



WHERE THE
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Chicago Climate Futures Exchange [®]: RECs Product Overview

Climate Exchange Plc. (CLE.L)



Tianjin Climate Exchange



Montréal Climate Exchange



Climate Exchange Plc. companies own and operate the world's leading exchanges specializing in environmental asset classes, including emissions, weather and insurance-related products.

Introduction

- Climate Exchange Plc is an AIM listed company (CLE.L) which owns the European Climate Exchange (ECX) and the Chicago Climate Exchange (CCX).
- ECX is the most liquid, pan-European platform for trading carbon emissions under the EU ETS, offering futures and options contracts. ECX commands over 80% market share of the exchange traded volume for EU ETS carbon credits.
- CCX is North America's only and the world's first global marketplace for integrating voluntary legally binding emissions reductions with emissions trading and offsets for all six greenhouse gases.
- Chicago Climate Futures Exchange[®] (CCFE), a wholly owned subsidiary of CCX, is a CFTC designated contract market that offers derivative products for emission allowances and other environmentally based markets

Chicago Climate Futures Exchange®: Market Operation

- CFTC Designated Contract Market
- Clearing services provided by Clearing Corporation
- Market Surveillance provided by the National Futures Association (NFA)
- CCFE Products offer:
 - Standardized contracts
 - Price transparency / price discovery
 - Anonymity
 - Elimination of counterparty credit risk
 - Leverage benefits allow low-cost hedging
- Market hours: 7:00 am to 3:00 pm CST

CCFE Products

US Emissions – US EPA Clean Air Markets

- Sulfur Financial Instrument[®] (SFI[®]) Futures and Options
- Nitrogen Financial Instrument[™] - Ozone Season (NFI[™] -OS) Futures
- Nitrogen Financial Instrument[™] - CAIR Annual (NFI[™] -A) Futures and Options

US Carbon Products

- Regional Greenhouse Gas Initiative (RGGI) Futures and Options
- Carbon Financial Instrument[®] (CFI[®]) Futures and Options
- U.S. Carbon Financial Instrument (CFI-US[®]) Jan`13–Dec `15 Futures & Options
- California Climate Action Reserve Tons (CCAR-CRT[®]) Futures and Options

Equity-Index Products

- ECO-Clean Energy Index (ECO) Futures
- Dow Jones Sustainability World Index (DJSI-W) Futures *

IFEX[™] Insurance

- U.S. Tropical Wind (\$10, \$20, \$30, \$40 and \$50 Billion)
- Florida Tropical Wind (\$10, \$20, \$30, \$40 and \$50 Billion)
- Gulf Coast Tropical Wind (\$10, \$20, \$30, \$40 and \$50 Billion)

Renewable Energy Products

- ***New Jersey Renewable Energy Certificate (REC-NJ) Futures***
- ***Connecticut Renewable Energy Certificate (REC-CT) Futures***
- ***Massachusetts Renewable Energy Certificate (REC-MA) Futures***
- ***Voluntary Renewable Energy Certificate (REC-V) Futures***

*Dow Jones, World Sustainability IndexSM are service marks of Dow Jones & Company, Inc. Dow Jones has no relationship to the Chicago Climate Futures Exchange, other than the licensing of the Dow Jones World Sustainability Index and its service marks for use in connection with the Dow Jones World Sustainability Index Futures products.

CCFE[®] Futures Market Role

- Facilitate Hedging:
 - Risk transfer from those seeking to shed risk to those willing to absorb it
 - Hedgers that *sell* futures contracts (the “shorts”) lock-in sales price for future delivery (to address risk of falling prices)
 - Hedgers that *buy* futures contracts (the “longs”) lock-in purchase prices for future delivery (to address risk of rising prices)
- Price discovery in an orderly, transparent and competitive marketplace
- Enjoy benefits of liquidity and central clearinghouse: eliminate counterparty risk

CCFE Futures Platform

ChicagoClimateExchange - quotes-ccx2 @ CCX View Only Company

View Admin Help Logout

Kill All Activate All Live Only Hold Bids Hold All Hold Offers Excel

Orders Deals REC SO2 All listed products - Spreads CCX Carbon Financial Instruments (CFIs) ECX All Products-Outrights CCAR-CRT CFI Futures

