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

Submission No. 13-97
October 22, 2013

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

Re: New Environmental Futures and Options Contracts and Related Amendments
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.2 and 40.6(a)

Dear Ms. Jurgens:

Pursuant to Commission Regulations 40.2 and 40.6(a), ICE Futures U.S., Inc. ("Exchange") submits, by written certification, new Rules 18.E.053 through 18.E.058, and amendments to Rules 18.D.016, 18.C.001-003, 18.D.011, 18.D.015, 18.E.047, Resolutions 1 and 2 of Chapter 18, Appendix II of Chapter 27 and the Exchange's Block Trade Procedures, which are codified in the Exchange's Block Trade FAQ, as set forth in Exhibit A. The new rules and amendments provide for 22 new environmental futures and options, which will be listed on November 11, 2013 and amendments to one existing environmental futures contracts, as described below.

Regional Greenhouse Gas Initiative Futures and Options Vintage-Year

The Regional Greenhouse Gas Initiative ("RGGI") futures and options contracts are carbon emission allowance contracts. The Exchange currently lists both RGGI futures and options contracts which deliver annual vintages for the years 2009-2013. The term "vintage" identifies the compliance year for which an allowance is designated. Amendments to Exchange Rule 18.D.011 and 18.E.047 list RGGI futures and options contracts for the vintage-year 2014.

All contract specifications for the new 2014 vintage-year future and option contracts, such as the contract size, listing cycle, quotation basis, minimum price fluctuation, no-cancellation range (RGGI futures -$0.10, RGGI options - 20% of FMV to max of $0.10), interval price level ("IPL") Amount ($1.00), IPL Recalculation Time (3 seconds), IPL Hold Period (5 seconds) and trading hours (7:50PM to 6:05PM the next day) match those for the 2013 RGGI future and option contracts currently listed by the Exchange. In addition, the Exchange Block Trade Procedures currently provide a minimum block size of 10 contracts for all RGGI futures and options contracts. As described in the Cash Market and Deliverable Supply Analysis attached hereto as Exhibit B, spot month position limits are being set at 10,000 contracts which represents approximately 5% of estimated deliverable supply.

New Jersey Solar Renewable Credit Futures Vintage-Year and New Options Contracts

The New Jersey Solar Renewable Energy Certificate ("NJ SRECs") futures contract provides for delivery of eligible solar renewable energy certificates ("SRECs") under applicable New Jersey law. The Exchange currently lists futures contracts for the 2013, 2014 and 2015 vintage-years. The amendments to Exchange Rule 18.D.015 list the 2016, 2017 and 2018 vintage-years. All contract specifications for the new vintage-years, such as the contract size, listing cycle, quotation basis, minimum price fluctuation, no-

cancellation range ($5.00), IPL Amount ($30.00), IPL Recalculation Time (3 seconds), IPL Hold Period (5 seconds) and trading hours (7:50PM to 6:05PM the next day) match those for the other NJ SREC futures and options contracts currently listed by the Exchange. In addition, the Exchange Block Trade Procedures currently provide a minimum block sizes of 10 contracts for all NJ SREC futures.

New Rule 18.E.053 provides the specifications for NJ SREC option contracts for vintage-years 2013 through 2018, which are being listed by the Exchange. The options will expire into the underlying futures contract. Other contract specifications such as listing cycle, quotation basis, minimum price fluctuation, block trade minimum size and trading hours (7:50PM to 6:05PM the next day) are identical to NJ SREC Futures. The NCR for NJ SREC Options will be set at 20% of FMV up to $1.00.

As described in the Cash Market and Deliverable Supply Analysis attached hereto as Exhibit B, spot month position limits for the new NJ SREC Futures and Options are being set at 10,000 contracts which represents approximately 5% of estimated deliverable supply.

Options on New Jersey, Connecticut and Massachusetts Compliance Renewable Energy Certificated Class 1 Futures

The states of New Jersey, Connecticut and Massachusetts each have legislation that requires the sellers of retail electricity to acquire certificates produced by renewable energy generation in amounts that are related to their retail sales. The Exchange currently lists a futures contract requiring physical delivery of Class 1 Renewable Energy Certificates ("REC") for each of the aforementioned states (see ICE Futures U.S. Submission No. 12-45). By definition, Class 1 RECs are generated from solar energy, wind energy, certain fuel cells, landfill methane, ocean thermal, wave or tidal power, low emission advanced renewable energy, certain hydropower and certain biomass facilities.

New Rules 18.E.054, 055 and 056 provide the specifications for Compliance REC Class 1 option contracts for New Jersey, Connecticut and Massachusetts. The options will expire into the corresponding underlying futures contract. Other contract specifications such as listing cycle, quotation basis, minimum price fluctuation, minimum block size and trading hours (7:50PM to 6:05PM the next day) are the same as the underlying futures contract. In addition, the maximum position limit levels for the options are the same as those for the underlying futures contracts, as listed in the chart below.

Contract	Spot Month	Single Month Accountability Level	All Month Accountability Level	NCR
Option on **New Jersey** Compliance Renewable Energy Certificated Class 1 Futures	1,000	8,000	16,000	20% of Premium FMV up to 0.25
Option on **Connecticut** Compliance Renewable Energy Certificated Class 1 Futures	1,000	6,000	12,000	20% of Premium FMV up to 1.00
Option on **Massachusetts** Compliance Renewable Energy Certificated Class 1 Futures	1,000	6,000	12,000	20% of Premium FMV up to 1.00

Texas Compliance Renewable Energy Credits Futures and Options on Texas Compliance Renewable Energy Certificates Futures

The Exchange also currently lists the Texas Compliance Renewable Energy Certificate futures contract, which provides for the delivery of certain RECs that are eligible to meet the designation under applicable Texas law. Like the other state programs described above, certain entities in Texas are required to obtain RECs on an annual basis. The current futures contract is structured to allow for the delivery of banked allowances. For the January and February expiries the contract allows delivery of RECs that were generated in the three prior calendar years. For contracts which expire from March

through December the product allows for RECs generated in the year of product expiry and the two prior calendar years.

