Executive Officer shall constitute the final disciplinary action of the Exchange.~~

(e) ARBITRATION PROCEDURE

~~(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.~~

~~(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.~~

~~(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.~~

~~RULE 1052. — Seasonal NOx Emissions Allowance Vintage 2009 Futures~~

~~1502.01. — SCOPE~~

~~The provisions of these rules shall apply to all Seasonal NOx emissions allowances vintage 2009 (or earlier vintages) bought or sold for future delivery on the Exchange with the Delivery at the U.S. Environmental Protection Agency's (EPA) NOx Allowance Management System (NAMS).~~

~~1502.01A. — DEFINITIONS~~

~~(a) "EPA" means the U.S. Environmental Protection Agency or any successor agency with similar jurisdiction.~~

~~(b) "Seasonal NOx Allowance" refers to a tradable permit to emit NOx from May 1 to September 30 in a given or subsequent calendar year under the Clean Air Interstate Rule (CAIR) Seasonal NOx Budget Trading Program as specified further by EPA.~~

~~(c) "NOx Allowance Management System" ("NAMS") means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.~~

~~(d) "Vintage Year" means the first calendar year for which the allowance may be utilized for compliance.~~

~~(e) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.~~

~~(f) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product or swap transaction.~~

~~(g) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last day of the trading shall be determined in accordance with the procedures set forth in GreenX Rule 905.~~

~~1502.02. — TIME REFERENCES~~

~~For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.~~

~~1502.03. — CONTRACT UNIT~~

~~The Contract unit shall be ten (10) allowances of Seasonal NOx emissions allowances vintage 2009 (or earlier vintages) for delivery made by transfer through NAMS.~~

~~1502.04. — DELIVERY~~

~~Emission allowance delivery shall comply with all requirements for the electronic transfer of Seasonal NOx allowances through the NOx Allowance Management System. All deliveries made under this Rule shall be final and there shall be no appeal.~~

~~1502.05. — DELIVERY MONTHS~~

~~Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.~~

~~1502.06. — MINIMUM PRICE FLUCTUATIONS~~

~~Prices shall be quoted in dollars per allowance. The minimum price fluctuation shall be \$25.00 per allowance (\$250.00 per Contract). There shall be no maximum price fluctuation.~~

~~1502.07. — TERMINATION OF TRADING~~

~~Trading in the current delivery month shall cease at termination of the third Business Day prior to the last Business Day of the contract month.~~

~~1502.08. — RESERVED~~

~~1502.09. — DELIVERY PROCEDURES~~

~~By transferring NOX allowances to the Clearing House, the Seller represents and warrants that, at the time of delivery, it has good and marketable title to such NOX allowances, and that such Seasonal NOX allowances are free and clear of all liens, security interests, claims, encumbrances and adverse claims. A Clearing Member that breaches its representation and warranty in this Rule 1502.09, shall be liable to the Clearing House and Exchange for their respective losses arising from such breach.~~

~~(a) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS~~

~~(i) NOTICE OF INTENTION TO ACCEPT~~

~~By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include the Name of the Buyer's Customer, Number of Contracts to be accepted, and any additional information as may be required by the Exchange.~~

~~By 4:00 p.m. on Notice Day, the Buyer shall provide the Seller with the following information: NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.~~

~~(b) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS~~

~~(i) NOTICE OF INTENTION TO DELIVER~~

~~By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Name of the Seller's Customer; Number of Contracts to be delivered; NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account, and any information as may be required by the Exchange.~~

~~(ii) INFORMATION PROVIDED BY SELLER TO BUYER~~

~~By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: NAMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.~~

~~(c) USE OF SETTLEMENT PRICE: The final settlement price used for the delivery shall be the settlement price from the final day of trading.~~

~~(d) Notice Day~~

~~(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.~~

~~(ii) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 2:00 p.m. on the second Business Day prior to the last Business Day of the delivery month.~~

~~(iii) The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.~~

~~1502.10. DELIVERY PERIOD~~

~~Delivery shall take place on one Business Day prior to the last Business Day of the delivery month.~~

~~1502.11. VALIDITY OF DOCUMENTS~~

~~The Exchange makes no representation respecting the authenticity, validity or accuracy of any Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.~~

~~1502.12. EXCHANGE OF FUTURES FOR RELATED POSITIONS~~

~~Any Exchange of Futures for Related Positions (“EFRP”) shall be governed by the provisions of GreenX Rule 603.~~

~~An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.~~

~~1502.13. ALTERNATIVE DELIVERY PROCEDURE~~

~~A Seller’s Customer or Buyer’s Customer may agree with the Buyer’s Customer or the Seller’s Customer with which it has been matched by the Exchange under Rule 1502.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.~~

~~In executing such Alternative Notice of Intention to Deliver, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.~~

~~1502.14. FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM~~

~~(a) DEFINITION. As used in this Rule 1502.14, the following terms, as well as variations thereof, shall have the meaning described below:~~

~~(i) “Late Performance” shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by, a Seller or a Buyer will be deemed a Failure to Perform.~~

~~(ii) “Day of Late Performance” shall mean the twenty four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.~~

~~(iii) “Failure to Perform” shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.~~

~~(iv) “Contract Value” shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 10 (the number of allowances per Contract) times the number of Contracts to be delivered.~~

~~(v) (A) “Party” shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.~~

~~(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.~~

~~(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.~~

~~(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY~~

~~(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.~~

~~(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.~~

~~(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE~~

~~(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:~~

~~(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;~~

~~(B) Upon the written request of both the Buyer and the Seller;~~

~~(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or~~

~~(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.~~

~~(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.~~

~~(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.~~

~~(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.~~

~~(d) EXCHANGE ACTION~~

~~(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.~~

~~(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of~~

Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.

