

CIRCULAR
08/114

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Category:
Delivery**Attachments:**
None**Summary of content**
ICE ECX CFI CER
Futures – clarification of
definition of Registry
and CERs which may
be delivered.**For more information
please contact:**Jason Pegley
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Jason.pegley@theice.com**ICE ECX CFI CER Futures – clarification of the
definitions of Registry and CER Type**

Circulars 08/019 R07, dated 26 February 2008, and 08/044, dated 9 May 2008 respectively set out the ICE ECX CFI CER Futures Contract Rules and CER Types and CERs which may be delivered under the Contract. This Circular:

- advises which Registries are eligible for delivery;
- provides an update on which CERs may be delivered.

Definition of Registry

Rule II.1(c) of the Regulations states that "the Exchange shall, from time to time, determine the Registries to and from which delivery may be made under a CER Contract".

Members are advised that all EU Member States' Registries have:

- i) met the eligibility criteria set out in Article 17 of the Kyoto Protocol;
- ii) implemented the Linking Directive in an appropriate manner; and

therefore currently meet the definition of "Registry" for the purposes of the Regulations.

Members are reminded that the Regulations only apply to the transfer of CERs between the Seller's Clearing Member and the Clearing House and the Clearing House and the Buyer's Clearing Member.

For a full list of Article 17 Eligible Registries from which the Clearing Member can accept CERs (at its discretion) please see:

http://unfccc.int/files/kyoto_protocol/compliance/enforcement_branch/application/pdf/eligibility_list_081125.pdf

Definition of CER Type

As outlined in Circular 08/044 dated 9 May 2008, certain CERs ("non-eligible CERs") are not eligible for delivery under the ICE ECX CFI CER Futures Contract.

Non-eligible CERs are those generated by:

- nuclear facilities;
- land use, land use change and forestry activities ("LULUCF"); and
- hydroelectric projects with a generating capacity exceeding 20MW.

Members are reminded that:

- (i) Under Rule II.9(a)(ii), in respect of a CER Contract to which the Clearing House is party as the Buyer,

the Seller shall ensure that the CERs delivered to the Holding Account of the Clearing House are CERs of a CER Type which may, pursuant to Rule II.1(e), be traded and delivered under a CER Contract; and

- (ii) Under Rule II.10(a)(xii), in respect of a CER Contract to which the Clearing House is party as the Seller, the Buyer shall advise the Clearing House within a reasonable time if the CERs delivered to its holding Account are CERs of a CER Type which may not, pursuant to Rule II.1(e), be traded and delivered under a CER Contract.”

The complete list of CERs issued can be found at: http://cdm.unfccc.int/Issuance/cers_iss.html which is a database of all issued CERs.

For guidance, the spreadsheet previously referred to in Circular 08/044 has been updated. Issued CER information contained in the database of CERs mentioned above was taken at 17:00 hours London time on 28 November 2008, and divided into eligible or non-eligible CERs. The resulting updated spreadsheet is available on the ICE website at:

https://www.theice.com/publicdocs/futures/Emissions_Eligible_& Non_eligible_CERs.xls

Member's attention is drawn to the disclaimer on the spreadsheet.

*Members are also reminded that **ICE Clear Europe has replaced LCH.Clearnet Ltd** as the Exchange Clearing House. This means that for the December 2008 contract month and subsequent deliveries of CERs under ICE ECX CFI CER Futures (and all other Exchange Contracts) all relevant delivery related pre and post expiry documents must be submitted to **ICE Clear Europe**. Further, all CERs (and EUAs if appropriate) must be transferred to the **ICE Clear Europe** Registry account.*

Please ensure that all appropriate members of staff are aware of this change of Clearing House and the consequential changes to the delivery processes.

Signed:



Patrick Davis
Company Secretary