

TO: Clearing Member Firms

FROM: CME Clearing

DATE: February 18, 2020

ADVISORY #: 20-052

SUBJECT: **Phase 4 – Exercise & Assignment (E/A) Changes – 3/9/20**

Phase 4 of the changes to the Exercise and Assignment (E/A) cycle and processing and deadlines to deliver results earlier, for the NYMEX Late Coal and Power Options is scheduled for **Monday, March 9, 2020**.

The first early Expiration in NYMEX Late Power and Coal will be Friday, March 27, 2020

Phase 1 – Implemented 11/20/19

- 5:30 CT / 6:30 ET: Deadline for Post-Trade Processing, and Transfers for Expiring CME FX Options
- 5:45 CT / 6:45 ET: Run an E/A cycle for all Expiring CME FX Options

Phase 2 – Implemented 12/9/19

- 3:30 CT / 4:30 ET: Deadline for Contrary Instructions for ALL NYMEX/COMEX Options
- 3:30 CT / 4:30 ET: Deadline for Post-Trade Processing, and Transfers for Expiring NYMEX/COMEX Options
- 3:45 CT / 4:45 ET: Run an E/A cycle for all Expiring NYMEX/COMEX Options

Phase 3 – Implemented 2/10/2020

- 5:30 CT / 6:30 ET: Deadline for Contrary Instructions for ALL CME, CBT, and CBT Flex Options
- 5:30 CT / 6:30 ET: Deadline for Post-Trade Processing, and Transfers for Expiring CME, CBT, and CBT Flex Options
- 5:45 CT / 6:45 ET: Run an E/A cycle for all Expiring CME, CBT, and CBT Flex Options

Phase 4 – 3/9/2020

- 5:30 CT / 6:30 ET: Deadline for Contrary Instructions for ALL Late Coal and Power Options

NOTE: Option Instructions, for all non-expiring options, will also be subject to the daily NYMEX/COMEX (3:30 CT / 4:30 ET), and CME/CBT (5:30 CT / 6:30 ET) Contrary Instruction deadline.

Behavioral Changes

- Allocation/Claim and Transfer activity for expiring options must be completed by the Option Instruction deadline.
 - To prevent having to move up Allocation/Claim and Transfer activity for all option contracts, non-expiring option instructions will be assigned at normal time (~8:30 CT / 9:30 ET).
- Contrary Instruction Report for expiring options will expand to include ALL top-day option instructions.

- Inclusion of non-expiring instruction activity in the Option Instruction Report allows firms to know if they need to wait for regular E/A or generate supplementary customer statements for non-expiring option assignments.
- PCS submission for expiring options can be submitted earlier, by the Exercise and Assignment Processing deadlines listed below, to allow firms to finalize their positions in the expiring options.
 - Firms can submit PCS files earlier for all products, if needed, and submit additional PCS files later, as well.
 - Subsequent PCS submissions for contracts that have already gone through the early E/A cycle will be ignored.
 - Positions in the expiring options can also be finalized manually in the Positions UI.

Expiring Option Exercise & Assignment Schedule* – All Exchanges

Exchange	Contrary Instructions Deadline		Exercise and Assignment Processing		E&A Reports	
	Current Time	Proposed Time	Current Time	Proposed Time	Current Time	Proposed Time
CBT Flex	5:30 PM	Same	5:45 PM	Same	6:15 PM	Same
CBT	5:30 PM	Same	5:45 PM	Same	6:15 PM	Same
CME	5:30 PM	Same	5:45 PM	Same	6:15 PM	Same
NYMEX - Early Coal	8:30 AM	Same	8:45 AM	Same	9:15 AM	Same
NYMEX – Coal	12:00 PM	Same	12:15 PM	Same	12:45 PM	Same
NYMEX – BZO	N/A	N/A	3:45 PM	Same	4:15 PM	Same
NYMEX/COMEX/DME - All Other Products	3:30 PM	Same	3:45 PM	Same	4:15 PM	Same
NYMEX - Late Coal and Power	5:00 PM	5:30 PM	6:15 PM	Same	6:45 PM	Same

*All times listed in CST

Testing

These changes are currently available to test in the New Release (NR) environment.

