



**Chicago Climate Futures Exchange, LLC
Certified Emission Reduction Futures**

Contract Size	1,000 Certified Emission Reductions (“CERs”) representing 1,000 metric tons of carbon dioxide (“CO ₂ ”).
Quotation	US dollars / metric ton CO ₂
Minimum Tick Increment	\$0.01 per CER = \$10.00 per contract
Symbol	CER
Trading Hours	7:00 a.m. – 3:00 p.m. U.S. Central Time
Contract Listing Cycle	<p>Standard-cycle contract listings:</p> <ul style="list-style-type: none"> a. Six consecutive quarterly contracts on a March, June, September, December cycle b. Front two serial calendar months; and c. Annual December contracts through 2012 <p>CCFE may list additional annual December contracts and any other calendar month contract off the standard-cycle listing schedule through 2014.</p>
Deliverable Instruments	<p>CERs are transferable instruments issued by the Executive Board of the Clean Development Mechanism as operated under the Kyoto Protocol to the United Nations Framework Convention on Climate Change.</p> <p>(Temporary CERs (tCERs) are not acceptable for delivery. A tCER is a CER issued for an afforestation or reforestation project which expires at the end of the commitment period following the period during which it was issued.)</p> <p>Until such time as the United Nations’ International Transaction Log is operational, the CER futures contract will be cash settled.</p>
First Trading Day	The first trading day of a standard-cycle contract is the first business day following an expiration day of standard-cycle contract.
Last Trading Day	<p>With the exception of the April contracts, the last trading day of a contract is the third-to-last business day of the expiration month.</p> <p>The last trading day for April contracts will be the fifth-to-last business day of the month in order to comply with the European Union Greenhouse Gas Emission Trading Scheme’s (EU ETS) annual April 30th compliance deadline.</p>
Physical Delivery Process	<p>Initially, clearing participants and parties trading the market must have accounts established within the United Kingdom’s Department for Environment Food and Rural Affairs (UK DEFRA) emissions registry and be able to electronically transfer CERs. As additional national registries are linked to the International Transaction Log and become eligible to effect transfers, such registries may be added as eligible upon CCFE notification.</p> <p>Delivery is a three day process consisting of Position Day, Notice Day, and Delivery Day occurring over three consecutive business days.</p>

	<p><u>Position Day</u> The first business following a CER 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.</p> <p><u>Notice Day</u> On the business day after the Position Day, the Clearing Service Provider will make the appropriate delivery assignments. The seller clearing member provides to the buyer clearing member(s) a description of the underlying Certified Emission Reduction instruments to be delivered. The buyer clearing member(s) provides UK DEFRA registry 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 CER instruments are on deposit in its or its customer's UK DEFRA registry account by 5:00 p.m. U.S. Central Time.</p> <p><u>Delivery Day</u> CCFE CSP 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 CER instrument transfer instructions.</p> <p><u>Payment</u> 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.</p>
<p>Final Settlement Price For Cash Settled Product</p>	<p>Final contract settlement prices will be based on an Exchange conducted market price survey for guaranteed delivery and payment of CERs on the last business day of December 2008 for contract expirations occurring through calendar year 2008. For contracts expiring in years after 2008, the final contract settlement prices will be based on an Exchange conducted market price survey for guaranteed delivery and payment of CERs on the last business day corresponding to the year the contract expires.</p> <p>Market participants will be surveyed between 5:00 p.m. and 5:15 p.m. London time (11:00 a.m. and 11:15 a.m. U.S. Central Time). The Exchange will survey a minimum of ten market participants. The final settlement price for an expiring contract will be determined by excluding the highest and lowest quotes and then calculating the simple average of the remaining price quotes. In addition, final settlement prices for all listed futures contracts other than December will be derived using standard present valuation procedures, utilizing U.S. dollar LIBOR interest rates for the appropriate expiration period of the contracts.</p> <p>Results of the price survey will be posted at 6:00 p.m. London time (12:00 p.m. U.S. Central time).</p>
<p>Price Limits</p>	<p>No daily price limits</p>
<p>Reportable Position Limits</p>	<p>25 contracts, equivalent to 25,000 CERs</p>
<p>Nearby Expiration Month Speculative Position Limits</p>	<p>1,000 contracts, equivalent to 1,000,000 Certified Emission Reductions per each expiring contract.</p>

Contract specifications and related rules are subject to revision. If CCFE determines that revisions to the contract specifications and related rules are warranted, reasonable efforts will be taken to provide appropriate advance notification of such revisions.

This document is a summary of the CCFE contract specification rules; see the CCFE Rulebook for complete contract specification rules.

Effective January 28, 2008