



**Chicago Climate Futures Exchange, LLC  
Nitrogen Financial Instrument (Ozone Season) Contract Specifications**

<b>Contract Size</b>	5 U.S. EPA NOx SIP Call emission allowances
<b>Quotation</b>	US dollars
<b>Minimum Tick Increment</b>	\$1.00 per ton = \$5.00 per contract
<b>Symbol</b>	NFI-OS (OS = Ozone Season)
<b>Trading Hours</b>	7:00 a.m. – 3:00 p.m. Central Time
<b>Delivery Months</b>	<p>Standard-cycle contract listings:</p> <ul style="list-style-type: none"> <li>a. Six consecutive quarterly contracts on a March, June, September, December cycle;</li> <li>b. Front two serial calendar months; and</li> <li>c. Up to four annual September contracts</li> </ul> <p>CCFE may list any other calendar month contract off the standard-cycle listing schedule through the last annual September contract.</p>
<b>Products</b>	<p>Within any listed contract, CCFE may offer one or more vintage-year specific products having different delivery specifications as follows:</p> <ul style="list-style-type: none"> <li>1. Bank Vintage (all vintages prior to the current compliance year)</li> <li>2. Current Compliance Year Vintage (December 1<sup>st</sup> is the first day of the next compliance year)</li> <li>3. 1-Year Deferred Vintage</li> <li>4. 2-Year Deferred Vintage</li> <li>5. Additional Deferred Vintages as determined by CCFE</li> </ul>
<b>First Trading Day</b>	The first trading day of a contract is the first business day following an expiration day.
<b>Last Trading Day</b>	The last trading day will be the third to last business day of the expiration month.
<b>Settlement Price Calculation</b>	<p>Settlement prices will be based on the following criteria:</p> <ul style="list-style-type: none"> <li>A single traded price during the pre-close.</li> <li>b. If more than one trade occurs during the pre-close, the trade volume weighted average of the prices, rounded to the nearest tick.</li> <li>c. If no trade occurs during the pre-close, the following will be given consideration; <ul style="list-style-type: none"> <li>1. the volume weighted average of the last two trade prices, rounded to the nearest tick;</li> <li>2. the mid-point between the best bid and offer (volume weighted) in the pre-close rounded to the nearest tick;</li> <li>3. spread price relationships; and</li> <li>4. time value between the contract months</li> </ul> </li> <li>d. The Exchange reserves the right to take into account other factors in determining settlement prices.</li> </ul>
<b>Deliverable Instruments</b>	<p>Environmental Protection Agency NOx SIP Call emission allowances equal to the contract size. The eligible allowances for delivery are:</p> <p>Bank Vintage – all NOx SIP Call emission allowances having vintages prior to the current compliance year (<i>December expirations of Bank Vintage contracts will include the allowances having a current calendar year Vintage i.e. allowances that as of December 1 switch from current year vintage to bank vintage</i>)</p> <p>Current Compliance Year Vintage, 1-Year Deferred Vintage and 2-Year Deferred</p>

	Vintage – NOx SIP Call emission allowances with the vintage year corresponding to the specific product vintage
<b>Delivery Process</b>	<p>Clearing participants and parties trading the market must have NOx Allowance Tracking System accounts established with the U.S. EPA.</p> <p>Delivery is a three day process consisting of Position Day, Notice Day and Delivery Day. The three days occur over three consecutive business days.</p> <p><b><u>Position Day</u></b>  The seventh trading day prior to a contract’s expiration (expiration occurring after the close on the final trading day) is the first day that CCFE clearing members must report their long futures positions in the expiring contract. The long positions as of the close of business on the seventh trading prior to expiration, by trade date, must be reported to the CCFE Clearing Service Provider (“CCFE CSP”) in the time frame and format required by the CCFE CSP.</p> <p>Starting on the First Position Day, CCFE clearing members (hereafter referred to as “seller”) on behalf of their short futures position holders may submit delivery tender notices to CCFE CSP, in a format acceptable to CCFE CSP.</p> <p><b><u>Notice Day</u></b>  Business day after the delivery tender notice has been submitted and the delivery assignment made by the CCFE CSP, the seller clearing member provides to the buyer clearing member(s) a description of the underlying EPA Emission Allowances to be delivered. The buyer clearing member(s) provides EPA NOx Allowance Tracking System account information to the seller clearing member. Information exchange is to be completed by 4:00 p.m. Central Time.</p> <p>The seller clearing member must ensure the appropriate emission allowances are on deposit in its or its customer’s EPA Allowance Tracking System account by the 5:00 p.m. Central Time.</p> <p><b><u>Delivery Day</u></b>  CCFE CSP will issue payment instructions to the respective buyer clearing member for the full contract value based upon the Position Day’s settlement price in a means and manner prescribed by CCFE CSP.</p> <p>By 3:00 p.m. Central Time, the seller clearing member must ensure that it or its customer has electronically submitted the allowance transfer instructions via the EPA’s CAMD Business System.</p> <p>Seller clearing member must forward the EPA confirmation to the CCFE CSP as verification that the delivery has been completed.</p> <p><b><u>Payment</u></b>  CCFE CSP will release the delivery proceeds to the seller clearing member on the following schedule.</p> <p>EPA confirmation received by CCFE CSP prior to 12:45 p.m. CT – same day in the mid-day variation cycle.</p> <p>EPA confirmation received by CCFE CSP after 12:45 p.m. CT – next business day through the 6:40 a.m. CT settlement cycle.</p>
<b>Price Limits</b>	No daily price limits
<b>Reportable Position</b>	25 contracts, equivalent to 125 allowances
<b>Nearby Expiration Month Speculative Position Limits</b>	4,000 contracts, equivalent to 20,000 allowances