



14-029

TO: Clearing Member Firms
Chief Financial Officers
Back Office Managers
Margin Managers

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Tuesday, January 21, 2014

To receive advanced notification of Performance Bond (margin) changes, through our free automated mailing list, go to

<http://www.cmegroup.com/newsletter/web2lead/web2sf-old.html>

and subscribe to the Performance Bond Rates Advisory Notice listserver.

As per the normal review of market volatility to ensure adequate collateral coverage, the Chicago Mercantile Exchange Inc., Clearing House Risk Management staff approved the performance bond requirements for the following products listed below.

The rates will be effective after the close of business on

Wednesday, January 22, 2014.

Current rates as of:

Tuesday, January 21, 2014.

In this current advisory there are changes to the Short Option Minimum and/or the Volatility Scan Range. Below are descriptions of what each change affects:

The Short Option Minimum (SOM) is a charge that is applied only to portfolios concentrated in short options that do not generate a minimum margin requirement level when margins are calculated using the normal 16 SPAN scenarios. The SOM charge per short calls or short puts is a percentage of the outright margin on one underlying futures contract.

The volatility scan range is the change in implied volatility that is used in each of SPAN's 16 scenarios.

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
ELECTRICITY - Outright Rates								
MDWST ISO IND. HUB 5MW PK CAL-MO RT (PTM)								
PTM	Spec	Mnth 1	Increase	USD	880	800	1,540	1,400
PTM	Hedge/Member	Mnth 1	Increase	USD	800	800	1,400	1,400
PTM	Spec	Mnth 2	Increase	USD	825	750	1,045	950
PTM	Hedge/Member	Mnth 2	Increase	USD	750	750	950	950
PTM	Spec	Mnths 3-11	Increase	USD	303	275	358	325
PTM	Hedge/Member	Mnths 3-11	Increase	USD	275	275	325	325
MDWST ISO INDIANA HUB 5MWPK CAL MO (PDM)								
PDM	Spec	Mnth 1	Increase	USD	550	500	1,100	1,000
PDM	Hedge/Member	Mnth 1	Increase	USD	500	500	1,000	1,000
PDM	Spec	Mnth 2	Increase	USD	440	400	660	600
PDM	Hedge/Member	Mnth 2	Increase	USD	400	400	600	600
MIDWEST ISO MICHIGAN HUB 5MW PEAK C (HMW)								
HMW	Spec	Mnth 5-11	Increase	USD	330	300	495	450
HMW	Hedge/Member	Mnth 5-11	Increase	USD	300	300	450	450
HMW	Spec	Mnth 12+	Increase	USD	303	275	413	375
HMW	Hedge/Member	Mnth 12+	Increase	USD	275	275	375	375
MISO INDIANA HUB 5MW D AH PK (H5)								
H5	Spec	Mnth 2	Increase	USD	440	400	550	500
H5	Hedge/Member	Mnth 2	Increase	USD	400	400	500	500
MISO INDIANA HUB 5MW REAL TIME PK (H3)								
H3	Spec	Mnth 1	Increase	USD	825	750	1,375	1,250
H3	Hedge/Member	Mnth 1	Increase	USD	750	750	1,250	1,250
H3	Spec	Mnth 2	Increase	USD	440	400	550	500
H3	Hedge/Member	Mnth 2	Increase	USD	400	400	500	500
MISO INDIANA HUB PEAK MONTH FUT (EM)								
EM	Spec	Mnth 1	Increase	USD	9,075	8,250	11,275	10,250
EM	Hedge/Member	Mnth 1	Increase	USD	8,250	8,250	10,250	10,250
NYISO ZONE C 5MW D AH PK (Q5)								
Q5	Spec	Mnths 12+	Increase	USD	165	150	220	200
Q5	Hedge/Member	Mnths 12+	Increase	USD	150	150	200	200
NYISO ZONE E 5MW OFF- PK CAL MO FUT (58)								
58	Spec	Mnth 1	Increase	USD	88	80	132	120
58	Hedge/Member	Mnth 1	Increase	USD	80	80	120	120
58	Spec	Mnths 2-6	Increase	USD	33	30	66	60