(iii) (A) ~~— A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.~~

(B) ~~The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.~~

(C) ~~Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (d)(iii)(A) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.~~

(iv) ~~Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.~~

(v) ~~In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.~~

(vi) ~~The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:~~

(A) ~~At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.~~

(B) ~~At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.~~

(C) ~~The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.~~

(D) ~~The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.~~

(E) ~~The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.~~

(F) ~~The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.~~

~~(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.~~

~~(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.~~

~~(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.~~

~~(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Chief Executive Officer shall constitute the final disciplinary action of the Exchange.~~

(e) ~~ARBITRATION PROCEDURE~~

~~(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.~~

~~(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.~~

~~(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.~~

~~RULE 1503. — Seasonal NOx Emissions Allowance Vintage 2010 Futures~~

~~1503.01. — SCOPE~~

~~The provisions of these rules shall apply to all Seasonal NOx emissions allowances vintage 2010 (or earlier vintages) bought or sold for future delivery on the Exchange with the Delivery at the U.S. Environmental Protection Agency's (EPA) NOx Allowance Management System (NAMS).~~

~~1503.01A. — DEFINITIONS~~

~~(a) "EPA" means the U.S. Environmental Protection Agency or any successor agency with similar jurisdiction.~~

~~(b) "Seasonal NOx Allowance" refers to a tradable permit to emit NOx from May 1 to September 30 in a given or subsequent calendar year under the Clean Air Interstate Rule (CAIR) Seasonal NOx Budget Trading Program as specified further by EPA.~~

~~(c) "NOx Allowance Management System" ("NAMS") means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.~~

~~(d) "Vintage Year" means the first calendar year for which the allowance may be utilized for compliance.~~

~~(e) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.~~

~~(f) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product or swap transaction.~~

~~(g) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last day of the trading shall be determined in accordance with the procedures set forth in GreenX Rule 905.~~

~~1503.02. — TIME REFERENCES~~

~~For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.~~

~~1503.03. — CONTRACT UNIT~~

~~The Contract unit shall be ten (10) allowances of Seasonal NOx emissions allowances vintage 2010 (or earlier vintages) for delivery made by transfer through NAMS.~~

~~1503.04. — DELIVERY~~

~~Emission allowance delivery shall comply with all requirements for the electronic transfer of Seasonal NOx allowances through the NOx Allowance Management System. All deliveries made under this Rule shall be final and there shall be no appeal.~~

~~1503.05. — DELIVERY MONTHS~~

~~Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.~~

~~1503.06. — MINIMUM PRICE FLUCTUATIONS~~

~~Prices shall be quoted in dollars per allowance. The minimum price fluctuation shall be \$25.00 per allowance (\$250.00 per Contract). There shall be no maximum price fluctuation.~~

~~1503.07. — TERMINATION OF TRADING~~

~~Trading in the current delivery month shall cease at termination of the third Business Day prior to the last Business Day of the contract month.~~

~~1503.08. — RESERVED~~

~~1503.09. — DELIVERY PROCEDURES~~

~~By transferring Seasonal NOX allowances to the Clearing House, the Seller represents and warrants that, at the time of delivery, it has good and marketable title to such Seasonal NOX allowances, and that such Seasonal NOX allowances are free and clear of all liens, security interests, claims, encumbrances and adverse claims. A Clearing Member that breaches its representation and warranty in this Rule 1503.09, shall be liable to the Clearing House and Exchange for their respective losses arising from such breach.~~

~~(a) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS~~

~~(i) NOTICE OF INTENTION TO ACCEPT~~

~~By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include the Name of the Buyer's Customer, Number of Contracts to be accepted, and any additional information as may be required by the Exchange.~~

~~By 4:00 p.m. on Notice Day, the Buyer shall provide the Seller with the following information: NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.~~

~~(b) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS~~

~~(i) NOTICE OF INTENTION TO DELIVER~~

~~By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Name of the Seller's Customer; Number of Contracts to be delivered; NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account, and any information as may be required by the Exchange.~~

~~(ii) INFORMATION PROVIDED BY SELLER TO BUYER~~

~~By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: NAMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.~~

~~(c) USE OF SETTLEMENT PRICE: The final settlement price used for the delivery shall be the settlement price from the final day of trading.~~

~~(d) Notice Day~~

~~(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.~~

~~(ii) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 2:00 p.m. on the second Business Day prior to the last Business Day of the delivery month.~~

~~(iii) The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.~~

~~1503.10. DELIVERY PERIOD~~

~~Delivery shall take place on one Business Day prior to the last Business Day of the delivery month.~~

~~1503.11. VALIDITY OF DOCUMENTS~~

~~The Exchange makes no representation respecting the authenticity, validity or accuracy of any Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.~~

~~1503.12. EXCHANGE OF FUTURES FOR RELATED POSITIONS~~

~~Any Exchange of Futures for Related Positions (“EFRP”) shall be governed by the provisions of GreenX Rule 603.~~

~~An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.~~

~~1503.13. ALTERNATIVE DELIVERY PROCEDURE~~

~~A Seller’s Customer or Buyer’s Customer may agree with the Buyer’s Customer or the Seller’s Customer with which it has been matched by the Exchange under Rule 1503.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.~~

~~In executing such Alternative Notice of Intention to Deliver, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.~~

~~1503.14. FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM~~

~~(a) DEFINITION. As used in this Rule 1503.14, the following terms, as well as variations thereof, shall have the meaning described below:~~

~~(i) “Late Performance” shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by, a Seller or a Buyer will be deemed a Failure to Perform.~~

~~(ii) “Day of Late Performance” shall mean the twenty four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.~~

~~(iii) “Failure to Perform” shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.~~

~~(iv) “Contract Value” shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 10 (the number of allowances per Contract) times the number of Contracts to be delivered.~~

~~(v) (A) “Party” shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.~~

~~(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.~~

~~(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.~~

~~(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY~~

~~(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.~~

~~(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.~~

~~(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE~~

~~(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:~~

~~(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;~~

~~(B) Upon the written request of both the Buyer and the Seller;~~

~~(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or~~

~~(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.~~

~~(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.~~

~~(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.~~

~~(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.~~

~~(d) EXCHANGE ACTION~~

~~(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.~~

~~(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of~~

Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.