While this contract design matches the program rules, it does not match bilateral trading convention. Amendments to Rule 18.D.016 will allow only the most prompt RECs to be deliverable. For the January through April contracts eligible RECs will be only those generated in the prior calendar year. For contracts that expire from May through December, deliverable RECs are only those generated in the current calendar year. This convention matches the current bilateral trading convention. The Exchange estimates that 80% of trading in the bilateral markets is for prompt year RECs.

As a result of the amendment, the pool of deliverable supply will be reduced. As described in the Cash Market and Deliverable Supply Analysis attached hereto as Exhibit B, spot month position limits are being reduced to 5,000 contracts, which represents 5% of the deliverable supply. All other contract terms remain unchanged. The amendments will become effective on November 11, 2013 beginning with the December 2013 delivery or the first expiry with no open interest.

New Rule 18.E.057 provides the specifics for the Texas REC option contracts. The options will expire into the underlying futures contract. Other contract specifications such as listing cycle, quotation basis, minimum price fluctuation, position limits, minimum block size and trading hours (7:50PM to 6:05PM the next day) are identical to Texas REC Futures. The NCR for Texas REC Options will be set at 20% of FMV up to 0.25.

New Financial Environmental Futures Contracts

In April, the Exchange listed three cash-settled environmental futures contracts that are based upon Renewable Information Number ("RIN") certificates, which are generated for each qualifying gallon of renewable fuel created under a program established by the Energy Policy Act of 2005 and subsequently revised by the Energy Independence and Security Act of 2007 (see ICE Futures U.S. Submission No. 13-37). The futures contracts listed by the Exchange correspond to three different RIN types: each relates to an identified compliance fuel, the RIN D-4, RIN D-5 and RIN D-6. There are currently two vintage-years available for each RIN fuel type, 2012 and 2013. The amendments to Exchange Rules 18.C.001, 002 and 003 list the 2014 vintage-year for each fuel type.

All contract specifications for the new vintage-year, such as the contract size, listing cycle, quotation basis, minimum price fluctuation, no-cancellation range ($0.05), IPL Amount ($0.50), IPL Recalculation Time (3 seconds), IPL Hold Period (5 seconds), minimum block size and trading hours (7:50PM to 6:05PM the next day) are the same as currently listed vintages. As described in the Cash Market and Deliverable Supply Analysis, attached hereto as Exhibit B, spot month position limits are being set at 1,000, 500 and 5,000 contracts respectively for the RIN D4, RIN D5 and RIN D6 with a 2014 vintage year designation.

New Rule 18.E.058 provides the specifications for option contracts for RIN D-4, RIN D-5 and RIN D-6 for vintage-years 2013 and 2014. The options will expire into the corresponding underlying futures contract. Other contract specifications such as listing cycle, quotation basis, minimum price fluctuation, minimum block size and trading hours (7:50PM to 6:05PM the next day) are identical to the underlying futures. The NCR for RIN Options will be 20% of FMV up to $0.05 and the minimum block size will be the same level as the underlying futures contract, 50 lots. Position limits for the RIN options are also being set at the same level as the corresponding futures vintage.

Certifications

The new rules and rule amendments will become effective with the listing of the new environmental contracts on November 11, 2013. The Exchange is not aware of any substantive opposing

views to the new environmental contracts. The Exchange certifies that the rule amendments comply with the requirements of the Act and the rules and regulations promulgated thereunder. The Exchange has reviewed the designated contract market core principles ("Core Principles") as set forth in the Act and has determined that the listing of the contract complies with the following relevant Core Principles:

COMPLIANCE WITH RULES

The terms and conditions of the new environmental contracts are set forth in Rules 18.E.053 through 18.E.058, 18.C.001-003, 18.D.011, 18.D.015 and 18.E.047, Resolutions 1 and 2 of Chapter 18, Appendix II of Chapter 27 and the Exchange's Block Trade Procedures, will be enforced by the Exchange. In addition, trading of the contracts is subject to all relevant Exchange rules which are enforced by the Market Regulation Department

CONTRACTS NOT READILY SUBJECT TO MANIPULATION

The new environmental futures and options contracts and vintages are not readily subject to manipulation as they are based on established and liquid underlying cash markets. In addition, trading of the new contracts will be monitored by the Market Regulation Department.

POSITION LIMITS OR ACCOUNTABILITY

Positions in the new environmental futures and options contracts will be subject to position limits set by the Exchange. As described above, such position limits are based upon existing levels set for substantially similar products or are based upon the deliverable supply in the cash market. A detailed Cash Market and Deliverable Supply Analysis is attached hereto as Exhibit B.

FINANCIAL INTEGRITY OF CONTRACTS

The new environmental contracts will be cleared by ICE Clear Europe, a registered derivatives clearing organization subject to Commission regulation, and carried by registered futures commission merchants qualified to handle customer business.

The Exchange further certifies that, concurrent with this filing, a copy of this submission was posted on the Exchange's website and may be accessed at (https://www.theice.com/notices/RegulatoryFilings.shtml).

