



**Chicago Climate Futures Exchange, LLC
Carbon Financial Instrument Futures**

Contract Size	1000 metric tons of CO ₂ which is equivalent to 10 CCX Carbon Financial Instrument contracts (“CFI”) cash market contracts)
Quotation	US dollars
Minimum Tick Increment	\$0.01 per metric ton = \$10 per contract \$0.10
Symbol	CFI-PD
Trading Hours	7:00 a.m. – 3:00 p.m. Central Time
Contract Listing Cycle	<p>Standard-cycle contract listings for contract months with expirations through 2012 :</p> <ul style="list-style-type: none"> a. Six consecutive quarterly contracts on a March, June, September, December cycle; b. Front three serial calendar months; c. Annual December contracts through 2012; and d. Other contract months as determined by CCFE <p>Contract listings for contract months with expirations subsequent to 2012:</p> <ul style="list-style-type: none"> a. Initial listings will be January 2013, December 2013, December 2014 and December 2015; and b. Other contract months as determined by CCFE
Deliverable Instruments	<p><i>Expirations through December 2012.</i></p> <p>The deliverable instrument is a CCX Carbon Financial Instrument contract equal to the futures contract size. CCX Carbon Financial Instrument contracts acceptable for delivery are those having a vintage corresponding to the calendar year of the futures contract expiration and those having a vintage of any year prior to the calendar year of the futures contract expiration.</p> <p><i>Expirations subsequent to December 2012.</i></p> <p>If a mandatory greenhouse gas (“GHG”) limitation and trading program has been enacted into U.S. law, deliverable instruments are allowances usable for compliance obligations pursuant to the U.S. government mandated GHG limitation and trading program as follows:</p> <p>Allowances from the registry of the U.S. Government-appointed program administrator (for example, the U.S. EPA) equal to 1,000 metric tons CO₂ equivalent.</p> <p>For CFI futures contracts that expire in years prior to the first compliance year of the U.S. mandatory GHG limitation and trading program, the deliverable vintage allowances are those usable for compliance in the first compliance year under the U.S. mandatory program.</p> <p>For CFI futures contracts that expire during the first compliance year or during years subsequent to the first compliance year of the U.S. mandatory GHG limitation and trading program, vintages allowed for delivery are all vintage instruments usable for</p>

	<p>compliance in the year of futures contract expiration.</p> <p>Allowances from any other U.S. Government-approved registry, which may include but may not be limited to Carbon Financial Instrument contracts from the Chicago Climate Exchange Registry, or from any other U.S. Government-approved registry, may be delivered against CFI futures contracts provided they are tendered in amounts that are recognized for compliance use under the U.S. Government program as equivalent to 1,000 metric ton CO₂ of compliance obligations under the U.S. Government GHG limitation and trading program. Such tendered allowances must have the exact compliance status as U.S. Government allowances. Additionally, tradable GHG instruments issued under a mandatory program that may be designated as an “allowance”, but are issued on the basis of greenhouse gas mitigation realized by a facility or activity that is not itself covered or otherwise subject to emission limits under the U.S. Government GHG limitation and trading program, shall be ineligible for delivery. All deliveries must conform with the vintage rules as provided in CCFE Rule 1605(b)a.i.</p> <p>If a registry of a U.S. Government-appointed program administrator or any other U.S.-approved registry is not yet operational and capable of delivering U.S. compliant allowances at a CFI futures contract expiration, all open positions in the expiring futures contract will automatically roll forward one (1) calendar year based on a value determined by multiplying the final settlement price of the expired contract times the sum of one (1) plus the interest rate on 12-month U.S. Treasury notes that is prevailing at the time of contract expiration.</p> <p>For contracts with an expiration prior to enactment of a law that establishes a mandatory U.S. Government GHG limitation and trading program, the allowances acceptable for delivery are, at the option of the seller, European Union Emission Allowances (“EUAs”), Regional Greenhouse Gas Emission Allowances (“RGGI allowances”), or allowances issued under any mandatory U.S. state or regional greenhouse gas limitation and trading system that has emission limits that apply to emissions occurring during the year of contract expiration and meet the requirements of CCFE Rule 1605 (b)a.ii. All deliveries must occur in amounts equal to the contract size. EUAs, RGGI allowances or other eligible allowances that are acceptable for delivery are those having a vintage corresponding to the calendar year of the expired contract or a vintage year that is earlier than the calendar year of the expired contract. The EUA 2008 vintage is the earliest EUA vintage eligible for delivery.</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	The last day of trading of a contract is the last business day of the expiration month.
Delivery Process	<p>In order to make or take delivery of Carbon Financial Instrument futures, Clearing Members, Trading Privilege Holders and other market participants must be a member of the Chicago Climate Exchange, Inc. (“CCX”) with CCX Trading Platform eligibility and have an established CCX Registry Account prior to the expiration of any CFI futures contract.</p> <p>Clearing Members may establish a CCX Registry Account(s) for market participants that are not members of the Chicago Climate Exchange, (“Non-CCX member”) for the sole purpose of receiving and making delivery of CCX Carbon Financial Instruments (“CFI”) contracts against Carbon Financial Instrument futures contract.</p>

	<p>Delivery is based on open positions after the contract's expiration. Delivery is a three-day process.</p> <p><u>Position Day</u> The first business following a Carbon Financial Instrument futures contract's expiration day is the day that Clearing Members must report their long futures positions to the Clearing Service Provider as of the close of the expiration day. Starting on the first Position Day, Clearing Members holding open short positions (hereafter referred to as "seller Clearing Member") may submit delivery tender notices to the clearing Service Provider on their own behalf or on the behalf of their open short futures position holders, as applicable, in a format acceptable to the Clearing Service Provider. Upon receipt of a delivery tender notice, the Clearing Service Provider will make the appropriate delivery assignment.</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 must provide to the buyer Clearing Member(s) a description of the underlying CCX Carbon Financial Instrument contracts to be delivered. The buyer Clearing Member(s) must provide the CCX Registry Account number information to the seller Clearing Member. This information exchange must be completed by 12:00 p.m. (Central time) on Notice Day.</p> <p>The seller Clearing Member must submit all delivery instructions to the Exchange in a form an manner prescribed by the Exchange by 2:00 p.m. (Central time) on Notice Day.</p> <p>The Clearing Service Provider shall issue payment instructions to the respective buyer Clearing Member(s) for the full contract value based upon the expiration Day settlement price in a means and manner prescribed by the Clearing Service Provider.</p> <p><u>Delivery Day</u> The seller Clearing Member must ensure the CCX Carbon Financial Instrument contracts are on deposit in the delivery designated CCX Registry Account by the close of the Chicago Climate Exchange market on the Notice Day.</p> <p>The Chicago Climate Exchange will effect the Carbon Financial Instrument futures delivery transfer instructions at the close of its market on the Delivery Day.</p> <p>The Exchange will confirm to the Clearing Service Provider when all deliveries have been completed.</p> <p>After receipt of the Exchange confirmation of deliveries, the Clearing Service Provider will release the delivery proceeds to the seller Clearing Member.</p> <p>Any modifications to delivery procedures for expirations subsequent to 2012 will be codified as appropriate.</p>
Price Limits	No daily price limits
Reportable Position Limits	25 contracts, equivalent to 250 CCX CFI contracts
Nearby Expiration Month Speculative Position Limits	4,000 contracts which is equivalent to 40,000 CCX CFI contracts

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.