



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

June 18, 2012

VIA E-MAIL

Mr. David Stawick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**RE: Legacy GreenX CPC Incentive Program
NYMEX Submission No. 12-206**

Dear Mr. Stawick:

New York Mercantile Exchange, Inc (“NYMEX,” the “Clearing House,” or the “Exchange”) hereby notifies the Commodity Futures Trading Commission (“Commission”) that it plans to implement a CPC Incentive Program in support of former Green Exchange, LLC (“GreenX”) products that are submitted for clearing via CME ClearPort. The proposed Program will become effective on the date when former GreenX products are formally transitioned from GreenX to NYMEX.

Exhibit 1 sets forth the terms of this Program.

NYMEX business staff responsible for the Program and the NYMEX legal department collectively reviewed the designated contract market core principles and the derivatives clearing organization core principles (collectively the “Core Principles”) as set forth in the Commodity Exchange Act (“CEA”). During the review, NYMEX staff identified the following Core Principles as potentially being impacted:

Designated Contract Market Core Principles: Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants and Compliance with Rules.

The proposed Program will not impact the Exchange’s ability to perform its trade practice and market surveillance obligations under the CEA. Nevertheless, NYMEX Market Regulation Staff will continue to monitor all market participants for any manipulative trading and/or market abuse in the Program’s products. Additionally, the Exchange has implemented systems to track Program participants’ volume to ensure proper distribution of earned incentives. The products included in the Program are listed for trading in the open and competitive market. The incentives under the Program do not adversely impact any price discovery that may be taking place in the centralized market. Specifically, incentives under the Program are only available to brokers that submit previously matched third-party trades in the relevant products. Market participants who submit trades or execute orders for their own, or through a proprietary account, are excluded from participation in the Program and are not eligible for incentives. The initiating trading party is the one who selects the venue, not the broker, and the incentives are earned by the broker well after venue selection is made. Thus, the Program does not influence the choice made by the trading parties regarding the execution venue. All participants that meet the criteria stated in Exhibit 1 may participate in the Program. Chapter 4 of the NYMEX rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The Program will be subject to these rules.

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Derivatives Clearing Organization (“DCO”) Core Principles: Financial Resources, Participant and Product Eligibility, Rule Enforcement, Recordkeeping.

The incentives in this Program will have a non-material impact on the financial resources of the Clearing House. As such, it will not prevent the Clearing House from demonstrating that it has adequate financial, operational, and managerial resources to discharge its responsibilities as a DCO. When selecting an applicant into the Program, NYMEX will take into account multiple factors from a candidate firm including those set forth in Exhibit 1. The incentives provided under the Program will not impact the Clearing House’s ability to perform its monitoring or enforcement obligations under the CEA. Chapter 4 of the NYMEX rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute an application or contractual agreement with the Clearing House in which each participant will expressly agree to comply with, and be subject to, applicable regulations and NYMEX rules. The proposed Program will be subject to the Clearing House’s records retention policies, which comply with the CEA.

NYMEX certifies that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

The Exchange certifies that this submission has been concurrently posted on the Exchange’s website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information regarding this submission, please contact Robert Lev at 312-930-3019 or via e-mail at robert.lev@cmegroup.com, or contact me at 212-299-2200. Please reference our NYMEX Submission No. 12-206 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Enclosure

EXHIBIT 1

Legacy GreenX CPC Program

Program Purpose

The Program is intended to increase volume in the products indicated below, thereby enhancing market liquidity. A more liquid contract benefits all participants in the market.

Product Scope

Any former GreenX contracts submitted for clearing via CME ClearPort ("CPC") by eligible intermediaries in accordance with the Program and cleared by the Clearing House ("Product(s)").

Eligible Participants

Eligible participants may include intermediaries such as voice brokers, introducing brokers, futures commission merchants and associated persons of the foregoing who physically submit matched trades via CPC for the account of another person. Intermediaries who submit trades or execute orders for their proprietary account are excluded from participation in the Program. Intermediaries that are otherwise eligible may be excluded if they engage in conduct deemed by the Exchange, in its sole discretion, to have an adverse effect on the Exchange, or otherwise to be harmful to the reputation or business of the Exchange, or otherwise to be contrary to the best interests of the Exchange.

Program Term

Start date is such date on which the Products are transitioned from GreenX to NYMEX. End date is January 24, 2013.

Hours

N/A

Obligations

Disclosure Requirement. Participants in the Program shall be required to provide the Exchange with daily settlement data for those products that are requested by the Exchange. The Exchange reserves the right to withhold incentives from those participants that do not comply with the request for data.

Incentives

Upon completing all obligations as determined by NYMEX, participants will be entitled to the following incentives:

1. *Rebates:*
 - (i) An eligible participant submitting a matched trade in the Products, which clears successfully, will receive 25% of the net clearing fees charged by the Exchange for the applicable transaction. The Exchange in its sole discretion will decide any disputes arising about the identity or affiliation of the participant entitled to the rebate.
 - (ii) The Exchange retains the exclusive right to determine its fees. The Exchange retains the right to establish alternative fee payment percentages on a case-by-case basis based upon volume and other market commitment factors in the Exchange's sole discretion.

Monitoring and Termination of Status

The Exchange shall monitor trading activity and participants' performance and shall retain the right to revoke Program participant status if it concludes from review that a Program participant has failed to meet its obligations or no longer meets the eligibility requirements of the Program.