Chapter 1264
Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance Option

1264100. SCOPE OF CHAPTER
This chapter is limited in application to put and call options on Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance futures contracts. In addition to the rules of this chapter, transactions in options on Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance futures shall be subject to the general rules of the Exchange insofar as applicable.

1264101. OPTION CHARACTERISTICS
The number of months open for trading at a given time shall be determined by the Exchange.

1264101.A. Trading Schedule
The hours of trading for this contract shall be determined by the Exchange.

1264101.B. Trading Unit
A Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance put or call option traded on the Exchange represents an option to assume a short or long position in the underlying Regional Greenhouse Gas Initiative (RGGI) CO2 Allowance futures contract at the strike price.

1264101.C. Price Increments
The minimum price fluctuation is $0.01 per allowance. Prices shall be quoted in dollars and cents per allowance.

1264101.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.

1264101.E. Termination of Trading
The option contract shall expire at the close of trading on the 15th day of the option contract month. If the 15th day is not a business day, the option shall expire on the business day prior to the 15th day of the option contract month.

1264101.F. Type Option
The option is a European-style option which can only be exercised into the underlying futures on expiration day.

1264102. EXERCISE PRICES
Transactions shall be conducted for option contracts as set forth in Rule 300.20.