



Chicago Climate Exchange

190 South LaSalle Street, Suite 1100 T 312.554.3350
Chicago, Illinois 60603 F 312.554.3373

September 17, 2008

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

Re: Chicago Climate Futures Exchange, LLC
Submission No. 08-23

OFFICE OF THE SECRETARIAT

SEP 19 11 12:06

RECEIVED
CFTC

Dear Mr. Stawick:

On August 13, 2008, Chicago Climate Futures Exchange, LLC ("CCFE" or "Exchange") submitted to the Commodity Futures Trading Commission ("CFTC" or "Commission") amendments to the CCFE Rulebook (the "Rulebook") that added Chapters 26 and 27 regarding contract specifications for CCFE's Regional Greenhouse Gas Initiative ("RGGI") futures contract and options on futures contract ("RGGI options"). (See CCFE Submission No. 08-19.)

That Submission No. 08-19 ("Submission") described CCFE's need to quickly launch the RGGI futures product to meet market user demand utilizing then-existing technology and trading screen space made available by the de-listing of its European Carbon Financial Instrument ("ECFI") futures contract. The Submission further explained that the RGGI futures contracts would be listed on the CCFE trading screen under the ECFI futures product name until such time as CCFE's futures trading platform provider, IntercontinentalExchange ("ICE"), was able to develop and provide a new trading screen with the correct RGGI futures name on it; it was noted that this would occur between September 19-30, 2008. The Submission also detailed specific actions and procedures that CCFE would undertake pursuant to discussions with Commission staff in order to implement the temporary situation. (Please note that these procedures only applied to the RGGI futures product because CCFE's options on futures products are listed on a separate trading platform which was not affected by this situation.)

CCFE hereby notifies the Commission that a new trading screen for the RGGI futures product will be available and operational as of CCFE's regular market open at 7:00 a.m., Central time, on Friday, September 19, 2008. Therefore, pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the "Act") and Part 40.6 of the regulations promulgated by the CFTC under the Act, CCFE hereby submits amendments to the CCFE Rulebook whereby the procedures described and implemented in Submission No.08-19 are no longer in effect as of CCFE's RGGI market open on Friday, September 19, 2008. Additionally, effective Friday, September 19, 2008, since the trading screen will now accurately reflect the correct RGGI futures product name, CCFE deletes Rule 2605, Error Trades, which codified CCFE's error procedures specifically regarding errors which may have occurred only due to the incorrect product label on the trading screen. CCFE's Rule 414, Error Trades, remains in effect and applies to the RGGI futures product as it does to all CCFE products.

www.chicagoclimateexchange.com

502 1468+3, NOX 4862-2 VOC 1124+3, PM10 4322-6, CH4 1268+77, N2O 1898+77, SF6 20000+800 CO2 618+1, S02 1468+3, NOX 4862-2 VOC 1124+3, PM10 4322-6, CH4 1268+77, N2O 1898+77, SF6 20000+800

forests +75pts Biodiversity +210pts Climate Change -100pts Acid Rain -158pts Air Quality +48pts Weather +90pts Rainforests +75pts Biodiversity +210pts Climate Change -100pts Acid Rain -158pts Air Quality +48pts Weather



Attached hereto, please find a marked copy of Chapter 26 and CCFE Advisory 2008-25 notifying the marketplace of the availability and operation of the new CCFE RGGI futures product trading screen.

The Exchange certifies that these amendments neither violate nor are inconsistent with any portion of the Act or of the rules thereunder.

Should you require additional information regarding this submission, please contact me at 312.554.0812. Please reference our submission number 08-19 in any related correspondence.

23

Very truly yours,

A handwritten signature in black ink, appearing to read "Ann M. Cresce", written over a horizontal line.

Ann M. Cresce
Senior Vice President & General Counsel

bal
enc.

cc: Riva Adriance
Bella Rozenberg
Gregory Price
Kevin Pepple

CHAPTER 26
REGIONAL GREENHOUSE GAS INITIATIVE FUTURES
CONTRACT SPECIFICATIONS

2601. Scope of Chapter

This Chapter applies to trading in the Regional Greenhouse Gas Initiative (“RGGI”) futures contract. The procedures for clearing, trading, settlement, and any other matters not specifically covered herein shall be governed by the generally applicable rules of the Exchange.