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
58	Hedge/Member	Mnths 2-6	Increase	USD	30	30	60	60
58	Spec	Mnths 7-11	Increase	USD	17	15	22	20
58	Hedge/Member	Mnths 7-11	Increase	USD	15	15	20	20
NYISO ZONE E 5MW PK CAL MO FUT (55)								
55	Spec	Mnth 1	Increase	USD	2,200	2,000	3,300	3,000
55	Hedge/Member	Mnth 1	Increase	USD	2,000	2,000	3,000	3,000
55	Spec	Mnths 2-6	Increase	USD	715	650	1,320	1,200
55	Hedge/Member	Mnths 2-6	Increase	USD	650	650	1,200	1,200
PJM AD HUB 5MW REAL TIME PK (Z9)								
Z9	Spec	Mnth 1	Increase	USD	1,540	1,400	3,080	2,800
Z9	Hedge/Member	Mnth 1	Increase	USD	1,400	1,400	2,800	2,800
Z9	Spec	Mnth 2	Increase	USD	385	350	605	550
Z9	Hedge/Member	Mnth 2	Increase	USD	350	350	550	550
Z9	Spec	Mnths 3-11	Increase	USD	275	250	330	300
Z9	Hedge/Member	Mnths 3-11	Increase	USD	250	250	300	300
PJM AECO DA OFF-PEAK (X1)								
X1	Spec	Mnth 2	Increase	USD	17	15	28	25
X1	Hedge/Member	Mnth 2	Increase	USD	15	15	25	25
X1	Spec	Mnths 3-11	Increase	USD	11	10	22	20
X1	Hedge/Member	Mnths 3-11	Increase	USD	10	10	20	20
X1	Spec	Mnths 12+	Increase	USD	11	10	17	15
X1	Hedge/Member	Mnths 12+	Increase	USD	10	10	15	15
PJM AECO DA PEAK (Y1)								
Y1	Spec	Mnth 1	Increase	USD	1,100	1,000	1,650	1,500
Y1	Hedge/Member	Mnth 1	Increase	USD	1,000	1,000	1,500	1,500
Y1	Spec	Mnth 2	Increase	USD	385	350	770	700
Y1	Hedge/Member	Mnth 2	Increase	USD	350	350	700	700
Y1	Spec	Mnths 3-11	Increase	USD	198	180	550	500
Y1	Hedge/Member	Mnths 3-11	Increase	USD	180	180	500	500
Y1	Spec	Mnths 12+	Increase	USD	248	225	468	425
Y1	Hedge/Member	Mnths 12+	Increase	USD	225	225	425	425

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
PJM APS ZONE DA OFF-PEAK (W4)								
W4	Spec	Mnth 1	Increase	USD	39	35	50	45
W4	Hedge/Member	Mnth 1	Increase	USD	35	35	45	45
W4	Spec	Mnth 2	Increase	USD	17	15	28	25
W4	Hedge/Member	Mnth 2	Increase	USD	15	15	25	25
W4	Spec	Mnths 3-11	Increase	USD	11	10	22	20
W4	Hedge/Member	Mnths 3-11	Increase	USD	10	10	20	20
W4	Spec	Mnths 12+	Increase	USD	13	12	17	15
W4	Hedge/Member	Mnths 12+	Increase	USD	12	12	15	15
PJM APS ZONE DA PEAK (S4)								
S4	Spec	Mnth 1	Increase	USD	1,056	960	1,980	1,800
S4	Hedge/Member	Mnth 1	Increase	USD	960	960	1,800	1,800
S4	Spec	Mnth 2	Increase	USD	462	420	924	840
S4	Hedge/Member	Mnth 2	Increase	USD	420	420	840	840
S4	Spec	Mnths 3-11	Increase	USD	330	300	550	500
S4	Hedge/Member	Mnths 3-11	Increase	USD	300	300	500	500
S4	Spec	Mnths 12+	Increase	USD	275	250	385	350
S4	Hedge/Member	Mnths 12+	Increase	USD	250	250	350	350
PJM ATSI ZONE MONTHLY DAILY (MPD)								
MPD	Spec	Mnth 1	Increase	USD	660	600	770	700
MPD	Hedge/Member	Mnth 1	Increase	USD	600	600	700	700
MPD	Spec	Mnths 2-3	Increase	USD	275	250	550	500
MPD	Hedge/Member	Mnths 2-3	Increase	USD	250	250	500	500
PJM DAILY (JD)								
JD	Spec	Days 1-6	Increase	USD	13,200	12,000	26,400	24,000
JD	Hedge/Member	Days 1-6	Increase	USD	12,000	12,000	24,000	24,000
JD	Spec	Days 7-14	Increase	USD	3,520	3,200	7,040	6,400
JD	Hedge/Member	Days 7-14	Increase	USD	3,200	3,200	6,400	6,400
JD	Spec	Days 15+	Increase	USD	2,420	2,200	4,840	4,400
JD	Hedge/Member	Days 15+	Increase	USD	2,200	2,200	4,400	4,400
PJM DUQUESNE 5MW D AH PK (D5)								
D5	Spec	Mnth 2	Increase	USD	385	350	605	550
D5	Hedge/Member	Mnth 2	Increase	USD	350	350	550	550
D5	Spec	Mnths 3-11	Increase	USD	220	200	275	250
D5	Hedge/Member	Mnths 3-11	Increase	USD	200	200	250	250

