



A CME/Chicago Board of Trade/NYMEX Company

Special Executive Report

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REMINDER: DENATURED FUEL ETHANOL RENEWABLE IDENTIFICATION NUMBER RULES

For ethanol loaded out against canceled CBOT ethanol shipping certificates, CBOT Denatured Fuel Ethanol Futures Rules require the transfer of a like quantity of Renewable Identification Numbers (RINs) upon the completion of load-out (CBOT Rule 16110). Rule 16110 states the transferred RINs shall be valid for at least six (6) months from the date of transfer of physical ethanol from seller to buyer. The date of transfer is defined as the bill of lading date for physical load-outs and the date title is transferred from seller to buyer for book transfers. RINs are required to be transferred from seller to buyer within 48 hours of the date of transfer.

RINs must be valid for at least six (6) months from the date of transfer. Thus, 2008 RINs, which expire at the end of 2009, may be transferred from seller to buyer for all load outs completed through June 2009. However, load-outs completed after June 2009 will require the transfer of 2009 RINs.

For example, a buyer who takes delivery of ethanol shipping certificates in the June 2009 futures contract, and cancels those shipping certificates for load-out, could receive either 2008 or 2009 RINs provided the load-out is completed before the end of June. However, a buyer who takes delivery of ethanol shipping certificates in the June 2009 futures contract, but does not cancel those certificates for load-out but carries those certificates until July (and pays the Exchange-required premium (storage) charge of \$0.0007 per gallon per day to the regular shipper), would receive only 2009 RINs upon completed load-out in the month of July.

Questions may be directed to Dave Lehman (312-930-1875 or David.Lehman@CMEGroup.com) or Fred Seamon (312-634-1587 or Fred.Seamon@CMEGroup.com) or John Hill (312-930-1852 or John.Hill@CMEGroup.com).

Rule 16110. DELIVERY OF GALLON-RINs UPON PHYSICAL LOAD-OUT OF ETHANOL

- (a) Upon completion of load-out each regular shipper will be required to transfer ethanol gallon-RINs of a total quantity that is not less than the total amount of gallons of ethanol that have been loaded out (adjusted for over-and/or under-fills). The gallon-RINs are to be transferred to the buyer requesting load out.
- (b) The gallon-RINs transferred as per 16110.(a) shall be valid for at least six (6) months from the date of transfer.
- (c) The transfer of gallon-RINs shall take place within 48 hours after the load-out procedure has been completed. The date of completed load-out shall be the bill of lading date. In the case of book transfers the RINs transfer shall take place within 48 hours after the title to the ethanol has passed from the shipper to the buyer.
- (d) Any buyer requesting load-out of ethanol must hold a valid EPA registration number allowing gallon-RIN's to be transferred from the shipper to the buyer requesting loadout. The buyer requesting load-out of ethanol shall include the applicable EPA registration numbers in the written loading orders and shipping instructions as per 16109.A.(e)(1).
- (e) Transfer of gallon-RINs from the regular shipper to the buyer requesting load-out shall be done in accordance with the guidelines of the Environmental Protection Agency (EPA) for such RIN transfer. The Exchange does not prescribe a format that the shipper needs to adhere to in regard to the transfer of gallon-RINs.