2602. Eligibility

Clearing members and Trading Privilege Holders trading in Regional Greenhouse Gas Initiative futures contracts must have a RGGI CO₂ Allowance Tracking System (“COATS”) account established with the RGGI CO₂ Budget Trading Program.

2603. Contract Specifications

(a) *Contract Value.* The contract size for a RGGI futures contract is equal to 1,000 RGGI CO₂ allowances representing 1,000 tons of carbon dioxide.

(b) *Schedule.*

(i) Standard-cycle Contract Listing (“Contract”). The Exchange may list for trading up to 16 consecutive quarterly contracts on a March quarterly cycle (March, June, September, December); up to 48 consecutive monthly contracts; and up to 12 annual December contracts.

CCFE may list any other calendar month contract off the standard-cycle listing schedule through the last annual December contract.

(ii) The trading hours for the RGGI Contract shall be determined by the Exchange from time to time.

(c) *Products.* Within any listed contract, CCFE may offer one or more vintage specific products having different delivery specifications as follows:

- (i) Control Period Specific Vintage
- (ii) Front-Year Vintage
- (iii) 1-Year Deferred Vintage
- (iv) 2-Year Deferred Vintage
- (v) 3-Year Deferred Vintage
- (vi) 4-Year Deferred Vintage

- (vii) Additional Deferred Vintages as determined by CCFE
- (viii) Any Previous Deferred Vintages available in the RGGI COATS

(d) *Termination of Trading (Contract Expiration).* A Contract expires on the last business day of the expiration month.

(e) *New Contract Listing.* A new standard-cycle Contract will be listed on the first business day following an expiration of a standard-cycle contract.

(f) *Minimum Tick Increment.* The minimum tick increment is \$0.01 per RGGI CO₂ allowance, which is equal to \$10.00 per contract.

(g) *Reportable Position.* Pursuant to Commission Regulation §15.03 and Commission Regulation Part 17, the position level that is required to be reported is any open position in the RGGI Contracts at the close of trading on any trading day equal to or in excess of 25 contracts net long or short.

If one (1) product within a Contract has a reportable position, all Contracts' positions must be reported.

(h) *Position Limits.* A person may not own or control more than 1,000 contracts, equivalent to 1,000,000 RGGI CO₂ allowances, on a net-futures equivalent basis, in each nearby month expiring futures product.

For the purposes of this rule, the positions of all accounts for which a person directly or indirectly controls trading shall be included, as described in Rule 409(f).

The foregoing position limit shall not apply to bona fide hedge positions meeting the requirements of the Commission Regulation § 1.3(z)(1) and the Rules of the Exchange.

(i) *Contract Modifications.* Specifications are fixed as of the first day of trading of a Contract. If any U.S. Government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall construed to take precedence and become part of these Rules, and all open and new positions in the Contracts shall be subject to such government orders.

(j) *Daily Price Limits.* None

(k) *Exchange of Future for Physical.* There is no minimum size for an Exchange of Future for Physical transaction with respect to RGGI futures contracts. The Exchange of Future for Physical must meet all requirements of, and must be reported to the Exchange in accordance with, Rule 411.

(l) *Block Trades.* Pursuant to Rule 412(a)(i), the minimum Block Trade quantity for the RGGI Contract shall be determined by the Exchange from time to time. If the Block Trade is executed as a spread or a combination, one leg must meet the minimum Block Trade quantity for the RGGI futures contract and the other legs(s) must have a contract size that is reasonably related to the leg meeting the minimum Block Trade quantity. The Block Trade must meet all requirements of, and must be reported to the Exchange in accordance with, Rule 412.

2604. Settlement Price Calculations

Contract month settlement prices will be based on the following criteria:

(a) A single traded price during the pre-close.

(b) If more than one trade occurs during the pre-close, the trade volume weighted average of the prices, rounded to the nearest tick.

(c) If no trade occurs during the pre-close, the following will be given consideration:

(v) the volume weighted average of the last two trade prices, rounded to the nearest tick;

(vi) the mid-point between the best bid and offer (volume weighted) in the pre-close, rounded to the nearest tick;

(vii) spread price relationships; and

(viii) time value between the contract months.