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
PJM METED ZONE OFFPK CAL MO LMP FUT (46)								
46	Spec	Mnths 3-11	Increase	USD	17	15	28	25
46	Hedge/Member	Mnths 3-11	Increase	USD	15	15	25	25
46	Spec	Mnths 12+	Increase	USD	11	10	17	15
46	Hedge/Member	Mnths 12+	Increase	USD	10	10	15	15
PJM METED ZONE PK CAL LMP FUTURES (47)								
47	Spec	Mnth 1	Increase	USD	1,210	1,100	2,420	2,200
47	Hedge/Member	Mnth 1	Increase	USD	1,100	1,100	2,200	2,200
47	Spec	Mnth 2	Increase	USD	660	600	1,320	1,200
47	Hedge/Member	Mnth 2	Increase	USD	600	600	1,200	1,200
47	Spec	Mnths 3-11	Increase	USD	385	350	770	700
47	Hedge/Member	Mnths 3-11	Increase	USD	350	350	700	700
47	Spec	Mnths 12+	Increase	USD	248	225	495	450
47	Hedge/Member	Mnths 12+	Increase	USD	225	225	450	450
PJM MONTHLY (JM)								
JM	Spec	Mnth 1	Increase	USD	13,200	12,000	26,400	24,000
JM	Hedge/Member	Mnth 1	Increase	USD	12,000	12,000	24,000	24,000
PJM NI HUB 5MW REAL TIME PK (B3)								
B3	Spec	Mnths 3-11	Increase	USD	220	200	275	250
B3	Hedge/Member	Mnths 3-11	Increase	USD	200	200	250	250
PJM NILL DA PEAK (N3)								
N3	Spec	Mnth 1	Increase	USD	880	800	1,760	1,600
N3	Hedge/Member	Mnth 1	Increase	USD	800	800	1,600	1,600
N3	Spec	Mnth 2	Increase	USD	220	200	440	400
N3	Hedge/Member	Mnth 2	Increase	USD	200	200	400	400
N3	Spec	Mnths 3-11	Increase	USD	165	150	220	200
N3	Hedge/Member	Mnths 3-11	Increase	USD	150	150	200	200
PJM PECO Z5 MW OFPK CLM DA LMP (4P)								
4P	Spec	Mnth 2	Increase	USD	17	15	33	30
4P	Hedge/Member	Mnth 2	Increase	USD	15	15	30	30
4P	Spec	Mnths 3-11	Increase	USD	17	15	33	30
4P	Hedge/Member	Mnths 3-11	Increase	USD	15	15	30	30
PJM PEPKO DA PEAK (R8)								
R8	Spec	Mnth 2	Increase	USD	385	350	770	700
R8	Hedge/Member	Mnth 2	Increase	USD	350	350	700	700

