Chapter 1177
PJM Western Hub Real-Time Peak Calendar-Month 5 MW Option

1177100. SCOPE OF CHAPTER
This chapter is limited in application to put and call options on PJM Western Hub Peak Calendar-Month Real-Time LMP Futures (L1) contract. In addition to the rules of this chapter, transactions in options on PJM Western Hub Peak Calendar-Month Real-Time LMP Futures (L1) shall be subject to the general rules of the Exchange insofar as applicable.

1177101. OPTION CHARACTERISTICS
The number of months open for trading at a given time shall be determined by the Exchange.

1177101.A. Trading Schedule
The hours of trading for this contract shall be determined by the Exchange.

1177101.B. Trading Unit
A call option traded on the Exchange represents an option to assume one (1) long position per peak day in the underlying PJM Western Hub Peak Calendar-Month Real-Time LMP Futures (L1) contract at the strike price. A put option traded on the Exchange represents an option to assume one (1) short position per peak day in the underlying PJM Western Hub Peak Calendar-Month Real-Time LMP Futures (L1) contract at the strike price.

1177101.C. Price Increments
Prices shall be quoted in dollars and cents per megawatt hour (MWh). The minimum price increment shall be $0.01 per MWh. A cabinet trade may occur at the price of $.0025 per MWh or $1.00. The option contract shall not be subject to price fluctuation limitations.

1177101.D. Position Limits, Exemptions, Position Accountability and Reportable Levels
The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

1177101.E. Termination of Trading
Trading shall cease on the second to last business day of the calendar month immediately preceding the contract month.

1177101.F. Type Option
The option is an American-style option which can be exercised on any business day prior to and until expiration day.

1177102. EXERCISE PRICES
Transactions shall be conducted for option contracts as set forth in Rule 300.20.

1177103. DISCLAIMER
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