(d) The Exchange reserves the right to take into account other factors in determining settlement prices.

2605. Deliverable Instruments

RGGI CO₂ allowances equal to the contract size.

(a) Contracts with a Control Period Specific vintage

RGGI CO₂ allowances acceptable for delivery are those having a vintage usable for compliance in the Control Period, as defined by RGGI, associated with the calendar year of the contract expiration or allowances having a vintage usable for compliance in any prior control period.

(b) Contracts with a Specified Vintage-Year.

RGGI CO₂ allowances acceptable for delivery are allowances having a vintage corresponding to the specified vintage year.

2606. Delivery Procedures

(a) Delivery is a three day process consisting of Position Day, Notice Day, and Delivery Day occurring over three consecutive Business Days.

(i) *Position Day.* The first Business Day following a RGGI futures contract's expiration day is the day that Clearing Members must report their long futures positions and tender delivery notices to the Clearing Service Provider.

(ii) *Notice Day.* On the Business Day after the Position Day, the Clearing Service Provider will make the appropriate delivery assignments. The seller Clearing Member must provide to the buyer Clearing Member(s) a description of the underlying RGGI allowances to be delivered. The buyer Clearing Member(s) provides RGGI COATS account information to the seller Clearing Member. The information exchange is to be completed by 4:00 p.m. U.S. Central Time. The seller Clearing Member must ensure the appropriate RGGI allowances are on deposit in its or its customer's RGGI-COATS registry account by 5:00 p.m. U.S. Central Time.

(iii) *Delivery Day.* CCFE Clearing Service Provider will issue payment instructions to the respective buyer clearing member for the full contract value based upon the expiration day's settlement price in a means and manner prescribed by the Clearing Service Provider. By 3:00 p.m. U.S. Central Time, the Seller Clearing Member must ensure that it or its customer has electronically submitted the RGGI instrument transfer instructions via the RGGI-COATS system. The seller Clearing Member must forward the confirmation of the RGGI instrument transfer to the Clearing Service Provider as verification that the delivery has been completed.

(b) *Payment.* The Clearing Service Provider will release the delivery proceeds to the Seller Clearing Member upon receipt of the "CCFE Receipt of Delivery Confirmation" from the buying Clearing Member.

2607. Validity of Documents

The Exchange makes no representation regarding the authenticity, validity or accuracy of any delivery tender notice, description of underlying RGGI CO₂ allowance transfer instructions, RGGI confirmation of transfer or other document or instrument delivered pursuant to these rules.



Chicago Climate Futures Exchange

CCFE Advisory 2008-25

September 16, 2008

Re: RGGI Futures – Trading Platform Listing and Additional Futures and Options Vintage Offerings

Effective Friday, September 19, 2008, the RGGI futures product will be listed on the CCFE Trading Platform as *RGGI futures* and will cease to be listed under the ECFI futures screen name. Additional vintages and futures contract months will also be listed for trading.

On Monday, September 22, 2008, options products will be listed for the expanded vintages and contract months.

The listing and expiration calendars for the expanded vintages and contract months are available at http://www.ccfex.com/about_ccfe/products.html.

Commodity Codes:

V2009 Q3
V2010 Q4
V2011 Q5
V2012 Q6

Transaction Fees:

CCFE has implemented a transaction fee holiday for the launch of the RGGI futures and options products until further notice.

Block Trade Minimum Size:

10 contracts in any contract / product month

Margin Requirements:

\$450 / contract

Questions pertaining to this advisory may be addressed to:

Bill Boyk
312.554.1019
bboyk@ccfe.com

Michael MacGregor
312.229.5122
mmacgregor@ccfe.com

Dan Scarbrough
312. 229.5129
dscarbrough@ccfe.com



Chicago Climate Exchange

190 South LaSalle Street, Suite 1100 T 312.554.3350
Chicago, Illinois 60603 F 312.554.3373

September 17, 2008

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

Re: **Chicago Climate Futures Exchange, LLC**
Submission No. 08-23

Dear Mr. Stawick:

On August 13, 2008, Chicago Climate Futures Exchange, LLC ("CCFE" or "Exchange") submitted to the Commodity Futures Trading Commission ("CFTC" or "Commission") amendments to the CCFE Rulebook (the "Rulebook") that added Chapters 26 and 27 regarding contract specifications for CCFE's Regional Greenhouse Gas Initiative ("RGGI") futures contract and options on futures contract ("RGGI options"). (See CCFE Submission No. 08-19.)