(iii) (A) ~~— A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.~~

(B) ~~The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.~~

(C) ~~Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (d)(iii)(A) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.~~

(iv) ~~Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.~~

(v) ~~In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.~~

(vi) ~~The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:~~

(A) ~~At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.~~

(B) ~~At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.~~

(C) ~~The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.~~

(D) ~~The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.~~

(E) ~~The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.~~

(F) ~~The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.~~

~~(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.~~

~~(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.~~

~~(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.~~

~~(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Chief Executive Officer shall constitute the final disciplinary action of the Exchange.~~

(e) ~~ARBITRATION PROCEDURE~~

~~(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.~~

~~(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.~~

~~(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.~~

~~RULE 1504. — Seasonal NOx Emissions Allowance Vintage 2011 Futures~~

~~1504.01. — SCOPE~~

~~The provisions of these rules shall apply to all Seasonal NOx emissions allowances vintage 2011 (or earlier vintages) bought or sold for future delivery on the Exchange with the Delivery at the U.S. Environmental Protection Agency's (EPA) NOx Allowance Management System (NAMS).~~

~~1504.01A. — DEFINITIONS~~

~~(a) “EPA” means the U.S. Environmental Protection Agency or any successor agency with similar jurisdiction.~~

~~(b) “Seasonal NOx Allowance” refers to a tradable permit to emit NOx from January 1 to December 31 in a given or subsequent calendar year under the Clean Air Interstate Rule (CAIR) Seasonal NOx Budget Trading Program as specified further by EPA.~~

~~(c) “NOx Allowance Management System” (“NAMS”) means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.~~

~~(d) “Vintage Year” means the first calendar year for which the allowance may be utilized for compliance.~~

~~(e) The terms “Seller” and “Buyer” shall mean the short Clearing Member and the long Clearing Member, respectively.~~

~~(f) The terms “Seller’s Customer” and “Buyer’s Customer” shall mean the seller and buyer of the physical product or swap transaction.~~

~~(g) The term “Settlement Price” shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last day of the trading shall be determined in accordance with the procedures set forth in GreenX Rule 905.~~

~~1504.02. — TIME REFERENCES~~

~~For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.~~

~~1504.03. — CONTRACT UNIT~~

~~The Contract unit shall be ten (10) allowances of Seasonal NOx emissions allowances vintage 2011 (or earlier vintages) for delivery made by transfer through NAMS.~~

~~1504.04. — DELIVERY~~

~~Emission allowance delivery shall comply with all requirements for the electronic transfer of Seasonal NOx allowances through the NOx Allowance Management System. All deliveries made under this Rule shall be final and there shall be no appeal.~~

~~1504.05. — DELIVERY MONTHS~~

~~Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.~~

~~1504.06. — MINIMUM PRICE FLUCTUATIONS~~

~~Prices shall be quoted in dollars per allowance. The minimum price fluctuation shall be \$25.00 per allowance (\$250.00 per Contract). There shall be no maximum price fluctuation.~~

~~1504.07. — TERMINATION OF TRADING~~

~~Trading in the current delivery month shall cease at termination of the third Business Day prior to the last Business Day of the contract month.~~

~~1504.08. — RESERVED~~

~~1504.09. — DELIVERY PROCEDURES~~

~~By transferring Seasonal NOX allowances to the Clearing House, the Seller represents and warrants that, at the time of delivery, it has good and marketable title to such Seasonal NOX allowances, and that such Seasonal NOX allowances are free and clear of all liens, security interests, claims, encumbrances and adverse claims. A Clearing Member that breaches its representation and warranty in this Rule 1504.09, shall be liable to the Clearing House and Exchange for their respective losses arising from such breach.~~

~~(a) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS~~

~~(i) NOTICE OF INTENTION TO ACCEPT~~

~~By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include the Name of the Buyer's Customer, Number of Contracts to be accepted, and any additional information as may be required by the Exchange.~~

~~By 4:00 p.m. on Notice Day, the Buyer shall provide the Seller with the following information: NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.~~

~~(b) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS~~

~~(i) NOTICE OF INTENTION TO DELIVER~~

~~By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Name of the Seller's Customer; Number of Contracts to be delivered; NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account, and any information as may be required by the Exchange.~~

~~(ii) INFORMATION PROVIDED BY SELLER TO BUYER~~

~~By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: NAMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.~~

~~(c) USE OF SETTLEMENT PRICE: The final settlement price used for the delivery shall be the settlement price from the final day of trading.~~

~~(d) Notice Day~~

~~(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.~~

~~(ii) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 2:00 p.m. on the second Business Day prior to the last Business Day of the delivery month.~~

~~(iii) The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.~~

~~**1504.10. — DELIVERY PERIOD**~~

~~Delivery shall take place on one Business Day prior to the last Business Day of the delivery month.~~

~~**1504.11. — VALIDITY OF DOCUMENTS**~~

~~The Exchange makes no representation respecting the authenticity, validity or accuracy of any Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.~~

~~**1504.12. — EXCHANGE OF FUTURES FOR RELATED POSITIONS**~~

~~Any Exchange of Futures for Related Positions (“EFRP”) shall be governed by the provisions of GreenX Rule 603.~~

~~An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.~~

~~**1504.13. — ALTERNATIVE DELIVERY PROCEDURE**~~

~~A Seller’s Customer or Buyer’s Customer may agree with the Buyer’s Customer or the Seller’s Customer with which it has been matched by the Exchange under Rule 1505.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.~~

~~In executing such Alternative Notice of Intention to Deliver, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.~~

~~**1504.14. — FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM**~~

~~(a) DEFINITION. As used in this Rule 1505.14, the following terms, as well as variations thereof, shall have the meaning described below:~~

~~(i) “Late Performance” shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by, a Seller or a Buyer will be deemed a Failure to Perform.~~

~~(ii) “Day of Late Performance” shall mean the twenty four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.~~

~~(iii) “Failure to Perform” shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.~~

~~(iv) “Contract Value” shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 10 (the number of allowances per Contract) times the number of Contracts to be delivered.~~

~~(v) (A) — “Party” shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.~~

~~(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.~~

~~(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.~~

~~(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY~~

~~(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.~~

~~(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.~~

~~(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE~~

~~(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:~~

~~(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;~~

~~(B) Upon the written request of both the Buyer and the Seller;~~

~~(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or~~

~~(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.~~

~~(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.~~

~~(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.~~

~~(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.~~

~~(d) EXCHANGE ACTION~~

~~(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.~~

~~(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of~~

Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.