Product	Hub	Strip	+	-	Option	Strk	...	Qty	Bid	Offer	Qty	...	High	Low	Last	Volume	Settlement	Change	Mkt. State	Pin	+	
CCFE CCAR Futures	CCAR-CRT	Dec09	+					5	5.00	5.90	5						5.90			Open		+
CCFE CCAR Futures	CCAR-CRT	Dec10		+				5	5.10	5.95	5						6.00			Open		+
CCFE CCAR Futures	CCAR-CRT	Dec11						5	5.20	6.05	5						6.00			Open		
CCFE CCAR Futures	CCAR-CRT	Dec12						5	5.30	6.30	5						6.35			Open		
CCFE CFI Futures	CFI	Jun09						10	0.85	1.25	8						1.00			Open		
CCFE CFI Futures	CFI	Jul09						10	0.85	1.26	10						1.00			Open		
CCFE CFI Futures	CFI	Sep09						5	0.86	1.27	10						1.01			Open		
CCFE CFI Futures	CFI	Dec09						10	0.87	1.27	10						1.02			Open		
CCFE CFI Futures	CFI	Mar10						10	0.88	1.28	10						1.04			Open		
CCFE CFI Futures	CFI	Jun10						10	0.87	1.29	10						1.06			Open		
CCFE CFI Futures	CFI	Dec10		+				8	0.90	1.30	10						1.12			Open		+
CCFE CFI Futures	CFI	Jan13		+				10	10.00	10.75	10						10.50			Open		+
CCFE CFI Futures	CFI	Dec13		+				15	10.75	11.50	20		11.25	11.25	11.25	10	11.50	-0.25		Open		+
CCFE CFI Futures	CFI	Dec14		+				10	12.00	12.75	15						12.50			Open		+
CCFE CFI Futures	CFI	Dec15						10	12.50	13.25	10						13.00			Open		
CCFE IFEX Futures	IFEX-FLW 1E20B	Dec09								26.00	100						24.50			Open		
CCFE IFEX Futures	IFEX-USTW 1E10B	Dec09						75	36.00	46.00	75						45.00			Open		
CCFE IFEX Futures	IFEX-USTW 1E10B	Dec10						50	37.50	47.50	50						42.50			Open		
CCFE IFEX Futures	IFEX-USTW 1E20B	Dec09		+				75	26.90	30.00	75						29.40			Open		+
CCFE IFEX Futures	IFEX-USTW 1E20B	Dec10						50	28.00	31.00	50						30.50			Open		
CCFE IFEX Futures	IFEX-USTW 1E30B	Dec09						75	17.50	21.50	75						18.50			Open		
CCFE IFEX Futures	IFEX-USTW 1E30B	Dec10						50	18.00	22.00	50						23.00			Open		
CCFE IFEX Futures	IFEX-USTW 1E40B	Dec09						75	14.25	17.00	75						15.80			Open		
CCFE IFEX Futures	IFEX-USTW 1E40B	Dec10						50	14.75	17.50	50						17.50			Open		
CCFE IFEX Futures	IFEX-USTW 1E50B	Dec09						75	10.00	13.25	75						11.50			Open		
CCFE IFEX Futures	IFEX-USTW 1E50B	Dec10						50	10.50	13.50	50						12.80			Open		
CCFE NFI Annual Futures	NFI-A V09	Jun09		+				100	1000.00	130...	100						1235.00			Open		+
CCFE NFI Annual Futures	NFI-A V09	Dec09						100	950.00	135...	100						1235.00			Open		
CCFE NFI Annual Futures	NFI-A V10	Jun09		+				100	1000.00	125...	100						1175.00			Open		+
CCFE NFI Annual Futures	NFI-A V10	Dec09		+				100	1000.00	130...	100						1175.00			Open		+
CCFE REC-CT Futures	REC-CT C1	Apr10						50	24.00	30.00	50						25.00			Open		
CCFE REC-NJ Futures	REC-NJ C1	Jul10						50	8.25	13.75	50						11.50			Open		
CCFE REC-NJ Futures	REC-NJ C1	Jul11						50	14.50	18.50	50						11.69			Open		
CCFE RGGI Futures	RGGI V09	Jun09		+				1	3.47	3.54	10						3.50			Open		+
CCFE RGGI Futures	RGGI V09	Jul09						1	3.47	3.55	5						3.51			Open		
CCFE RGGI Futures	RGGI V09	Aug09						1	3.47	3.58	10						3.51			Open		
CCFE RGGI Futures	RGGI V09	Sep09						1	3.48	3.56	5						3.51			Open		
CCFE RGGI Futures	RGGI V09	Oct09						1	3.48	3.63	10						3.52			Open		
CCFE RGGI Futures	RGGI V09	Nov09						1	3.49	3.65	10						3.52			Open		