That Submission No. 08-19 ("Submission") described CCFE's need to quickly launch the RGGI futures product to meet market user demand utilizing then-existing technology and trading screen space made available by the de-listing of its European Carbon Financial Instrument ("ECFI") futures contract. The Submission further explained that the RGGI futures contracts would be listed on the CCFE trading screen under the ECFI futures product name until such time as CCFE's futures trading platform provider, IntercontinentalExchange ("ICE"), was able to develop and provide a new trading screen with the correct RGGI futures name on it; it was noted that this would occur between September 19-30, 2008. The Submission also detailed specific actions and procedures that CCFE would undertake pursuant to discussions with Commission staff in order to implement the temporary situation. (Please note that these procedures only applied to the RGGI futures product because CCFE's options on futures products are listed on a separate trading platform which was not affected by this situation.)

CCFE hereby notifies the Commission that a new trading screen for the RGGI futures product will be available and operational as of CCFE's regular market open at 7:00 a.m., Central time, on Friday, September 19, 2008. Therefore, pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the "Act") and Part 40.6 of the regulations promulgated by the CFTC under the Act, CCFE hereby submits amendments to the CCFE Rulebook whereby the procedures described and implemented in Submission No.08-19 are no longer in effect as of CCFE's RGGI market open on Friday, September 19, 2008. Additionally, effective Friday, September 19, 2008, since the trading screen will now accurately reflect the correct RGGI futures product name, CCFE deletes Rule 2605, Error Trades, which codified CCFE's error procedures specifically regarding errors which may have occurred only due to the incorrect product label on the trading screen. CCFE's Rule 414, Error Trades, remains in effect and applies to the RGGI futures product as it does to all CCFE products.

www.chicagoclimateexchange.com

S02 146⁰₈+3², NOX 486³₉-2 VOC 1124+3¹₂ PM10 4322-6¹₄ CH4 126⁸₉+77¹₂ N2O 1898³₉+77¹₂ SF6 20000+800 CO2 6¹₈+1 S02 146⁰₈+3², NOX 486³₉-2 VOC 1124+3¹₂ PM10 4322-6¹₄ CH4 126⁸₉+77¹₂ N2O 1898³₉+77¹₂ SF6 200

forests +75pts Biodiversity +210pts Climate Change -100pts Acid Rain -158pts Air Quality +45pts Weather +90pts Rainforests +75pts Biodiversity +210pts Climate Change -100pts Acid Rain -158pts Air Quality +45pts Weather



Attached hereto, please find a marked copy of Chapter 26 and CCFE Advisory 2008-25 notifying the marketplace of the availability and operation of the new CCFE RGGI futures product trading screen.

The Exchange certifies that these amendments neither violate nor are inconsistent with any portion of the Act or of the rules thereunder.

Should you require additional information regarding this submission, please contact me at 312.554.0812. Please reference our submission number 08-19 in any related correspondence.

23

Very truly yours,

A handwritten signature in black ink, appearing to read "Ann M. Cresce", written over a horizontal line.

Ann M. Cresce
Senior Vice President & General Counsel

bal
enc.

cc: Riva Adriance
Bella Rozenberg
Gregory Price
Kevin Pepple

www.chicagoclimateexchange.com

SO2 146³g⁻³, NOX 486³g⁻² VOC 1124+3² PM10 4322-6¹ CH4 128³g⁺⁷⁷¹₂ N2O 1898³g⁺⁷⁷¹₂ SF6 20000+800 CO2 6³g⁺¹, SO2 146³g⁻³, NOX 486³g⁻² VOC 1124+3² PM10 4322-6¹ CH4 128³g⁺⁷⁷¹₂ N2O 1898³g⁺⁷⁷¹₂ SF6 20000+800
Forests +75pts Biodiversity +210pts Climate Change -100pts Acid Rain -158pts Air Quality +45pts Weather +90pts Rainforests +75pts Biodiversity +210pts Climate Change -100pts Acid Rain -158pts Air Quality +45pts Weather