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

Sincerely,

Jason V. Fusco
Assistant General Counsel
Market Regulation

Enc.
cc: Division of Market Oversight
New York Regional Office

EXHIBIT A

Resolution No. 1-Minimum Price Fluctuation Table

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

Rule Number	Product	Minimum Price Screen	Fluctuation Blocks and other trades outside the central limit order book
	* * *		
18.E.053	Option on New Jersey Solar Renewable Energy Certificate Future	$0.01	$0.01
18.E.054	Option on New Jersey Compliance Renewable Energy Certificate Class 1 Future	$0.01	$0.01
18.E.056	Option on Massachusetts Compliance Renewable Energy Certificate Class 1 Future	$0.01	$0.01
18.E.055	Option on Connecticut Compliance Renewable Energy Certificate Class 1 Future	$0.01	$0.01
18.E.057	Option on Texas Compliance Renewable Energy Certificate Future	$0.01	$0.01
18.E.058	Option on RIN D4 (Platts) Future	$0.0001	$0.0001
18.E.058	Option on RIN D5 (Platts) Future	$0.0001	$0.0001
18.E.058	Option on RIN D6 (Platts) Future	$0.0001	$0.0001

Resolution No. 2 – Position Limit/Accountability Table

Rule	Contract Name	Commodity Code	Contract Size	Unit of Trading	Spot Month Limit	Single Month Accountability Level	All Month Accountability Level	Aggregate 1 (Positive Correlation)	Aggregate 2 (Negative Correlation)	Exchange Reportable Level
18.d.011	Regional Greenhouse Gas Initiative Future - Vintage 2014	RGM	1,000	Allowances	10,000	20,000	40,000	RGM		25
18.E.047	Option on Regional Greenhouse Gas Initiative - Vintage 2014	RGM	1,000	Allowances	10,000	20,000	40,000	RGM		25
18.D.015	NJ SREC Future - Energy Year 2016	NJH	10	MWh	2,500	5,000	10,000	NJH		25
18.D.015	NJ SREC Future - Energy Year 2017	NJI	10	MWh	2,500	5,000	10,000	NJI		25
18.E053	Option on NJ SREC Future - Energy Year 2013	NJE	10	MWh	2,500	5,000	10,000	NJE		25
18.E053	Option on NJ SREC Future - Energy Year 2014	NJF	10	MWh	2,500	5,000	10,000	NJF		25
18.E053	Option on NJ SREC Future - Energy Year 2015	NJG	10	MWh	2,500	5,000	10,000	NJG		25
18.E053	Option on NJ SREC Future - Energy Year 2016	NJH	10	MWh	2,500	5,000	10,000	NJH		25
18.E053	Option on NJ SREC Future - Energy Year 2017	NJI	10	MWh	2,500	5,000	10,000	NJI		25
18.E.054	Option on New Jersey Compliance Renewable Energy Certificates Class 1 Future	NJR	100	MWh	1,000	8,000	16,000	NJR		25
18.E.055	Option on Connecticut Compliance Renewable Energy Certificates Class 1 Future	CTR	100	MWh	1,000	6,000	12,000	CTR		25
18.E.056	Option on Massachusetts Compliance Renewable Energy Certificates Class 1 Future	MCR	100	MWh	1,000	6,000	12,000	MCR		25
18.E.057	Option on Texas Compliance REC Future	TEC	100	MWh	5,000	7,500	15,000	TEC		25
18.C.001	RIN D4 (Platts) Future - Vintage 2014	RIG	10,000	RIN	1,000	2,000	4,000	RIG		25
18.C.002	RIN D5 (Platts) Future - Vintage 2014	RIH	10,000	RIN	500	1,000	2,000	RIH		25
18.C.003	RIN D6 (Platts) Future - Vintage 2014	RII	10,000	RIN	5,000	10,000	20,000	RII		25
18.E.058	Option on RIN D4 (Platts) Future - Vintage 2013	RIB	10,000	RIN	1,000	2,000	4,000	RIB		25
18.E.058	Option on RIN D5 (Platts) Future - Vintage 2013	RID	10,000	RIN	500	1,000	2,000	RID		25
18.E.058	Option on RIN D6 (Platts) Future - Vintage 2013	RIF	10,000	RIN	5,000	10,000	20,000	RIF		25
18.E.058	Option on RIN D4 (Platts) Future - Vintage 2014	RIG	10,000	RIN	1,000	2,000	4,000	RIG		25
18.E.058	Option on RIN D5 (Platts) Future - Vintage 2014	RIH	10,000	RIN	500	1,000	2,000	RIH		25
18.E.058	Option on RIN D6 (Platts) Future - Vintage 2014	RII	10,000	RIN	5,000	10,000	20,000	RII		25

18.D.011 Regional Greenhouse Gas Initiative

Contract Description: Monthly physically delivered contract on Regional Greenhouse Gas Initiative ("RGGI") CO_2 allowances ("RGGI CO_2 Allowances").

Contract Symbol: Vintage 2009: RGH, Vintage 2010: RGI, Vintage 2011: RGJ, Vintage 2012: RGK**,** Vintage 2013: RGL, Vintage 2014 RGM

Settlement Method: Physical delivery

Contract Size: 1,000 RGGI CO_2 Allowances

Currency: USD

Minimum Price Fluctuation: The price quotation convention shall be One cent ($0.01) per RGGI CO2 Allowance; minimum price fluctuation may vary by trade type. Please see Table in Resolution 1 to this Chapter 18.

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

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

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

Deliverable Instruments: The deliverable instruments are RGGI CO_2 Allowances equal to the contract size delivered through the RGGI CO_2 Allowance Tracking System ("RGGI-COATS").

1. 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 associated with the calendar year of the contract expiration or RGGI CO_2 Allowances having a vintage usable for compliance in any prior control period.