(iii) (A) ~~— A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.~~

(B) ~~The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.~~

(C) ~~Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (d)(iii)(A) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.~~

(iv) ~~Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.~~

(v) ~~In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.~~

(vi) ~~The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:~~

(A) ~~At a date to be set by order of the Assessment Appeal Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.~~

(B) ~~At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.~~

(C) ~~The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.~~

(D) ~~The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.~~

(E) ~~The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.~~

(F) ~~The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Assessment Appeal Panel shall~~

~~constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.~~

~~(G) The Assessment Appeal Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.~~

~~(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.~~

~~(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.~~

~~(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Chief Executive Officer shall constitute the final disciplinary action of the Exchange.~~

(e) ARBITRATION PROCEDURE

(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.

(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.

(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.

~~RULE 1506. — Annual NOx Emissions Allowance Vintage 2009 Futures~~

~~1506.01. — SCOPE~~

~~The provisions of these rules shall apply to all Annual NOx emissions allowances vintage 2009 (or earlier vintages) bought or sold for future delivery on the Exchange with the Delivery at the U.S. Environmental Protection Agency's (EPA) NOx Allowance Management System (NAMS).~~

~~1506.01A. — DEFINITIONS~~

~~(a) “EPA” means the U.S. Environmental Protection Agency or any successor agency with similar jurisdiction.~~

~~(b) “Annual NOx Allowance” refers to a tradable permit to emit NOx from January 1 to December 31 in a given or subsequent calendar year under the Clean Air Interstate Rule (CAIR) Annual NOx Budget Trading Program as specified further by EPA.~~

~~(c) “NOx Allowance Management System” (“NAMS”) means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.~~

~~(d) “Vintage Year” means the first calendar year for which the allowance may be utilized for compliance.~~

~~(e) The terms “Seller” and “Buyer” shall mean the short Clearing Member and the long Clearing Member, respectively.~~

~~(f) The terms “Seller’s Customer” and “Buyer’s Customer” shall mean the seller and buyer of the physical product or swap transaction.~~

~~(g) The term “Settlement Price” shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last day of the trading shall be determined in accordance with the procedures set forth in GreenX Rule 905.~~

~~1506.02. — TIME REFERENCES~~

~~For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.~~

~~1506.03. — CONTRACT UNIT~~

~~The Contract unit shall be ten (10) allowances of Annual NOx emissions allowances vintage 2009 (or earlier vintages) for delivery made by transfer through NAMS.~~

~~1506.04. — DELIVERY~~

~~Emission allowance delivery shall comply with all requirements for the electronic transfer of Annual NOx allowances through the NOx Allowance Management System. All deliveries made under this Rule shall be final and there shall be no appeal.~~

~~1506.05. — DELIVERY MONTHS~~

~~Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.~~

~~1506.06. — MINIMUM PRICE FLUCTUATIONS~~

~~Prices shall be quoted in dollars per allowance. The minimum price fluctuation shall be \$25.00 per allowance (\$250.00 per Contract). There shall be no maximum price fluctuation.~~

~~1506.07. — TERMINATION OF TRADING~~

~~Trading in the current delivery month shall cease at termination of the third Business Day prior to the last Business Day of the contract month.~~

~~1506.08. — RESERVED~~

~~1506.09. — DELIVERY PROCEDURES~~

~~By transferring Annual NOX allowances to the Clearing House, the Seller represents and warrants that, at the time of delivery, it has good and marketable title to such Annual NOX allowances, and that such Annual NOX allowances are free and clear of all liens, security interests, claims, encumbrances and adverse claims. A Clearing Member that breaches its representation and warranty in this Rule 1506.09, shall be liable to the Clearing House and Exchange for their respective losses arising from such breach.~~

~~(a) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS~~

~~(i) NOTICE OF INTENTION TO ACCEPT~~

~~By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include the Name of the Buyer's Customer, Number of Contracts to be accepted, and any additional information as may be required by the Exchange.~~

~~By 4:00 p.m. on Notice Day, the Buyer shall provide the Seller with the following information: NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.~~

~~(b) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS~~

~~(i) NOTICE OF INTENTION TO DELIVER~~

~~By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Name of the Seller's Customer; Number of Contracts to be delivered; NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account, and any information as may be required by the Exchange.~~

~~(ii) INFORMATION PROVIDED BY SELLER TO BUYER~~

~~By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: NAMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.~~

~~(c) USE OF SETTLEMENT PRICE: The final settlement price used for the delivery shall be the settlement price from the final day of trading.~~

~~(d) Notice Day~~

~~(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.~~

~~(ii) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 2:00 p.m. on the second Business Day prior to the last Business Day of the delivery month.~~

~~(iii) The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.~~

~~(e) Payment and Delivery Margins~~

(i) ~~Definitions~~

(A) ~~“Payment” shall include the settlement price times the number of Contracts times 10.~~

(B) ~~“Payment Date” shall mean the Business Day after the Buyer’s Customer receipt of proper notification from the NAMS that allowances have been transferred from the Seller’s Customer account to the Buyer’s Customer account, provided documentation is supplied to the Buyer’s Customer by no later than 2:00 p.m. Documentation supplied to Buyer after 2:00 noon on any Exchange Business Day, shall be considered received on the following Exchange Business Day.~~

