

NODAL EXCHANGE CONTRACT SPECIFICATIONS

Certified Emission Reduction -Commitment Period 2 Future

ITEM	SPECIFICATION
Contract Description	Physically delivered futures contract for Certified Emission Reduction (CER) units issued by the Clean Development Mechanism (CDM) Executive Board following independent verification of emission reductions achieved by a registered CDM project.
Contract Code	CER
Settlement Method	Physical Delivery
Hours of Trading	As defined at http://www.nodalexchange.com
Unit of Trading	1 lot
Lot Size	1,000 Metric Tons (MTs) representing 1,000 Offsets
Currency	US Dollars
Minimum Tick	\$0.01 per MT
Settlement Price Precision	\$0.01 per MT
Last Trading Day	Three Business Days prior to the last Business Day of the delivery month
Delivery Day	Three Business Days after the Last Trading Day (Last Business Day of the delivery month)
Contract Series	Quarterly expirations for the current year and the following two years. Annual December contracts for up to an additional 7 years. The exchange may list any other calendar month contract set off the standard listing cycle.
Deliverable Product	<p>Certified Emission Reduction (CER) units eligible to be delivered are those issued by the Clean Development Mechanism (CDM) Executive Board following independent verification of emission reductions achieved by a registered CDM project. CERs not eligible for delivery are those generated from afforestation or reforestation activities (LULUCF) as well as Industrial Gas Projects (HFC23 and N2O from adipic acid production) banned through European Commission Regulation (EU) No 550/2011.</p> <p>CERs from hydroelectric projects exceeding 20 MW are not eligible for delivery unless they meet the requirements of Directive 2003/87/EC European Parliament and as amended by Directive 2009/29/EC. The exchange shall maintain a list of hydroelectric projects exceeding 20MW that meet these criteria.</p> <p>Eligible vintage year reductions are 2013 through 2020.</p>
Registry	Transfer of eligible CERs is made from account(s) in a national or CDM registry to national registry account(s).
Daily Settlement Price	Determined by the Exchange based on exchange activity, other market data, and extrapolation to traded contracts, as appropriate
Final Settlement Price	The Daily Settlement Price on the Last Trading Day
Delivery	On the Last Trading Day, the Exchange will provide the Clearing House with information identifying the Participants with delivery obligations for the purpose of issuing Tender and invoice notices in accordance with Section IX (Physical Delivery and Settlement) of the Nodal Clear Rulebook.

NODAL EXCHANGE CONTRACT SPECIFICATIONS

ITEM	SPECIFICATION
Final Settlement (Payment) Date	Three or four Business Days after the Last Trading Day on the successful delivery of the underlying instruments (if the delivery confirmation is available by 11:30am on the third Business Day after the Last Trading Day, the payment will be made on the same day during the Midday Margin Cycle; if it is available after 11:30am, the payment will be made on the next Margin Cycle which will be the next Business Day)
Position Limit	https://www.nodalexchange.com/files/autogenerated/Nodal_Rulebook_Appendix_C-Limits_and_Levels.PDF
Margin Unit	US Dollars