2. For vintages 2009, 2010, 2011, and 2012: RGGI CO_2 Allowances acceptable for delivery are RGGI CO_2 Allowances having a vintage corresponding to the specified vintage-year.

For Vintage 2013 and later vintages, RGGI CO_2 Allowances acceptable for delivery are RGGI CO_2 Allowances having a vintage corresponding to the specified vintage-year and allowances having a vintage of any year prior to the specified vintage-year.

Registry: RGGI-COATS

18.E.047 Option on Regional Greenhouse Gas Initiative

Contract Description: An option on the corresponding month of the Regional Greenhouse Gas Initiative Future.

Contract Symbol	Vintage 2009: RGH, Vintage 2010: RGI, Vintage 2011: RGJ, Vintage 2012: RGK**,** Vintage 2013: RGL, Vintage 2014 RGM
Settlement Method	Exercise into Underlying Futures Contract
Contract Size	1 Regional Greenhouse Gas Initiative Futures Contract
Currency	USD
Minimum Price Fluctuation	The price quotation convention shall be One cent ($0.01) per RGGI allowance; minimum price fluctuation may vary by trade type. Please see Table in Resolution 1 to this Chapter 18.
Listing Cycle	1. Standard-cycle contract listings: a. Monthly contract set for the current and coming calendar year; b. December contract sets for up to forward 5 years. 2. The Exchange may list any other calendar month contract set off the standard-cycle listing schedule through the last annual December contract set.
Strike Price Intervals	A minimum of ten Strike Prices in increments of $0.25 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in $0.25 increments.
Last Trading Day	At 4:00pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month.
Option Style	European
Exercise Method	Automatic
Exercise Procedure	Clearing Members shall provide exercise and abandon instructions to the Clearing Organization in accordance with the Clearing Organization rules
Exercise Time	4:30 pm EPT on the Last Trading Day
MIC Code	IFUS
Clearing Venue	ICEU

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

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

Contract Symbol: Vintage 2013: NJE Vintage 2014: NJF Vintage 2015: NJG
Vintage 2016: NJH Vintage 2017: NJI Vintage 2018: NJJ

Settlement Method: Physical delivery

Contract Size: 10 MWh representing 10 New Jersey SRECs

Currency: USD

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

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

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

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

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

Registry: PJM GATS

18.D.016 Texas Compliance Renewable Energy Certificate Future

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

Contract Symbol: TEC

Settlement Method: Physical delivery

Contract Size: 100 MWh representing 100 Texas RECs

Currency: USD

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

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

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

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

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

Applicable for the January [~~and February~~] through April contract expirations, RECs acceptable for delivery are those having been generated during [~~any of~~] the [~~three~~] prior calendar year[~~s~~].

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

REC Offsets are not deliverable.

Registry: ERCOT Renewables Registry

18.E.053 Option on New Jersey Solar Renewable Energy Certificate Future

Contract Description An option on the corresponding month and vintage of New Jersey Solar Renewable Energy Certificate Future.

Contract Symbol: Vintage 2013: NJE Vintage 2014: NJF Vintage 2015: NJG
Vintage 2016: NJH Vintage 2017: NJI Vintage 2018: NJJ

Settlement Method Exercise into Underlying Futures Contract

Contract Size 1 New Jersey Solar Renewable Energy Certificate Contract

Currency USD

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

Listing Cycle

1. Standard-cycle contract listings: a. Monthly contract sets through the current year and forward for up to 4 years.
2. The Exchange may list any other calendar month contract set off the standard-cycle listing schedule through the last annual December contract set.

Strike Price Intervals A minimum of ten Strike Prices in increments of $1.00 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in $1.00 increments.

Last Trading Day At 4:00pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month.

Option Style European

Exercise Method Automatic

Exercise Procedure Clearing Members shall provide exercise and abandon instructions to the Clearing Organization in accordance with the Clearing Organization rules

Exercise Time 4:30 pm EPT on the Last Trading Day

MIC Code IFUS

Clearing Venue ICEU

18.E.054 Option on New Jersey Compliance Renewable Energy Certificate Class 1 Future

Contract Description An Option on the corresponding month of New Jersey Compliance Renewable Energy Certificate Class 1 Future

Contract Symbol NJR

Settlement Method Exercise into Underlying Futures Contract

Contract Size 1 New Jersey Compliance Renewable Energy Certificate Class 1Contract

Currency USD

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

Listing Cycle

1. 1. Standard-cycle contract listings: a. Monthly contract sets through the current year and forward for up to 10 years.
2. The Exchange may list any other calendar month contract set off the standard-cycle listing schedule through the last annual December contract set.

Strike Price Intervals A minimum of ten Strike Prices in increments of $0.25 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in $0.25 increments.

Last Trading Day At 4:00pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month.

Option Style European

Exercise Method Automatic

Exercise Procedure Clearing Members shall provide exercise and abandon instructions to the Clearing Organization in accordance with the Clearing Organization rules

Exercise Time 4:30 pm EPT on the Last Trading Day

MIC Code IFUS

Clearing Venue ICEU

18.E.055 Option on Connecticut Compliance Renewable Energy Certificate Class 1 Future

Contract Description An Option on the corresponding month of Connecticut Compliance Renewable Energy Certificate Class 1 Future.

Contract Symbol CTR

Settlement Method Exercise into Underlying Futures Contract

Contract Size 1 Connecticut Compliance Renewable Energy Certificate Class 1 Contract

Currency USD

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

Listing Cycle

1. Standard-cycle contract listings: January, February, April, May, July, August, October and November contracts for the current year and forward for up to 10 consecutive years. .
2. The Exchange may list any other calendar month contract set off the standard-cycle listing schedule through the last annual December contract set.