(C) ~~On the Business Day following the last day of trading, the long Clearing Member shall obtain from the long, if any, margin equal to the full value of the product to be delivered. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and shall be drawn in favor of the Clearing House.~~

(D) ~~The Buyer shall pay the Seller at the office of the Seller by a certified check or electronic funds transfer, or any other method acceptable to both parties by 12:00 p.m. on the payment date.~~

(E) ~~The Buyer and Seller shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins, which shall not be greater than the margins charged to the Buyer’s Customer and Seller’s Customer, shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed.~~

(F) ~~On the Payment Date, The Seller shall deliver a Notice of Payment to the Buyer with a copy to the Exchange by 4:30 p.m. Upon receipt of such notice the delivery shall be complete.~~

(G) ~~Any payment made on Payment Date shall be based on allowances actually delivered.~~

(f) ~~Delivery Day~~

~~The day the Buyer’s customer receives the allowances shall be referred to as the Delivery Day.~~

~~**1506.10. — DELIVERY PERIOD**~~

~~Delivery shall take place on one Business Day prior to the last Business Day of the delivery month.~~

~~**1506.11. — VALIDITY OF DOCUMENTS**~~

~~The Exchange makes no representation respecting the authenticity, validity or accuracy of any Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.~~

~~**1506.12. — EXCHANGE OF FUTURES FOR RELATED POSITIONS**~~

~~Any Exchange of Futures for Related Positions (“EFRP”) shall be governed by the provisions of GreenX Rule 603.~~

~~An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.~~

~~1506.13. ALTERNATIVE DELIVERY PROCEDURE~~

~~A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or the Seller's Customer with which it has been matched by the Exchange under Rule 1506.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.~~

~~In executing such Alternative Notice of Intention to Deliver, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.~~

~~1506.14. FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM~~

~~(a) DEFINITION. As used in this Rule 1506.14, the following terms, as well as variations thereof, shall have the meaning described below.~~

~~(i) "Late Performance" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by, a Seller or a Buyer will be deemed a Failure to Perform.~~

~~(ii) "Day of Late Performance" shall mean the twenty four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.~~

~~(iii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.~~

~~(iv) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 10 (the number of allowances per Contract) times the number of Contracts to be delivered.~~

~~(v) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.~~

~~(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.~~

~~(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.~~

~~(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY~~

~~(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.~~

~~(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.~~

~~(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE~~

~~(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:~~

~~(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;~~

~~(B) Upon the written request of both the Buyer and the Seller;~~

~~(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or~~

~~(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.~~

~~(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.~~

~~(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.~~

~~(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.~~

~~(d) EXCHANGE ACTION~~

~~(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.~~

~~(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.~~

~~(iii) (A) — A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.~~

~~(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.~~

~~(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (d)(iii)(A) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to~~

~~pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.~~

~~(iv) Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.~~

~~(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.~~

~~(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:~~

~~(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.~~

~~(B) At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.~~

~~(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.~~

~~(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.~~

~~(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.~~

~~(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.~~

~~(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.~~

~~(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.~~

~~(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.~~

~~(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Chief Executive Officer shall constitute the final disciplinary action of the Exchange.~~

(e) ARBITRATION PROCEDURE

~~(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.~~

~~(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.~~

~~(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.~~

~~RULE 1507. — Annual NOx Emissions Allowance Vintage 2010 Futures~~

~~1507.01. — SCOPE~~

~~The provisions of these rules shall apply to all Annual NOx emissions allowances vintage 2010 (or earlier vintages) bought or sold for future delivery on the Exchange with the Delivery at the U.S. Environmental Protection Agency's (EPA) NOx Allowance Management System (NAMS).~~

~~1507.01A. — DEFINITIONS~~

~~(a) “EPA” means the U.S. Environmental Protection Agency or any successor agency with similar jurisdiction.~~

~~(b) “Annual NOx Allowance” refers to a tradable permit to emit NOx from January 1 to December 31 in a given or subsequent calendar year under the Clean Air Interstate Rule (CAIR) Annual NOx Budget Trading Program as specified further by EPA.~~

~~(c) “NOx Allowance Management System” (“NAMS”) means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.~~

~~(d) “Vintage Year” means the first calendar year for which the allowance may be utilized for compliance.~~

~~(e) The terms “Seller” and “Buyer” shall mean the short Clearing Member and the long Clearing Member, respectively.~~

~~(f) The terms “Seller’s Customer” and “Buyer’s Customer” shall mean the seller and buyer of the physical product or swap transaction.~~

~~(g) The term “Settlement Price” shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last day of the trading shall be determined in accordance with the procedures set forth in GreenX Rule 905.~~

~~1507.02. — TIME REFERENCES~~

~~For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.~~

~~1507.03. — CONTRACT UNIT~~

~~The Contract unit shall be ten (10) allowances of Annual NOx emissions allowances vintage 2010 (or earlier vintages) for delivery made by transfer through NAMS.~~

~~1507.04. — DELIVERY~~

~~Emission allowance delivery shall comply with all requirements for the electronic transfer of Annual NOx allowances through the NOx Allowance Management System. All deliveries made under this Rule shall be final and there shall be no appeal.~~

~~1507.05. — DELIVERY MONTHS~~

~~Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.~~

~~1507.06. — MINIMUM PRICE FLUCTUATIONS~~

~~Prices shall be quoted in dollars per allowance. The minimum price fluctuation shall be \$25.00 per allowance (\$250.00 per Contract). There shall be no maximum price fluctuation.~~

~~1507.07. — TERMINATION OF TRADING~~

~~Trading in the current delivery month shall cease at termination of the third Business Day prior to the last Business Day of the contract month.~~

~~1507.08. — RESERVED~~

~~1507.09. — DELIVERY PROCEDURES~~

~~By transferring Annual NOX allowances to the Clearing House, the Seller represents and warrants that, at the time of delivery, it has good and marketable title to such Annual NOX allowances, and that such Annual NOX allowances are free and clear of all liens, security interests, claims, encumbrances and adverse claims. A Clearing Member that breaches its representation and warranty in this Rule 1507.09, shall be liable to the Clearing House and Exchange for their respective losses arising from such breach.~~