Following are the products that are affected by this change:

Late Power Products

Commodity Code	CME Globex Code	Product Name	Exchange	Product Group	Product Subgroup
60A	60A	PJM Western Hub Real-Time Peak 5 MW Option on Calendar Futures Strip	NYMEX	Energy	Electricity
60O	60O	PJM Western Hub Real-Time Off-Peak Calendar-Month 50 MW Option on Calendar Futures Strip	NYMEX	Energy	Electricity
9T	A9T	NYISO Zone A 5 MW Peak Calendar-Month Day-Ahead LBMP Option	NYMEX	Energy	Electricity
9U	A9U	NYISO Zone G 5 MW Peak Calendar-Month Day-Ahead LBMP Option	NYMEX	Energy	Electricity
9V	9AV	NYISO Zone J 5 MW Peak Calendar-Month Day-Ahead LBMP Option	NYMEX	Energy	Electricity
CSZ	CSA	CAISO SP15 EZ Gen Hub 5 MW Peak Calendar-Month Day-Ahead LMP Option	NYMEX	Energy	Electricity
INE	INE	ISO New England Day-Ahead Peak Calendar-Month 5 MW Option	NYMEX	Energy	Electricity
JCL	JAC	PJM JCPL Zone Peak Calendar-Month Day-Ahead LMP Option	NYMEX	Energy	Electricity
JOA	JOA	PJM Western Hub Real-Time Peak Calendar-Month 5 MW Option	NYMEX	Energy	Electricity
N9P	NB9	PJM West Hub Real-Time 50 MW Off-Peak Option	NYMEX	Energy	Electricity

NEL	NEG	ISO New England Mass Hub Peak LMP 5 MW Option on Calendar Futures Strip	NYMEX	Energy	Electricity
OEA	OEA	MISO Indiana Hub (formerly Cnergy Hub) Real-Time Peak 5 MW Option on Calendar Futures Strip	NYMEX	Energy	Electricity
OT	AOT	PJM AEP Dayton Hub Peak Calendar-Month LMP 5 MW Option	NYMEX	Energy	Electricity
OUA	OUA	PJM Northern Illinois Hub Real-Time Peak Calendar-Month 5 MW Option	NYMEX	Energy	Electricity
OYA	OYA	MISO Indiana Hub (formerly Cnergy Hub) Real-Time Peak Calendar-Month 5 MW Option	NYMEX	Energy	Electricity
PEP	APE	PJM PEPCO Zone Peak Calendar-Month Day-Ahead LMP 5 MW Option	NYMEX	Energy	Electricity
PJD	JDA	PJM AEP Dayton Hub Peak 50 MW Calendar-Month LMP Option	NYMEX	Energy	Electricity
PJH	JHA	PJM Northern Illinois Hub Peak 50 MW Calendar-Month LMP Option on Calendar Futures Strip	NYMEX	Energy	Electricity
PJN	AJN	PJM Northern Illinois Hub Peak 50 MW Calendar-Month LMP Option	NYMEX	Energy	Electricity
PJP	AJI	PJM AEP Dayton Hub Peak 50 MW Calendar-Month LMP Option on Calendar Futures Strip	NYMEX	Energy	Electricity
PMA	PMA	PJM Western Hub Real-Time Peak Calendar-Month 50 MW Option	NYMEX	Energy	Electricity
PSG	ASG	PJM PSEG Zone Peak Calendar-Month Day-Ahead LMP 5 MW Option	NYMEX	Energy	Electricity

Late Coal Products

Commodity Code	CME Globex Code	Product Name	Exchange	Product Group	Product Subgroup
CPF	CPF	CSX Coal (Platts OTC Broker Index) Option	NYMEX	Energy	Coal
RPF	RPF	Powder River Basin Coal (Platts OTC Broker Index) Option	NYMEX	Energy	Coal

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