Strike Price Intervals A minimum of ten Strike Prices in increments of $1.00 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in $1.00 increments.

Last Trading Day At 4:00pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month.

Option Style European

Exercise Method Automatic

Exercise Procedure Clearing Members shall provide exercise and abandon instructions to the Clearing Organization in accordance with the Clearing Organization rules

Exercise Time 4:30 pm EPT on the Last Trading Day

MIC Code IFUS

Clearing Venue ICEU

18.E.056 Option on Massachusetts Compliance Renewable Energy Certificate Class 1 Future

Contract Description An Option on the corresponding month of Massachusetts Compliance Renewable Energy Certificate Class 1 Futures.

Contract Symbol MCR

Settlement Method Exercise into Underlying Futures Contract

Contract Size 1 Massachusetts Compliance Renewable Energy Certificate Class 1 Contract

Currency USD

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

Listing Cycle

1. Standard-cycle contract listings: January, February, April, May, July, August, October and November contracts for the current year and forward for up to 10 consecutive years. .
2. The Exchange may list any other calendar month contract set off the standard-cycle listing schedule through the last annual December contract set.

Strike Price Intervals A minimum of ten Strike Prices in increments of $1.00 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in $1.00 increments.

Last Trading Day At 4:00pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month.

Option Style European

Exercise Method Automatic

Exercise Procedure Clearing Members shall provide exercise and abandon instructions to the Clearing Organization in accordance with the Clearing Organization rules

Exercise Time 4:30 pm EPT on the Last Trading Day

MIC Code IFUS

Clearing Venue ICEU

18.E.057 Option on Texas Compliance Renewable Energy Certificate Future

Contract Description An Option on the corresponding month of Texas Compliance Renewable Energy Certificate Future.

Contract Symbol TEC

Settlement Method Exercise into Underlying Futures Contract

Contract Size 1 Texas Compliance Renewable Energy Certificate Contract

Currency USD

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

Listing Cycle

1. Standard-cycle contract listings: Monthly contract sets through the current year and forward up to 5 consecutive years.
2. The Exchange may list any other calendar month contract set off the standard-cycle listing schedule through the last annual December contract set.

Strike Price Intervals A minimum of ten Strike Prices in increments of $0.05 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in $0.05 increments.

Last Trading Day At 4:00pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month.

Option Style European

Exercise Method Automatic

Exercise Procedure Clearing Members shall provide exercise and abandon instructions to the Clearing Organization in accordance with the Clearing Organization rules

Exercise Time 4:30 pm EPT on the Last Trading Day

MIC Code IFUS

Clearing Venue ICEU

18.C.001 RIN D4 (Platts) Future

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

Contract Symbol: Vintage 2012: RIA Vintage 2013: RIB Vintage 2014: RIG

Settlement Method: Cash settlement

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

Currency: USD

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

Listing Cycle: Up to 25 consecutive monthly Contract Periods

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

Final Settlement: Reference Price A

Reference Price A: BIOFUELSCAN D4 RIN ASSESSMENT-PLATTS

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

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

18.C.002 RIN D5 (Platts) Future

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

Contract Symbol: Vintage 2012: RIC Vintage 2013: RID Vintage 2014: RIH

Settlement Method: Cash settlement

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

Currency: USD

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

Listing Cycle: Up to 25 consecutive monthly Contract Periods

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

Final Settlement: Reference Price A

Reference Price A: BIOFUELSCAN D5 RIN ASSESSMENT-PLATTS

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

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

18.C.003 RIN D6 (Platts) Future

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

Contract Symbol: Vintage 2012: RIE Vintage 2013: RIF Vintage 2014: RII

Settlement Method: Cash settlement

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

Currency: USD

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

Listing Cycle: Up to 25 consecutive monthly Contract Periods

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

Final Settlement: Reference Price A

Reference Price A: BIOFUELSCAN D6 RIN ASSESSMENT-PLATTS

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

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

18.E.058 Option on RIN (Platts) Future

Contract Description An Option on the corresponding type, month and vintage of RIN Futures.

Contract Symbol D4 Vintage 2013: RIB D4 Vintage 2014: RIG
D5 Vintage 2013: RID D5 Vintage 2014: RIH
D6 Vintage 2013: RIF D6 Vintage 2014: RII

Settlement Method Exercise into Underlying Futures Contract

Contract Size 1 RIN (Platts) Futures Contract

Currency USD

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

Listing Cycle Up to 25 consecutive monthly Contract Periods

Strike Price Intervals A minimum of ten Strike Prices in increments of $0.01 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in $0.01 increments.

Last Trading Day At 4:00pm EPT on the 15th calendar day of the delivery month. Where the 15th calendar day is not a Business Day, the Last Trading Day shall be the first Business Day following the 15th calendar day of the delivery month

Option Style European

Exercise Method Automatic

Exercise Procedure Clearing Members shall provide exercise and abandon instructions to the Clearing Organization in accordance with the Clearing Organization rules

Exercise Time 4:30 pm EPT on the Last Trading Day

MIC Code IFUS

Clearing Venue ICEU

[REMAINDER OF RULE UNCHANGED]

APPENDIX I

ERROR TRADE POLICY

* * *

ICE Futures U.S. – Energy Division No Cancellation Ranges

(Maximum Number of Ticks from Market Value expressed as Price Difference)

Financial Gas	Day	Spread	Month	Spread	Season	Spread	Calendar	Spread
Henry Hub	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Non-Henry Fixed Price	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Index			0.02	0.02	0.02	0.02	0.02	0.02
Index Bidweek (Prompt Month Only)			0.04	0.04	0.04	0.04	0.04	0.04
EIA Financial Weekly Index	5 BCF	5 BCF	5 BCF	5 BCF	5 BCF	5 BCF	5 BCF	5 BCF
Basis	20% of Basis/Spread FMV up to 0.05				Min/Max Range = 0.02/0.05			
Options	20% of Premium FMV up to 0.05				Min/Max Range = 0.005/0.05			

