
Chicago Climate Futures Exchange, LLC

Delivery Procedures

Massachusetts Renewable Energy Certificate Futures and Connecticut Renewable Energy Certificate Futures

Version 1.3
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Overview

This document addresses the delivery process for the following Chicago Climate Futures Exchange, LLC (“CCFE”) product:

Massachusetts Renewable Energy Certificates Futures - (REC MA)
Connecticut Renewable Energy Certificates Futures - (REC CT)

Contract specifications for this product may be found on the Chicago Climate Exchange website at http://www.ccfex.com/about_ccfe/products.html and in the CCFE rulebook, also available on the website at http://www.ccfex.com/membership_ccfe/rulebook.html.

Delivery will occur only at the expiration of a contract. Market participants holding positions at the expiration will be required to participate in the delivery process. The Clearing Corporation (“CCorp”), CCFE’s clearing service provider, will assign deliveries between clearing firms upon the expiration of a contract.

Eligibility to Participate in the Delivery Process

For CCFE REC MA and REC CT futures products delivered into New England Power Pool Generation Information System (NEPOOL GIS), CCFE clearing and non-clearing members and all their market participants that make or take delivery of REC CT and REC MA futures products must have at least one account in NEPOOL GIS.

A NEPOOL GIS account may be established at:

<https://www.nepoolgis.com/mymodule/reg/application.asp>

Questions about establishing an account should be directed to NEPOOL GIS at: 408-517-2174
gis@apx.com

Delivery Process for Futures Contracts

Delivery is a three day process consisting of Position Day, Notice Day, and Delivery Day occurring over three consecutive Business Days. See Exhibit A for a deliver example.

Position Day

The first Business Day following a REC MA and REC CT 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.

Notice Day

On the Business Day after the Position Day, the Clearing Service Provider will make the appropriate delivery assignments. The seller Clearing Member must provide to the buyer Clearing Member(s) a description of the underlying RECs to be delivered. The buyer Clearing Member(s) provides account information to the seller Clearing Member(s). The information exchange is to be completed by 4:00p.m. U.S. Central Time. The seller Clearing Member must ensure the appropriate RECs are on deposit in its or its customer’s NEPOOL GIS account by 5:00p.m. U.S. Central Time.

Delivery Day

CCFE Clearing Service Provider 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 REC instrument transfer instructions via NEPOOL GIS.

The assigned CCFE clearing members will exchange the following information (see Exhibit B):

1. The seller clearing member provides to the buyer clearing member(s) a description of the underlying RECs to be delivered.
2. The buyer clearing member(s) will provide the following information to the seller clearing member:
 - CCFE Clearing Member's or its customer's Account # and name in NEPOOL GIS
 - Authorized Account Representative Name
 - Authorized Account Representative email address
 - Authorized Account Representative phone number

CCCorp will invoice payment instructions to the respective buyer clearing member(s) for the full contract value based upon the expiration day settlement price.

Delivery Day

A. Buyer Clearing Member Pays for Delivery

At 6:40 a.m. CT, CCorp will issue payment instructions to the buyer clearing member for the full contract value in a means and manner prescribed by CCorp.

B. Positions

CCCorp removes delivery positions from margined positions.

C. Delivery

No later than 3:00 p.m. CT, the seller clearing member or its customer must electronically submit the allowance transfer instructions via NEPOOL GIS, which is available 24 hours a day, 7 days a week.

Delivery is initiated by the selling clearing member through NEPOOL GIS. The selling clearing member must select the buyer clearing members' account from a drop down list. The REC transfer is pending until it is accepted by the buyer clearing member. An electronic confirmation is sent to the seller clearing member and buyer clearing member once the REC transfer is accepted by the buyer clearing member.

If the seller clearing member's customer was responsible for providing the delivery instructions to NEPOOL GIS, the customer must forward the email confirmation to the seller clearing member.

D. Confirmation of Delivery to CCorp

The CCorp delivery confirmation requirements are as follows.