(a) ~~RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS~~

(i) ~~NOTICE OF INTENTION TO ACCEPT~~

~~By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include the Name of the Buyer's Customer, Number of Contracts to be accepted, and any additional information as may be required by the Exchange.~~

~~By 4:00 p.m. on Notice Day, the Buyer shall provide the Seller with the following information: NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.~~

(b) ~~RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS~~

(i) ~~NOTICE OF INTENTION TO DELIVER~~

~~By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Name of the Seller's Customer; Number of Contracts to be delivered; NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account, and any information as may be required by the Exchange.~~

(ii) ~~INFORMATION PROVIDED BY SELLER TO BUYER~~

~~By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: NAMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.~~

(c) ~~USE OF SETTLEMENT PRICE: The final settlement price used for the delivery shall be the settlement price from the final day of trading.~~

(d) ~~Notice Day~~

(i) ~~The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.~~

(ii) ~~The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 2:00 p.m. on the second Business Day prior to the last Business Day of the delivery month.~~

(iii) ~~The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.~~

(e) ~~Payment and Delivery Margins~~

(i) ~~Definitions~~

(A) ~~“Payment” shall include the settlement price times the number of Contracts times 10.~~

(B) ~~“Payment Date” shall mean the Business Day after the Buyer’s Customer receipt of proper notification from the NAMS that allowances have been transferred from the Seller’s Customer account to the Buyer’s Customer account, provided documentation is supplied to the Buyer’s Customer by no later than 2:00 p.m. Documentation supplied to Buyer after 2:00 noon on any Exchange Business Day, shall be considered received on the following Exchange Business Day.~~

(C) ~~On the Business Day following the last day of trading, the long Clearing Member shall obtain from the long, if any, margin equal to the full value of the product to be delivered. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and shall be drawn in favor of the Clearing House.~~

(D) ~~The Buyer shall pay the Seller at the office of the Seller by a certified check or electronic funds transfer, or any other method acceptable to both parties by 12:00 p.m. on the payment date.~~

(E) ~~The Buyer and Seller shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins, which shall not be greater than the margins charged to the Buyer’s Customer and Seller’s Customer, shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed.~~

(F) ~~On the Payment Date, The Seller shall deliver a Notice of Payment to the Buyer with a copy to the Exchange by 4:30 p.m. Upon receipt of such notice the delivery shall be complete.~~

(G) ~~Any payment made on Payment Date shall be based on allowances actually delivered.~~

(f) ~~Delivery Day~~

~~The day the Buyer’s customer receives the allowances shall be referred to as the Delivery Day.~~

~~**1507.10. — DELIVERY PERIOD**~~

~~Delivery shall take place on one Business Day prior to the last Business Day of the delivery month.~~

~~**1507.11. — VALIDITY OF DOCUMENTS**~~

~~The Exchange makes no representation respecting the authenticity, validity or accuracy of any Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.~~

~~**1507.12. — EXCHANGE OF FUTURES FOR RELATED POSITIONS**~~

~~Any Exchange of Futures for Related Positions (“EFRP”) shall be governed by the provisions of GreenX Rule 603.~~

~~An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.~~

~~1507.13. ALTERNATIVE DELIVERY PROCEDURE~~

~~A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or the Seller's Customer with which it has been matched by the Exchange under Rule 1507.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.~~

~~In executing such Alternative Notice of Intention to Deliver, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.~~

~~1507.14. FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM~~

~~(a) DEFINITION. As used in this Rule 1507.14, the following terms, as well as variations thereof, shall have the meaning described below.~~

~~(i) "Late Performance" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days. Late Performance beyond three Business Days by, a Seller or a Buyer will be deemed a Failure to Perform.~~

~~(ii) "Day of Late Performance" shall mean the twenty four hour period commencing immediately after a Buyer, a Seller, or the Clearing House was to have performed. Each subsequent Day of Late Performance shall commence twenty four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act was to have performed shall be a Day of Late Performance.~~

~~(iii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.~~

~~(iv) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 10 (the number of allowances per Contract) times the number of Contracts to be delivered.~~

~~(v) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.~~

~~(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.~~

~~(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.~~

~~(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY~~

~~(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.~~

~~(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.~~

~~(c) EMISSIONS ALLOWANCE DELIVERY COMMITTEE~~

~~(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:~~

~~(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;~~

~~(B) Upon the written request of both the Buyer and the Seller;~~

~~(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or~~

~~(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.~~

~~(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.~~

~~(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.~~

~~(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.~~

~~(d) EXCHANGE ACTION~~

~~(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.~~

~~(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.~~

~~(iii) (A) — A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.~~

~~(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.~~

~~(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (d)(iii)(A) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to~~

~~pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.~~

~~(iv) Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.~~

~~(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.~~

~~(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:~~

~~(A) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.~~

~~(B) At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.~~

~~(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.~~

~~(D) (d) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.~~

~~(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.~~

~~(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.~~

~~(G) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.~~

~~(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.~~

~~(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.~~

~~(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Chief Executive Officer shall constitute the final disciplinary action of the Exchange.~~

(e) ~~ARBITRATION PROCEDURE~~

~~(i) Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.~~

~~(ii) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.~~

~~(iii) The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.~~

~~1508. Annual NOx Emissions Allowance Vintage 2011 Futures~~

~~1508.01. SCOPE~~

~~The provisions of these rules shall apply to all Annual NOx emissions allowances vintage 2011 (or earlier vintages) bought or sold for future delivery on the Exchange with the Delivery at the U.S. Environmental Protection Agency's (EPA) NOx Allowance Management System (NAMS).~~

~~1508.01A. DEFINITIONS~~

~~(a) "EPA" means the U.S. Environmental Protection Agency or any successor agency with similar jurisdiction.~~