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

Financial Power	BalDay/ NextDay/ BalWeek	Spread	Weekly & Balmo	Spread	Month & Season	Spread	Quarter & Calendar	Spread
PJM WHRT, Indiana RT, Nepool DA	5.00	5.00	2.00	2.00	0.60	0.60	0.40	0.40
All other contracts	5.00	5.00	2.00	2.00	1.00	1.00	0.60	0.60
Post Daily LMP Publish	0.05	0.05						
Daily Load Forecast	5,000 MW							
Options	20% of Premium FMV up to 5.00				Min/Max Range = 0.50/5.00			

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

US Environmental	Month	Option	Min/Max Range
RGGI	0.10	20% of Premium FMV up to 0.10	0.05/0.10
CAR-CRT, CFI-US & REC-NJ	0.25	20% of Premium FMV up to 0.25	0.05/0.25
CCA & SFI	0.50	20% of Premium FMV up to 0.50	0.05/0.50
CT & MA REC	1.00	20% of Premium FMV up to 1.00	0.05/1.00
CSAPR SO2 & NOX	10.00	20% of Premium FMV up to 10.00	0.50/10.00
RIN	0.05	20% of Premium FMV up to 0.05	0.01/0.05
NJ SREC	5.00	20% of Premium FMV up to 5.00	0.50/5.00
TX REC	0.25	20% of Premium FMV up to 0.25	0.05/0.25
CAIR NOX	5.00	20% of Premium FMV up to 5.00	0.50/5.00

ICE FUTURES U.S.
BLOCK TRADE – FAQs

* * *

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

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

* * *

Market Type	Contract Name	Contract Symbol	Contract Size	Unit	Minimum Qty
Environ	Option on Connecticut Compliance Renewable Energy Certificates Class 1 Future	CTR	100	MWh	**50**
Environ	Option on Massachusetts Compliance Renewable Energy Certificates Class 1 Future	MCR	100	MWh	**50**
Environ	Option on New Jersey Compliance Renewable Energy Certificates Class 1 Future	NJR	100	MWh	**50**
Environ	Regional Greenhouse Gas Initiative Future - Vintage 2014	RGM	1,000	Allowance	**10**
Environ	Option on Regional Greenhouse Gas Initiative - Vintage 2014	RGM	1,000	Allowance	**10**
Environ	NJ SREC Future - Energy Year 2016	NJH	10	MWh	**10**
Environ	NJ SREC Future - Energy Year 2017	NJI	10	MWh	**10**
Environ	Option on NJ SREC Future - Energy Year 2013	NJE	10	MWh	**10**
Environ	Option on NJ SREC Future - Energy Year 2014	NJF	10	MWh	**10**
Environ	Option on NJ SREC Future - Energy Year 2015	NJG	10	MWh	**10**
Environ	Option on NJ SREC Future - Energy Year 2016	NJH	10	MWh	**10**
Environ	Option on NJ SREC Future - Energy Year 2017	NJI	10	MWh	**10**
Environ	Option on Texas Compliance REC Future	TEC	100	MWh	**50**
Environ	Option on RIN D4 (Platts) Future - Vintage 2013	RIB	10,000	RIN	**10**
Environ	Option on RIN D5 (Platts) Future - Vintage 2013	RID	10,000	RIN	**10**
Environ	Option on RIN D6 (Platts) Future - Vintage 2013	RIF	10,000	RIN	**10**
Environ	RIN D4 (Platts) Future - Vintage 2014	RIG	10,000	RIN	**10**
Environ	Option on RIN D4 (Platts) Future - Vintage 2014	RIG	10,000	RIN	**10**
Environ	RIN D5 (Platts) Future - Vintage 2014	RIH	10,000	RIN	**10**
Environ	Option on RIN D5 (Platts) Future - Vintage 2014	RIH	10,000	RIN	**10**
Environ	RIN D6 (Platts) Future - Vintage 2014	RII	10,000	RIN	**10**
Environ	Option on RIN D6 (Platts) Future - Vintage 2014	RII	10,000	RIN	**10**

EXHIBIT B

DELIVERABLE SUPPLY ANALYSIS

Environmental Contracts

Regional Greenhouse Gas Initiative Vintage 2014

I. Cash Market Overview

The Regional Greenhouse Gas Initiative (RGGI) is the first mandatory, market-based program in the United States to reduce greenhouse gas emissions. Nine Northeastern and Mid-Atlantic states cap and then reduce CO_2 emissions from the power sector by 10% by 2018 compared to a year 2005 baseline. Supply of allowances enters the market via regularly scheduled quarterly auctions. As of this writing, there have been 20 auctions to date, dating back to 2008. The next scheduled auction is set for September 4, 2013.

Contained in this section is a plan to list Vintage 2014 futures and options contracts for the RGGI product to complement the existing Vintage 2009-2013 contracts that are currently listed. This product is identical to the current RGGI Vintage 2013 contract except that it adds to the deliverable supply one additional calendar year vintage of emission allowances (2014).

II. Position Limit

The specification of the Vintage 2014 contract for the ICE product allows for delivery of any RGGI CO2 allowance that has a 2014 vintage designation or earlier. As a result, deliverable supply to the ICE RGGI contracts is a function of what has been made available through auctions less what has been used for compliance dating back to the program inception in 2009. To date the program has held 20 auctions where a total of 574.6 million allowances have been sold. Of these 371.9 million have been surrendered for compliance and no longer contribute to deliverable supply, leaving a balance of 202.7 million allowances that is deliverable into the proposed contract.