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
PJM PSEG DA OFF-PEAK (W6)								
W6	Spec	Mnth 2	Increase	USD	17	15	33	30
W6	Hedge/Member	Mnth 2	Increase	USD	15	15	30	30
W6	Spec	Mnths 3-11	Increase	USD	11	10	22	20
W6	Hedge/Member	Mnths 3-11	Increase	USD	10	10	20	20
W6	Spec	Mnths 12+	Increase	USD	11	10	17	15
W6	Hedge/Member	Mnths 12+	Increase	USD	10	10	15	15
PJM WES HUB PEAK CAL MON REAL TIME (L1)								
L1	Spec	Mth 1	Increase	USD	1,595	1,450	3,300	3,000
L1	Hedge/Member	Mth 1	Increase	USD	1,450	1,450	3,000	3,000
L1	Spec	Mnths 3-11	Increase	USD	138	125	193	175
L1	Hedge/Member	Mnths 3-11	Increase	USD	125	125	175	175
L1	Spec	Mnths 12+	Increase	USD	138	125	165	150
L1	Hedge/Member	Mnths 12+	Increase	USD	125	125	150	150
PJM WES HUB PEAK LMP 50 MW (4S)								
4S	Spec	Mth 1	Increase	USD	15,950	14,500	33,000	30,000
4S	Hedge/Member	Mth 1	Increase	USD	14,500	14,500	30,000	30,000
4S	Spec	Mnths 3-11	Increase	USD	1,375	1,250	1,925	1,750
4S	Hedge/Member	Mnths 3-11	Increase	USD	1,250	1,250	1,750	1,750
4S	Spec	Mnths 12+	Increase	USD	1,375	1,250	1,650	1,500
4S	Hedge/Member	Mnths 12+	Increase	USD	1,250	1,250	1,500	1,500
PJM WESTH DA OFF-PEAK (E4)								
E4	Spec	Mnth 2	Increase	USD	17	15	28	25
E4	Hedge/Member	Mnth 2	Increase	USD	15	15	25	25
E4	Spec	Mnths 3-11	Increase	USD	11	10	17	15
E4	Hedge/Member	Mnths 3-11	Increase	USD	10	10	15	15
PJM WESTH RT OFF-PEAK (N9)								
N9	Spec	Mnth 1	Increase	USD	33	30	50	45
N9	Hedge/Member	Mnth 1	Increase	USD	30	30	45	45
N9	Spec	Mnth 2	Increase	USD	17	15	28	25
N9	Hedge/Member	Mnth 2	Increase	USD	15	15	25	25
N9	Spec	Mnths 3-11	Increase	USD	11	10	17	15
N9	Hedge/Member	Mnths 3-11	Increase	USD	10	10	15	15

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
ELECTRICITY - Volatility Scan (volScan) Rate						
MIDWEST ISO CINERGY HUB 5 MW PEAK CALENDAR-MONTH REAL-TIME SWAP FUTURES (H3) - volScan						
Clearing Member Rate	Mnth 1	Increase		0.025		0.200
Clearing Member Rate	Mnth 2	Increase		0.025		0.120
Clearing Member Rate	Mnths 3-11	Increase		0.025		0.050
Clearing Member Rate	Mnth 12+	Increase		0.025		0.050
PJM AEP DAYTON HUB 5MW PEAK CALENDAR-MONTH REAL-TIME LMP SWAP FUTURES (OTXXX, PJDXXX, Z9) - volScan						
Clearing Member Rate	Mnth 1	Increase		0.025		0.150
Clearing Member Rate	Mnth 2	Increase		0.025		0.100
Clearing Member Rate	Mnths 3-11	Increase		0.025		0.080
Clearing Member Rate	Mnths 12+	Increase		0.025		0.050
PJM AEP DAYTON HUB PEAK CALENDAR-MONTH LMP SWAP FUTURES (OTXXX, PJDXXX, VM) - volScan						
Clearing Member Rate	Mnth 1	Increase		0.140		0.200
PJM JCPL ZONE PEAK CALENDAR-MONTH DAY-AHEAD LMP SWAP FUTURES (J2, JCL) - volScan						
Clearing Member Rate	Mnth 1	Increase		0.025		0.200
Clearing Member Rate	Mnth 2	Increase		0.025		0.120
Clearing Member Rate	Mnths 3-11	Increase		0.025		0.050
Clearing Member Rate	Mnths 12+	Increase		0.025		0.050
PJM NORTHERN ILLINOIS HUB PEAK CALENDAR-MONTH LMP SWAP FUTURES (OU, PJNXXX, UM) - volScan						
Clearing Member Rate	Mnth 1	Increase		0.080		0.200
Clearing Member Rate	Mnth 2	Increase		0.080		0.140
PJM PEAK CALENDAR-MONTH LMP SWAP FUTURES (JM, JO, PML) - volScan						
Clearing Member Rate	Mnth 1	Increase		0.160		0.250
Clearing Member Rate	Mnth 2	Increase		0.090		0.170
Clearing Member Rate	Mnths 3-11	Increase		0.040		0.050
PJM PEPCO ZONE PEAK CALENDAR-MONTH DAY-AHEAD LMP SWAP FUTURES (PEP, R8) - volScan						
Clearing Member Rate	Mnth 1	Increase		0.025		0.200
Clearing Member Rate	Mnth 2	Increase		0.025		0.120
Clearing Member Rate	Mnths 3-11	Increase		0.025		0.050
Clearing Member Rate	Mnths 12+	Increase		0.025		0.050