~~(b) "Annual NOx Allowance" refers to a tradable permit to emit NOx from January 1 to December 31 in a given or subsequent calendar year under the Clean Air Interstate Rule (CAIR) Annual NOx Budget Trading Program as specified further by EPA.~~

~~(c) "NOx Allowance Management System" ("NAMS") means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.~~

~~(d) "Vintage Year" means the first calendar year for which the allowance may be utilized for compliance.~~

~~(e) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.~~

~~(f) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product or swap transaction.~~

~~(g) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the last trading day of the expiring delivery month. The settlement price for the last day of the trading shall be determined in accordance with the procedures set forth in GreenX Rule 905.~~

~~1508.02. TIME REFERENCES~~

~~For purposes of this Rule, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in New York.~~

~~1508.03. CONTRACT UNIT~~

~~The Contract unit shall be ten (10) allowances of Annual NOx emissions allowances vintage 2011 (or earlier vintages) for delivery made by transfer through NAMS.~~

~~1508.04. DELIVERY~~

~~Emission allowance delivery shall comply with all requirements for the electronic transfer of Annual NOX allowances through the NOX Allowance Management System. All deliveries made under this Rule shall be final and there shall be no appeal.~~

~~1508.05. DELIVERY MONTHS~~

~~Trading shall be conducted in Contracts providing for delivery in such periods as shall be determined by the Exchange.~~

~~1508.06. MINIMUM PRICE FLUCTUATIONS~~

~~Prices shall be quoted in dollars per allowance. The minimum price fluctuation shall be \$25.00 per allowance (\$250.00 per Contract). There shall be no maximum price fluctuation.~~

~~1508.07. — TERMINATION OF TRADING~~

~~Trading in the current delivery month shall cease at termination of the third Business Day prior to the last Business Day of the contract month.~~

~~1508.08. — RESERVED~~

~~1508.09. — DELIVERY PROCEDURES~~

~~By transferring Annual NOX allowances to the Clearing House, the Seller represents and warrants that, at the time of delivery, it has good and marketable title to such Annual NOX allowances, and that such Annual NOX allowances are free and clear of all liens, security interests, claims, encumbrances and adverse claims. A Clearing Member that breaches its representation and warranty in this Rule 1508.09, shall be liable to the Clearing House and Exchange for their respective losses arising from such breach.~~

~~(a) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS~~

~~(i) NOTICE OF INTENTION TO ACCEPT~~

~~By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include the Name of the Buyer's Customer, Number of Contracts to be accepted, and any additional information as may be required by the Exchange.~~

~~By 4:00 p.m. on Notice Day, the Buyer shall provide the Seller with the following information: NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.~~

~~(b) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS~~

~~(i) NOTICE OF INTENTION TO DELIVER~~

~~By 11:30 a.m. on the second Business Day prior to the last Business Day of an expiring delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form prescribed by the Exchange and shall include: Name of the Seller's Customer; Number of Contracts to be delivered; NAMS Account Number; Vintage Year; Name; Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account, and any information as may be required by the Exchange.~~

~~(ii) INFORMATION PROVIDED BY SELLER TO BUYER~~

~~By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: NAMS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NAMS account.~~

~~(c) USE OF SETTLEMENT PRICE: The final settlement price used for the delivery shall be the settlement price from the final day of trading.~~

~~(d) Notice Day~~

~~(i) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.~~

~~(ii) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 2:00 p.m. on the second Business Day prior to the last Business Day of the delivery month.~~

~~(iii) The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.~~

~~(e) Payment and Delivery Margins~~

(i) ~~Definitions~~

(A) ~~“Payment” shall include the settlement price times the number of Contracts times 10.~~

(B) ~~“Payment Date” shall mean the Business Day after the Buyer’s Customer receipt of proper notification from the NAMS that allowances have been transferred from the Seller’s Customer account to the Buyer’s Customer account, provided documentation is supplied to the Buyer’s Customer by no later than 2:00 p.m. Documentation supplied to Buyer after 2:00 noon on any Exchange Business Day, shall be considered received on the following Exchange Business Day.~~

(C) ~~On the Business Day following the last day of trading, the long Clearing Member shall obtain from the long, if any, margin equal to the full value of the product to be delivered. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten (10) years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and shall be drawn in favor of the Clearing House.~~

(D) ~~The Buyer shall pay the Seller at the office of the Seller by a certified check or electronic funds transfer, or any other method acceptable to both parties by 12:00 p.m. on the payment date.~~

(E) ~~The Buyer and Seller shall deposit with the Clearing House margins in such amounts and in such form as required by the Clearing House. Such margins, which shall not be greater than the margins charged to the Buyer’s Customer and Seller’s Customer, shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed.~~

(F) ~~On the Payment Date, The Seller shall deliver a Notice of Payment to the Buyer with a copy to the Exchange by 4:30 p.m. Upon receipt of such notice the delivery shall be complete.~~

(G) ~~Any payment made on Payment Date shall be based on allowances actually delivered.~~

(f) ~~Delivery Day~~

~~The day the Buyer’s customer receives the allowances shall be referred to as the Delivery Day.~~

~~**1508.10. — DELIVERY PERIOD**~~

~~Delivery shall take place on one Business Day prior to the last Business Day of the delivery month.~~

~~**1508.11. — VALIDITY OF DOCUMENTS**~~

~~The Exchange makes no representation respecting the authenticity, validity or accuracy of any Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document or instrument delivered pursuant to these rules.~~

~~**1508.12. — EXCHANGE OF FUTURES FOR RELATED POSITIONS**~~

~~Any Exchange of Futures for Related Positions (“EFRP”) shall be governed by the provisions of GreenX Rule 603.~~

~~An EFRP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract.~~

~~1508.13. ALTERNATIVE DELIVERY PROCEDURE~~

~~A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or the Seller's Customer with which it has been matched by the Exchange under Rule 1507.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Rule. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Exchange from their respective obligations under the Exchange Contracts.~~