ECX EUA Futures - ECX - Dec09, 10 @ 13.35 (08:06:46 CDT)

ECX EUA Futures - ECX - Dec09, 1 @ 13.33 (08:05:21 CDT)

ECX EUA Futures - ECX - Dec10, 1 @ 13.93 (08:05:21 CDT)

ECX EUA Futures - ECX - Dec09, 1 @ 13.37 (08:03:38 CDT)

ECX EUA Futures - ECX - Dec09, 15 @ 13.35 (08:01:18 CDT)

ECX EUA Futures - ECX - Dec09, 1 @ 13.35 (08:01:06 CDT)

ECX EUA Futures - ECX - Dec09, 10 @ 13.35 (08:01:06 CDT)

ECX EUA Futures - ECX - Dec09, 1 @ 13.36 (07:58:44 CDT)

ECX EUA Futures - ECX - Dec09, 25 (07:55:00 CDT) <<EFP:IEFS>>

ECX EUA Futures - ECX - Dec09, 25 (07:54:21 CDT) <<EFP:IEFS>>

ECX EUA Futures - ECX - Dec09, 1 @ 13.37 (07:56:20 CDT)

ECX EUA Futures - ECX - Dec09, 1 @ 13.37 (07:56:20 CDT)

A block trade was reported to the Exchange and is pending approval: SFI - Dec09, \$71.00, 80 contracts

08:06:46 CDT

CCFE[®] Clearing Members



REC Products on CCFE

- **REC-NJ – NJ Class 1 RECs**
- **REC-CT – CT Class 1 RECs**
- **REC-MA - MA Class 1 RECs**
- **REC-V – Voluntary RECs eligible to meet Green-e® Energy standard***

Contract Details

- **Physical delivery for contracts held through expiration**
- **Contract size:**
 - NJ,CT,MA – 100 MWh
 - REC-V – 1,000 MWh
- **Contract Listings**
 - NJ – Monthly (Current Year + 5 Years)
 - CT & MA - Quarterly (on a Jan, Apr, Jul, Oct cycle) current Year + 5 Years
 - REC-V - Quarterly (on a Mar, Jun, Sep, Dec cycle) current Year + 5 Years
- **Transaction Fees:** \$5.00 per contract (waived at this time)

* Green-e® Energy eligible means that the seller has agreed to deliver RECs that are designated in a tracking system, or other manner determined by CCFE, as eligible for certification according to the Green-e Energy National Standard promulgated by the Center for Resource Solutions (CRS). It does not mean that any RECs have been Green-e Energy certified, and there is no promise by CRS that any REC is eligible for certification or will ever be certified. Standards for certification may change or cease to exist at any time. CRS does not endorse, approve or guarantee any aspect of any futures contract. Green-e® is a registered certification trademark of Center for Resource Solutions.

Direct Access to CCFE Trading platform (ICE Platform)

- End-user Opens a Futures Account with a Futures Commission Merchant (FCM)
- End-user fills out an Authorized Trader Form
 - Signed by the End-user's Traders who receive Direct Access to the CCFE Platform
 - Approved by the End-user's FCM
- End-user and FCM Negotiate Credit Limits for CCFE Markets on a Per Product Basis
- End-user's Trader is able to Execute Transactions Directly on the CCFE Platform

Executing Broker at FCM

- End user opens Futures Account with Futures Commission Merchant (FCM)
- End user and FCM Negotiate Credit Limits for CCFE Markets on a Per Product Basis
- End user grants FCM authorization to Execute orders on its behalf through an Executing Broker

