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December 13, 2011

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

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CFTC
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SECRETARY
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Re: **CCFE Wind-Down and Block Trade Minimum Waiver
Submission No. 11-11
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6**

Dear Mr. Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the "Act") and 40.6 of the regulations promulgated by the Commodity Futures Trading Commission ("CFTC") under the Act, Chicago Climate Futures Exchange, LLC ("CCFE" or the "Exchange") hereby submits notification of rule amendment under the CCFE Rulebook.

As previously announced (see attached CCFE Advisory 2011-10), CCFE is winding down its operations and is scheduled to close at the end of the first quarter of 2012. In connection with the wind-down of CCFE, IntercontinentalExchange, Inc. ("ICE") recently listed over-the-counter ("OTC") contract equivalents of CCFE products as physically-delivered, OTC forward and options contracts on the ICE OTC platform. It is anticipated that CCFE market participants will be liquidating CCFE open positions by entering liquidating block trades, and contemporaneously establishing like positions on the ICE OTC platform.

In order to facilitate the orderly wind-down of CCFE positions in anticipation of the Exchange closing, and not disadvantage CCFE market participants with small open positions, CCFE is eliminating the requirement that each block trade (as defined in CCFE Rule 412) be for at least a minimum number of contracts specified by the Exchange with respect to block trades entered into for the purpose of liquidating a CCFE open position. In addition, transaction fees for CCFE liquidating trades entered into in conjunction with establishing a like position on the ICE OTC platform will be rebated. The amendment to CCFE Rule 412 and fee rebate will become effective on December 29, 2011.

CCFE certifies that this amendment complies with the requirements of the Act and the rules and regulations promulgated thereunder. No substantive opposing views were expressed by market participants or others with respect to the amendment. The Exchange further certifies that a copy of this filing was posted on the Exchange's website concurrent with this filing, which may be accessed at (<http://ccfe.com/ccfeContent.jsf?id=91305>).

Should you require additional information regarding this submission, please contact me at 312.836.6742 or eric.nield@theice.com. Please reference our submission number 11-11 in any related correspondence.

Very truly yours,

A handwritten signature in black ink, appearing to read "E. Nield", with a stylized flourish at the end.

Eric J. Nield
General Counsel

cc: Division of Market Oversight
Chicago Regional Office

Contact:
24-hour Ice Helpdesk
(770) 738-2101
icehelpdesk@theice.com



CCFE Advisory 2011-10

AUGUST 5, 2011

Re: CCFE Wind Down and OTC Listing of US Emissions

As you are aware, US environmental market trading volumes are down significantly. The US has not enacted carbon cap and trade legislation and changes to the EPA acid rain program have reduced trading activity. Accordingly, Chicago Climate Futures Exchange (CCFE) volumes are down substantially and the exchange is operating at a loss. Furthermore, proposed regulations under the Dodd-Frank Wall Street Reform and Consumer Protection Act will require major changes to CCFE markets. Given these circumstances, CCFE will operate through the first quarter of 2012 and then close.

In connection with the wind down of CCFE, ICE announced today that it will list OTC contract equivalents of existing CCFE products as physically-delivered, over the counter forwards and options on the ICE OTC platform.

The following physically-delivered, over the counter forwards and options will be listed on the ICE OTC platform and cleared by ICE Clear Europe. Forwards will be introduced on August 29, 2011 and options on September 19, 2011:

- Climate Action Reserve Forwards and Options
- Carbon Financial Instrument US Forwards and Options
- Regional Greenhouse Gas Initiative Forwards and Options
- Connecticut Compliance Renewable Energy Certificates Class 1 Forwards
- Massachusetts Compliance Renewable Energy Certificates Class 1 Forwards
- New Jersey Compliance Renewable Energy Certificate Class 1 Forwards
- Sulfur Financial Instrument Forwards and Options

The existing futures and options counterparts to these contracts will continue to be listed on CCFE; however, no new contracts or expiries will be listed on the CCFE platform.

The listing of these products as OTC forwards provides greater market certainty under pending regulations. As proposed, CFTC rules under Dodd-Frank would require all futures contracts to maintain a minimum screen trading percentage of 85%. As CCFE contracts do not meet this proposed threshold, CCFE would be required to either de-list these as futures contracts or significantly restrict or alter the manner in which they are currently traded.

Clearing US emissions contracts at ICE Clear Europe, alongside the rest of ICE's energy and emissions product set, will offer operational and capital efficiencies, including potential cross-margin savings for market participants. The OTC platform also provides the option to settle transactions bilaterally if clearing is not desired. Participants can also execute transactions of any size in the voice broker market and submit the trade to ICE Clear Europe for clearing purposes.

