ICE CLEAR EUROPE

CIRCULAR

Energy Clearing: Introduction of Clearing for ICE OTC US Emission Contracts

Energy Clearing Members are advised that ICE Clear Europe (the "Clearing House") will introduce clearing for ICE OTC US Emission Contracts on **Monday 29 August 2011**, subject to regulatory non-objection.

Full contract specifications are attached.

Please note that these contracts will be introduced on the ICE Clearing Systems in two stages; further details are set out below.

Introduction of Clearing for ICE OTC US Emission Contracts on the ICE Clearing Systems

The following new cleared ICE OTC Contracts will be available for clearing on the ICE Clearing Systems on **Monday 29 August 2011**:

Physical Code	Logical / Combined Code	Contract Name	Market
CCS	CCS	California Climate Action Reserve Forward	ICE OTC
CCH	CCH	California Climate Action Reserve Vintage 2009 Forward	ICE OTC
CCI	CCI	California Climate Action Reserve Vintage 2010 Forward	ICE OTC
CCJ	CCJ	California Climate Action Reserve Vintage 2011 Forward	ICE OTC
CCK	CCK	California Climate Action Reserve Vintage 2012 Forward	ICE OTC
CFS	CFS	Carbon Financial Instrument United States Forward	ICE OTC
CTR	CTR	Connecticut Compliance Renewable Energy Certificates Class 1 Forward	ICE OTC
MCR	MCR	Massachusetts Compliance Renewable Energy Certificates Class 1 Forward	ICE OTC
NJR	NJR	New Jersey Compliance Renewable Energy Certificates Class 1 Forward	ICE OTC
RGH	RGH	Regional Greenhouse Gas Initiative Vintage 2009 Forward	ICE OTC

CIRCULAR C11/107

05 August 2011

Category:

General

Attachments:

ICE OTC Product Specifications

Summary of content:

Energy Clearing: Introduction of Clearing for ICE OTC US Emission Contracts

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RGI	RGI	Regional Greenhouse Gas Initiative Vintage 2010 Forward	ICE OTC
RGJ	RGJ	Regional Greenhouse Gas Initiative Vintage 2011 Forward	ICE OTC
RGK	RGK	Regional Greenhouse Gas Initiative Vintage 2012 Forward	ICE OTC
SFH	SFH	Sulfur Financial Instrument Vintage 2009 Forward	ICE OTC
SFI	SFI	Sulfur Financial Instrument Vintage 2010 Forward	ICE OTC
SFJ	SFJ	Sulfur Financial Instrument Vintage 2011 Forward	ICE OTC
SFK	SFK	Sulfur Financial Instrument Vintage 2012 Forward	ICE OTC
SFL	SFL	Sulfur Financial Instrument Vintage 2013 Forward	ICE OTC
SFM	SFM	Sulfur Financial Instrument Vintage 2014 Forward	ICE OTC
SFN	SFN	Sulfur Financial Instrument Vintage 2015 Forward	ICE OTC
SOK	SOK	TR SO2 Group 1 Allowance Vintage 2012 Forward	ICE OTC
STK	STK	TR SO2 Group 2 Allowance Vintage 2012 Forward	ICE OTC
NAK	NAK	TR NOx Annual Allowance Vintage 2012 Forward	ICE OTC
NOK	NOK	TR NOx Ozone Season Allowance Vintage 2012 Forward	ICE OTC
CAL	CAL	California Carbon Allowance Vintage 2013 Forward	ICE OTC
CAM	CAM	California Carbon Allowance Vintage 2014 Forward	ICE OTC
CAN	CAN	California Carbon Allowance Vintage 2015 Forward	ICE OTC

Energy Clearing Members are advised that open positions on expiry of these contracts will be physically settled at the relevant registries as specified in the contract rules.

Introduction of Clearing for ICE OTC US Emission Options Contracts on the ICE Clearing Systems

For the avoidance of doubt, the following contracts will be introduced on **Monday 19 September 2011**.

Physical Code	Logical / Combined Code	Contract Name	Market
CCS	CCS	California Climate Action Reserve Options	ICE OTC
CFS	CFS	Carbon Financial Instrument United States Options	ICE OTC
RGH	RGH	Regional Greenhouse Gas Initiative Vintage 2009 Options	ICE OTC
RGI	RGI	Regional Greenhouse Gas Initiative Vintage 2010 Options	ICE OTC
RGJ	RGJ	Regional Greenhouse Gas Initiative Vintage 2011 Options	ICE OTC
RGK	RGK	Regional Greenhouse Gas Initiative Vintage 2012 Options	ICE OTC
SFH	SFH	Sulfur Financial Instrument Vintage 2009 Options	ICE OTC
SFI	SFI	Sulfur Financial Instrument Vintage 2010 Options	ICE OTC
SFJ	SFJ	Sulfur Financial Instrument Vintage 2011 Options	ICE OTC
SFK	SFK	Sulfur Financial Instrument Vintage 2012 Options	ICE OTC
SFL	SFL	Sulfur Financial Instrument Vintage 2013 Options	ICE OTC
SFM	SFM	Sulfur Financial Instrument Vintage 2014 Options	ICE OTC
SFN	SFN	Sulfur Financial Instrument Vintage 2015 Options	ICE OTC
SOK	SOK	TR SO2 Group 1 Allowance Vintage 2012 Options	ICE OTC
STK	STK	TR SO2 Group 2 Allowance Vintage 2012 Options	ICE OTC
NAK	NAK	TR NOx Annual Allowance Vintage 2012 Options	ICE OTC
NOK	NOK	TR NOx Ozone Season Allowance Vintage 2012 Options	ICE OTC
CAL	CAL	California Carbon Allowance Vintage 2013 Options	ICE OTC
CAM	CAM	California Carbon Allowance Vintage 2014 Options	ICE OTC
CAN	CAN	California Carbon Allowance Vintage 2015 Options	ICE OTC

SPAN® parameters

The Contracts will be margined using SPAN®[1]. Updated SPAN® parameters will be available in due course at:
https://www.theice.com/clear_europe_span_parameters.jhtml.

Fees

ICE Clear Europe Registration and Delivery fees for these contracts will shortly be made available from:
https://www.theice.com/publicdocs/ICE_OTC_Fees.pdf

Rules and Administrative Procedures

Amendments to the ICE Clear Europe Administrative Procedures are required for the introduction of these contracts and will be published shortly. The procedures will be similar to the US Emission products already cleared by the Clearing Corporation (TCC).

Should you have any questions in relation to this Circular or require any further information, please contact Mark Woodward, Director – Corporate Development by phone on +44 (0)20 7065 7617 or email mark.woodward@theice.com or Michael MacGregor, Managing Director - CCFE on +1 312 836 6735 or email michael.macgregor@theice.com, or Dan Scarbrough, SVP, CCFE
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Please ensure that the appropriate members of staff within your organisation and customers are advised of the content of this Circular.

Signed:

Paul Swann
President & Chief Operating Officer

[1] SPAN is a registered trademark of Chicago Mercantile Exchange Inc., used herein under license. Chicago Mercantile Exchange Inc. assumes no responsibility in connection with the use of SPAN by any person or entity. SPAN is a risk evaluation and margin framework algorithm.