~~In executing such Alternative Notice of Intention to Deliver, Clearing Members shall indemnify the Exchange and the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the Contracts involved.~~

~~1508.14. FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM~~

~~(a) DEFINITION. As used in this Rule 1507.14, the following terms, as well as variations thereof, shall have the meaning described below.~~

~~(i) "Late Performance" means the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, this Rule. Late Performance shall be restricted to three Business Days.~~

~~(ii) "Failure to Perform" shall mean the failure of a Buyer or a Seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.~~

~~(iii) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a Futures Contract times 10 (the number of allowances per Contract) times the number of Contracts to be delivered.~~

~~(iv) (A) "Party" shall mean a Buyer or Seller and such Buyer and Seller are each responsible to the Exchange for their obligations under these Rules and further responsible to the Exchange for the obligations of their respective customers under this Rule.~~

~~(B) "Other Party" shall mean the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.~~

~~(v) "Day of Late Performance" means the twenty four hour period commencing twelve hours after a Buyer or a Seller was to have performed, provided however, with respect to the obligations of Buyers and Sellers to submit documents to the Exchange pursuant to this Rule, and with respect to the failure to transfer allowances within the delivery period, "Day of Late Performance" means that twenty four hour period commencing immediately after the time specified in this Rule for the submission of a document. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior Day of Late Performance. When a Party is late in performance, the day when the act is performed shall be a Day of Late Performance.~~

~~(vi) "Force Majeure" shall mean any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, registry failure or act of God) which is beyond the control of such Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in these Rules.~~

~~(b) RESPONSIBILITIES OF PARTIES TO THE DELIVERY~~

~~(i) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.~~

~~(ii) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.~~

(c) ~~EMISSIONS ALLOWANCE DELIVERY COMMITTEE~~

~~(i) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Emissions Allowance Delivery Committee as set forth below. The Chairman of the Emissions Allowance Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:~~

~~(A) When the Chairman of the Emissions Allowance Delivery Committee is advised by the Chief Executive Officer or any person designated by the Chief Executive Officer that it appears that the performance of a Party to the delivery is late;~~

~~(B) Upon the written request of both the Buyer and the Seller;~~

~~(C) When the Chief Executive Officer or any person designated by the Chief Executive Officer requests such appointment; or~~

~~(D) When either Party to the delivery notifies the Exchange that circumstances exist constituting Force Majeure.~~

~~(ii) The Chairman of the Emissions Allowance Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The general counsel of the Exchange, or its designee, shall serve as advisor to the Panel.~~

~~(iii) The Panel shall meet within one Business Day of notification as provided in these Rules. Unless good cause for delay exists, within one Business Day the Panel shall determine whether Force Majeure exists, whether a Buyer or Seller is late in performing or has failed to perform its obligations as provided in this Rule, and advise the Regulatory Oversight Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.~~

~~(iv) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable order: an extension of time not to exceed ten days from the date of the scheduled delivery; or, refer the delivery to the Exchange, represented by the Regulatory Oversight Department, for emergency action as provided in Exchange Rules.~~

(d) ~~EXCHANGE ACTION~~

~~(i) Whenever a Buyer or a Seller is found by the Panel to be late in the performance of a delivery obligation, the Exchange, represented by the Regulatory Oversight Department, shall issue a Notice of Assessment, assessing a penalty of 10% of Contract value for each applicable day of Late Performance.~~

~~(ii) Whenever a Buyer or Seller is found by the Panel or otherwise deemed to have a "Failure to Perform" the Exchange, represented by the Regulatory Oversight Department shall issue a Notice of Assessment assessing penalties of twenty percent (20%) of the Contract value, in addition to any penalties assessed pursuant to subparagraph (1) above, to be paid to the Exchange.~~

~~(iii) (A) — A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Disciplinary Panel and by serving a copy of the same on the Exchange's Regulatory Oversight Department, within two Business Days of receipt of the Notice of Assessment from the Regulatory Oversight Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Chief Regulatory Officer.~~

~~(B) The Regulatory Oversight Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.~~

~~(C) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (d)(iii)(A) of this Rule shall constitute a waiver, and the penalties~~

~~set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 7. In the event a party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment, the Assessment and findings of the Emissions Allowance Delivery Committee shall constitute a final disciplinary action of the Exchange.~~

~~(iv) Within ten (10) days after receipt of Regulatory Oversight Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by Regulatory Oversight Department or are otherwise relevant to the matter.~~

~~(v) In the event of an appeal by a Party, the Chief Executive Officer, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chief Executive Officer, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.~~

~~(vi) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:~~

~~(A) At a date to be set by order of the Assessment Appeal Panel, and prior to such hearing, the Appellant and the Regulatory Oversight Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.~~

~~(B) At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.~~

~~(C) The Regulatory Oversight Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Regulatory Oversight Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.~~

~~(D) The Appellant shall be entitled to rebut the Regulatory Oversight Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.~~

~~(E) The Regulatory Oversight Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.~~

~~(F) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Assessment Appeal Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.~~

~~(G) The Assessment Appeal Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.~~

~~(H) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefore.~~

~~(I) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the CFTC.~~

~~(vii) The Assessment Appeal Panel shall consider, and make recommendations to the Chief Executive Officer, or his designee concerning acceptance or rejection of, any offer of settlement submitted~~

~~by Appellant. In the case of an offer of settlement, acceptance by the Chief Executive Officer shall constitute the final disciplinary action of the Exchange.~~

(c) ~~ARBITRATION PROCEDURE~~

(i) ~~Any claim for damages arising between a Buyer and a Seller as a result of a delivery pursuant to this Contract shall be settled by arbitration in accordance with these Rules.~~

(ii) ~~Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three Business Days of the occurrence upon which the claim is based or the decision of the Emissions Allowance Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.~~

(iii) ~~The Arbitration will be governed by Chapter 8 of the GreenX Rules except that the Chief Executive Officer or his designee shall appoint an Arbitration Panel.~~