- The buying clearing member will create a separate CCFE Receipt of Delivery Confirmation form for each selling clearing member.
- No money will be released to the selling clearing member for any transfers not contained on the confirmation document.

- This form should be completed electronically and e-mailed to CSS at css@clearingcorp.com or faxed to 312-986-3444 and should be sent to CCorp by an authorized individual known by CSS. The buyer clearing member should contact CSS via telephone at 312-786-5718 to verify receipt of the e-mail.
CSS reserves the right to contact the buying clearing member to verify the validity of any form received from the buying clearing member.

Payment

CCorp will release the delivery proceeds to the seller clearing member on the following schedule:

- Confirmation documents received at CCorp by 12:30 p.m. will result in money released at midday. This time may be adjusted earlier if CCorp runs its midday process earlier.¹
- Confirmation documents received after 12:30 will result in money being released for end of day.
- If a confirmation document is not received at CCorp by 4:00 p.m. on the delivery day, the money will NOT be released to the Selling Clearing Member. The Buying Clearing Member should contact CCorp and CCFE ASAP if this deadline cannot be met. Failure to authorize the release of money on delivery day will be considered to be a default on delivery and will be referred to CCFE.

The CCFE Receipt of Delivery form is located at:

<http://www.clearingcorp.com/clearingmembers/SpecialForms/CCFE-Receipt-of-Delivery-Confirmation.html>

Underlying RECs Eligible for Delivery

The CCFE Rulebook and Member Advisories provide details regarding RECs eligible for delivery purposes.

Delivery Disputes and Resolutions

The CCFE Rulebook and Member Advisories address delivery disputes and resolutions.

Delivery Fees

CCFE and CCorp may assess transaction fees to CCFE clearing members for delivery transactions. Communication of such fees will be through CCFE Member Advisories and CCorp's communication process.

¹ On occasion, at CCorp's discretion, Mid-day Variations may be run earlier than CCorp's regularly scheduled mid-day settlement. CCorp will release delivery proceeds to a selling clearing member during the earlier mid-day settlement provided that CCorp receives the applicable confirmation sufficiently prior to the earlier mid-day settlement. Otherwise, CCorp will release the delivery proceeds at the 6:40 a.m. CT on the next business day.

3. Clearing Member A must have 100 contracts worth of deliverables in its (or its customers) Eligible Registry(ies) account(s) by the close of business on Notice Day for delivery the next day. Clearing Member B must have 30 contracts worth of deliverables in its (or its customers) Eligible Registry(ies) account(s) by the close of business on Notice Day for delivery the next day.

Delivery Day

1. CCorp issues payment instructions to the respective buying clearing members for full contract value from Clearing Member A and B based on final settlement price.
2. By 3:00 p.m. CT, Clearing Member A and B submit electronic transfer instructions to the Eligible Registry(ies). (Instructions include e-mail contact information for seller and buyer clearing members.)
3. Eligible Electronic Registry sends both parties (Clearing Members A and B) e-mail confirmation of transfer.
4. Buyer clearing member submits CCFE Receipt of Delivery Confirmation to CCorp.

Payment

CCorp remits delivery proceeds to Clearing Member A and B's non-segregated settlement account.



Chicago Climate Futures Exchange

Exhibit B

**CHICAGO CLIMATE FUTURES EXCHANGE, LLC
RENEWABLE ENERGY CERTIFICATE FUTURES
NEPOOL GIS DELIVERY INSTRUCTIONS**

Date: _____

Futures Contract: _____(REC MA or REC CT)

Month (Circle one): January April July October

Seller Clearing Member Name: _____

Vintage(s) to be Delivery:	<u>Vintage</u>	<u>Quantity</u>
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	Total Quantity	_____

Seller Clearing Member Representative: _____
 Phone Number _____
 Fax Number _____



Buyer Clearing Member Name: _____

Account Information:

Account name: _____

Account # _____

Account Rep. email _____

Account Rep. phone # _____

Account Rep. fax # _____

Buyer Clearing Member Representative: _____
 (If different from Account Rep.)
 Phone Number _____
 Fax Number _____