For the 2014 vintage, with a total supply of 202.7 million tons (202,700 lots), an appropriate speculative position limit which will ensure a properly functioning market is be 10,000 contracts. This level is thought to be conservative at 5% of deliverable supply and ICE does not expect any supply constraints to affect delivery in satisfaction with these contracts.

New Jersey Solar Renewable Energy Certificate Futures Vintage 2016, 2017 and 2018

I. Cash Market Overview

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

The State of New Jersey put in place legislation, effective April 19, 2004, and subsequently revised, to require entities to acquire certificates produced by renewable generation for an amount corresponding to their retail sales. SRECs are issued by the PJM Generator Attribute Tracking System (Registry) to the registered owners of qualifying production systems. The compliance year cycles are June 1 through May

31 with compliance on September 1 (recently extended to December 1). Further to changes made in 2012, SRECs from one reporting year can be held for use against a compliance obligation in the year of generation or any of the following four years (i.e. they are bankable). This has the effect of smoothing out supply shocks and reducing cash market volatility.

ICE currently lists contracts for vintage year 2013, 2014 and 2015, having been launched in May of 2013. This plan is to list additional vintage years, specifically, vintage year 2016, 2017 and 2018. These vintages actively trade in bilateral markets and their listing would complement ICE's existing offering.

Demand and Supply Scenario

The following table outlines the percentage obligation, its translation into actual SRECs and the forecast production of SRECs for the product period.

E Year	SRECs as a Percent of Retail Sales	Actual and Forecast SREC Obligation	Actual and Forecast SREC Production
2013	SREC not set as percent in 2013	596,000 (actual)	1,074,464 (actual)
2014	2.050%	1,209,940	1,192,655
2015	2.450%	1,452,534	1,311,921
2016	2.750%	1,637,732	1,443,113
2017	3.000%	1,794,656	1,587,424
2018	3.200%	1,922,914	1,746,166

Not reflected in this table is the significant bank of excess SRECs that exist from oversupply in 2012 and 2013 energy years. As of the end of 2013, this excess is expected to be 755,000 SREC. This excess can be used against forecast supply shortfalls in future years of the program. For this analysis, ICE has used the Department of Energy's Energy Information Agency retail electricity sales data for 2012 (i.e.: 58,493,342 MWh) and its sales growth forecasts for 2013 and 2014 of 0.5% and 0.4%, respectively (we assume 0.45% growth beyond). Additionally, we are assuming a 10% annual growth in SREC production. Historically the NJ program has seen a greater rate of growth of SREC production. We believe that our 10% growth estimate is conservative in light of current SREC pricing and recent rates of new solar installations.

Regardless of the availability of actual SRECs in the market (even though there appear to be plenty), the program employs a feature called an Alternative Compliance Payment (ACP). The existence of the ACP acts as a safety valve on supply and price. Entities that cannot, or chose not to, acquire SRECs may simply pay the ACP to the market operator. This has the effect of making more supply available to others. Further, when SRECs reach a point where they have been bid up to the ACP level, entities will be indifferent between using SRECs or making the payment. For the 2016 energy year, the alternative compliance payment is $323/SREC relative to a current market price of $128/SREC for prompt delivery SRECs on ICE. While the current ICE contract requires that a SREC be delivered, even in the most tightly constricted markets, short parties could acquire SRECs marginally above the ACP level and deliver them to long parties.

II. Position Limit

Deliverable supply is the entire amount of SREC produced in a period and the bank from prior periods. Supply is typically aggregated from residential and small commercial owners and sold to compliance entities in spot and shorter term forward transactions. The following table outlines our estimate of deliverable supply for the proposed product listings.

E Year	Forecast SREC Production	Forecast Bank of SRECs	Deliverable Supply
2016	1,443,113	402,489	1,845,601
2017	1,587,424	195,256	1,782,680
2018	1,746,166	18,508	1,764,675

Based on this analysis, we propose to establish a speculative position limit on the NJ SREC contract at a level which assured conformance with the CFTC's core principle that the market not be subject to manipulation. We propose a speculative position limit of 2,500 contracts. This is relative to a deliverable supply of approximately 180,000 contracts. Quantitatively, this limit is set at a point at which is less than 1.4% of the deliverable supply.

Texas Compliance Renewable Energy Certificate Futures

I. Cash Market Overview

ICE currently lists the Texas Compliance Renewable Energy Certificate Futures (Texas REC) as a contract which is designed the meet the needs of the Texas compliance market and the broader voluntary market for renewable energy certificates. The renewable energy program in Texas calls for energy retailers to hold RECs in amounts proportional to their energy sales. The amount of RECs required to be held by the parties is determined by the Texas Public Utility Commission on a regular basis. The program is voluntary for generators but mandatory for retailers and wholesalers. In 2012, there were 136 generation accounts held by renewable energy generators and 181 retail entities (compliance) accounts in the tracking registry.

The market for Texas RECs is by far the largest and most liquid of the state based renewable energy program. In 2012, a total of 34.1 million RECs were produced. This production was against a regulatory obligation of 12.4 million RECs. Of the 34.1 million RECs generated in 2012, some 32.7 million were generated by wind as the production technology. The balance of RECs in excess of the regulatory requirement is sourced for the voluntary markets.

<u>Current proposal</u>

ICE's current contract is structured to allow for the delivery of banked allowances. For the January through April expiries the contract allows delivery of RECs that were generated in the three calendar years. For contracts which expire from May through December the product allows for RECs generated in the year of product expiry and the two prior years.