In addition to the OTC contracts above, the following new OTC contracts will also be listed. Forwards will launch on August 29, 2011 and options on September 19, 2011:

- California Carbon Allowance Forwards and Options
- Cross State Air Pollution Rule TR SO₂ Group 1 Allowance Forwards and Options
- Cross State Air Pollution Rule TR SO₂ Group 2 Allowance Forwards and Options
- Cross State Air Pollution Rule TR NO_x Annual Allowance Forwards and Options
- Cross State Air Pollution Rule TR NO_x Ozone Season Allowance Forwards and Options

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CCFE Trading Privilege Holders (TPHs) who are current on their required dues as of August 19, 2011 and who enter into an ICE OTC Participant Agreement by December 31, 2011 will be offered the following benefits:

- A non-transferable discount on ICE OTC execution fees for the contracts above equal to their existing CCFE trading privilege holder discount.
- A credit on ICE OTC execution fees for the contracts listed above in an equal amount to the 2011 dues paid by the TPH.

CCFE market participants not taking delivery on expiring contracts are encouraged to roll positions using the new OTC contracts. ICE will waive or rebate all CCFE and ICE OTC execution and clearing fees for such rolls. Contact CCFE for assistance.

Contract specifications can be found [here](#) and [here](#).

412. Block Trading

(a) Trading Privilege Holders may enter into transactions outside the CCFE Trading Platform, at prices mutually agreed, with respect to Contracts that have been designated by the Exchange for such purpose, provided all of the following conditions are satisfied (such transactions, "Block Trades"):

(i) Each buy or sell order underlying a Block Trade must (A) state explicitly that it is to be, or may be, executed by means of a Block Trade and (B) be for at least such minimum number of Contracts as will from time to time be specified by the Exchange; *provided* that only (x) a commodity trading advisor registered under the CEA, (y) an investment adviser registered as such with the Securities and Exchange Commission that is exempt from regulation under the CEA and Commission Regulations thereunder and (z) any Person authorized to perform functions similar or equivalent to those of a commodity trading advisor in any jurisdiction outside the United States in which the Exchange may be permitted from time to time to operate CCFE Workstations, in each case with total assets under management exceeding US\$25 million, may satisfy this requirement by aggregating orders for different accounts. Notwithstanding the foregoing, Block Trades entered into for the purpose of liquidating an open position in anticipation of the closing of the Exchange, shall not be subject to the minimum trade size requirement specified in 412(a)(i)(B).

(ii) Each party to a Block Trade must qualify as an "eligible contract participant" (as such term is defined in Section 1a(12) of the CEA); *provided* that, if the Block Trade is entered into on behalf of Customers by (A) a commodity trading advisor registered under the Act, (B) an investment adviser registered as such with the Securities and Exchange Commission that is exempt from regulation under the Act and Commission Regulations thereunder or (C) any Person authorized to perform functions similar or equivalent to those of a commodity trading advisor in any jurisdiction outside the United States in which the Exchange may be permitted from time to time to operate CCFE Workstations, in each case with total assets under management exceeding US\$25 million, then only such commodity trading advisor or investment adviser, as the case may be, but not the individual Customers, need to so qualify.

(b) Each party to a Block Trade must comply with all applicable Rules of the Exchange other than those which by their terms only apply to trading through the CCFE Trading Platform.

(c) When negotiating or executing a Block Trade, a Trading Privilege Holder or Authorized Trader must ensure that the price quoted for a Block Trade represents a fair and reasonable price. The price at which a Block

Trade is executed must be fair and reasonable in light of (i) the size of such Block Trade, (ii) the prices and sizes of other transactions in the same Contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets, including without limitation the underlying cash and futures markets, at the relevant time, and (iv) the circumstances of the parties to such Block Trade.

(d) Block Trades must be reported to the Exchange in a manner prescribed from time to time by the Exchange. Block Trades must be reported to the Exchange within 15 minutes after the completion of negotiations, but may not be submitted after the Contract's Trading Session close time.

(e) Block Trades executed after the Exchange's trading hours must be reported within 15 minutes after the opening of the next Trading Session.

(f) For Block Trades between two Trading Privilege Holders or Customers or Noncustomers of one or both of the Trading Privilege Holders, the Exchange requires both Trading Privilege Holders to report the Block Trade.

(g) The Exchange will review the information submitted by the Trading Privilege Holder(s) for the Block Trade and will post the Block Trade to the CCFE Trading Platform if the details are complete and accurate in accordance with this Rule. The Exchange will immediately publicize information identifying the trade as a Block Trade and identifying the relevant Contract, contract month, price or premium, quantity and, if applicable, whether the transaction involved a put or a call and the strike price.

(h) Block Trades are not permitted after 12:00 PM CST during the last Trading Session for a Contract delivery month.

(i) Block Trade prices will not trigger unexecuted Orders.

(j) Each Trading Privilege Holder that is party to a Block Trade must record the following details on its order ticket: the Contract (including the Delivery Month) to which such Block Trade relates; the number of Contracts traded; the price of execution or premium; the time of execution; the identity of the counterparty; and, if applicable, details regarding the Customer or Noncustomer for which the Block Trade was executed, the Underlying Commodity, whether the transaction involved a put or a call and the strike price. Upon request by the Exchange, such Trading Privilege Holder must produce satisfactory evidence, including the order ticket referred to in the preceding sentence that the Block Trade meets the requirements set forth in this Rule 412.

(k) Any Block Trade in violation of these requirements will constitute conduct which is inconsistent with just and equitable principles of trade.