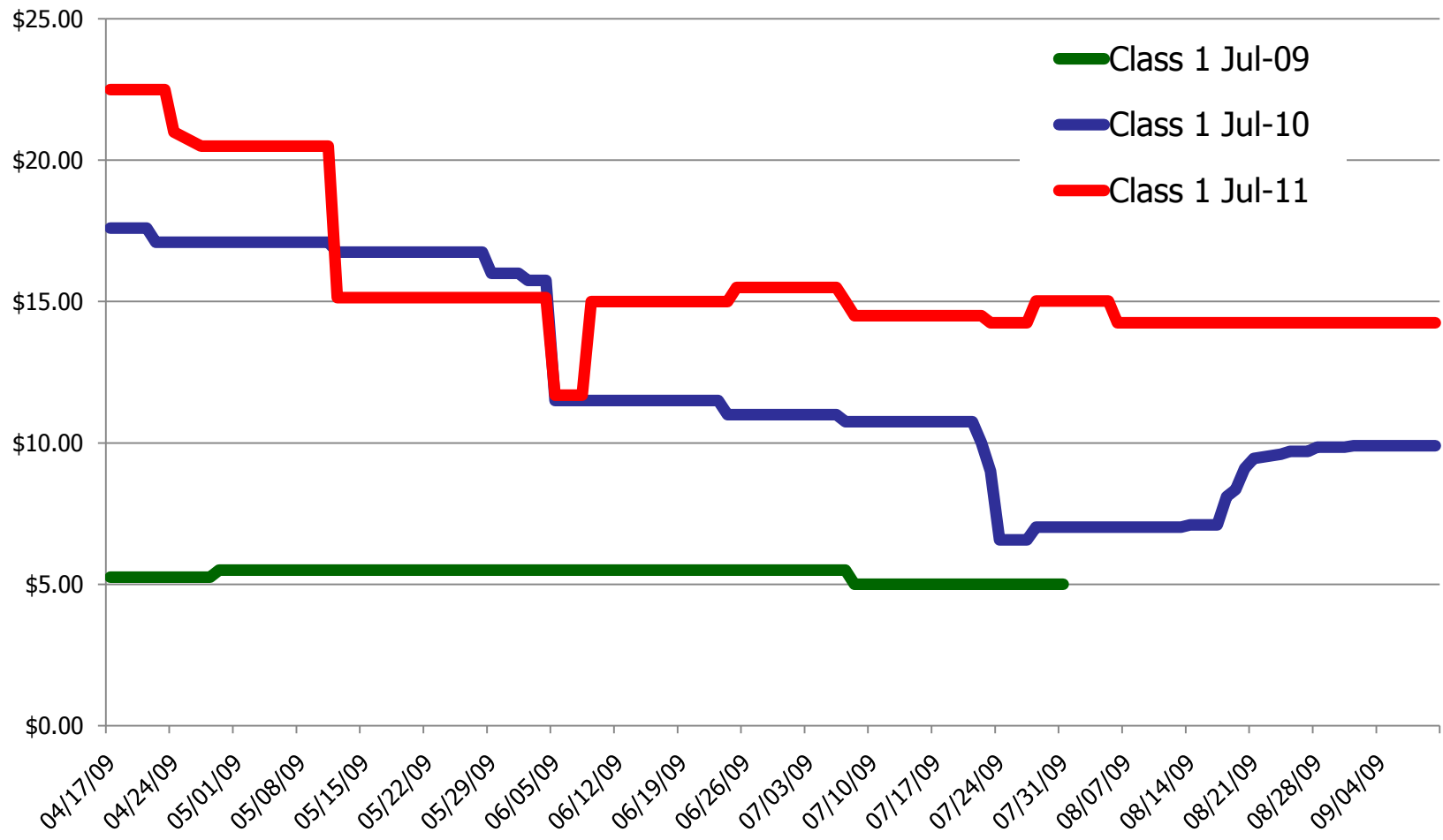
Introducing Broker (IB)

- End-user Enters into an Agreement with a Introducing Broker
- Introducing Broker Develops Strategies to Mitigate end-user's RECs Price Risk
- Introducing Broker Executes Agreed Strategies via the CCFE Market

CCFE Clearing for OTC Transactions (Block Trades)

- End-user opens Futures Account with a Futures Commission Merchant (FCM)
- End-user opens a futures account with a CCFE Clearing Member
- End-user executes a Bi-Lateral Transaction via an OTC Broker
 - OTC Broker reports the details of the transaction to CCFE
 - CCFE confirms the details of the transaction with the End-user's Trader and the End-user's FCM
- CCFE Clears the Bi-Lateral Transaction

Class 1 NJ REC Pricing on CCFE (for July 2009, 2010, 2011 expirations)



As of 9/10/09

Thank You!

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