While this contract design matches the program rules, it does not match bilateral trading convention. ICE is proposing to modify the contract such that only the most prompt RECs would be deliverable. For the January through April contracts eligible RECs would be those generated in the prior calendar year. For contracts that expire from May through December, deliverable RECs are those generated in the present calendar year. This proposed change would match the current bilateral trading convention and provide a

cleared alternative. ICE estimates that 80% of trading in the bilateral markets is for prompt year RECs. As a result of this proposed change, the pool of deliverable supply will be reduced. ICE is proposing to implement this change for contracts with expiries beginning in December of 2013.

II. Position Limit

On an annual basis, deliverable supply consists of RECs generated from wind technology in a calendar year. In 2012, total eligible production was 32.7 million RECs. In the first half of 2013, slightly more than 20 million RECs were generated. While the total annual amount of RECs available amounts to deliverable supply, the timing of issuance of the RECs delivery obligation of the ICE contract otherwise restrict the pool of deliverable supply.

As proposed, the first expiry that ICE would list for the current year vintage would be the May expiry. With this expiry a full quarter of REC supply would be tradable in the registry. Based on historic production for 2013, we the first quarter of 2014 supply to be at least 9.5 million RECs. Later expiries in the year would add to deliverable supply.

Based on this analysis, we propose to establish the speculative position limit on the Texas Compliance REC contract at a level which assured conformance with the CFTC's core principle that the market not be subject to manipulation. We propose a speculative position limit is 5,000 contracts. This is relative to an economically deliverable supply of at least 95,000 contracts. Quantitatively, this limit is set at a point at which is approximately 5% of the deliverable supply. This is a reduction of by half of the current speculative position limit.

Renewable Identification Number (RIN) Vintage 2014

I. Cash Market Overview

The Exchange is listing a new vintage (2014) for each of the existing cash-settled environmental futures contracts based upon the renewable fuel standard program created in the Energy Policy Act of 2005 and subsequently revised in the Energy Independence and Security Act of 2007. The program was enacted to increase the volume and types of renewable fuel used in the transportation and sets annual mandates for the minimum amounts and types of fuels that must be in the fuel mix.

Administration and enforcement of the program is based on the creation of a certificate or Renewable Identification Number ("RIN") for each gallon of renewable fuel created or imported into the US. RINs are generated by renewable fuel manufacturers. These parties create RINs within the EPAs registry system. When these parties transfer custody of the fuel a RIN must accompany each gallon. Once the fuel is blended or otherwise placed into the fuel system, the certificate RIN may be separated from the fuel. These separated RINs may be freely traded in the market with no association with the underlying fuel.
Obligated Parties (OP) must hold sufficient RINs of each type to meet their annual obligation within the program. The compliance party's obligation within the program is called their Renewable Volume Obligation (RVO). The RVO is set for each compliance party for each categories of RINs regardless of the type of fuel the OP actually manufactures/refines. The program is designed to cover calendar year obligations. Until recently, compliance with the obligation for the prior year is due on February 28 of the current year. As of August 15, 2013, EPA extended the compliance deadline for the 2014 year was extended to June 30, 2014 (from Feb 28, 2014). OPs may carry forward a deficit in their obligation for one year provided full compliance for both years in made with the second year compliance. Additionally, 20% of the OPs current obligation may be satisfied with RINs from the prior calendar year.
The Exchange lists futures contracts for three different RIN types; RIN D-4, RIN D-5 and RIN D-6. For each RIN type, ICE currently lists two vintage years, each having up to 25 consecutive monthly contract periods, for each contract. Final settlement for each expiry is based upon the average of the high and low for each publication day of the Platts Biofuelscan for the specific RIN during the monthly contract period.

Current Proposal

ICE currently lists vintage year 2012 and 2013 RINs. This proposal consists of an analysis of listing vintage year 2014 alongside the existing vintages. Of note, the Chicago Mercantile Exchange Group (CME) currently lists vintage year 2014 RINs on its NYMEX bourse. Listing the vintage year 2014 is timely as it will allow parties to begin to hedge their 2014 exposure. Over the counter trade of forward delivery 2014 RINs has increased as it is typical that forward year RINs begin to trade actively in the second half of the current year.

II. Position Limit

Deliverable supply for the listed contracts is similarly bifurcated by RIN type (D4, D5 and D6). The following table provides an overview of supply for the various RIN types in the years 2011, 2012 and 2013 (year to date).

	D4	D5	D6	Grand Total
2011	1,645,562,974	224,997,483	13,587,372,248	15,457,932,705
2012	1,726,473,428	610,836,796	12,971,442,933	15,308,753,157
2013 (to date)	*1,064,162,557*	*241,806,735*	*6,356,985,413*	*7,662,954,705*

This table represents the supply of RINs that have been created in the physical market. A portion of these RIN will be separated and traded. Additionally, vintage year 2013 RINs continue to be minted in the EPA registry. For the 2014 vintage year, all current forecasts expect greater RIN production than 2012 and 2013. As such, to base the supply forecast on the full year 2012 data is inherently conservative.

Assuming the same production levels for 2014 RINs as 2012, RIN production will be no less than 15.3 billion RINs. The within category levels RIN production will be no less than 1.7 billion, 0.61 billion and 13 billion for the D4, D5 and D6 RINs, respectively. Applicable for the 2014 vintage year, the levels proposed by ICE for the speculative position limit are less than 1% of deliverable supply. The front month speculative position limit proposed is 10, 5 and 50 million for the D4, D5 and D6 RINs specifically. With a contract size of 10,000 RINs each, the speculative position limits on a contract basis are proposed to be 1,000, 500 and 5,000 contracts respectively for the D4, D5 and D6 with a 2014 vintage year designation.