Chapter 1392
PJM Western Hub Real-Time Peak Average Price Option 5 MW

1392100. SCOPE OF CHAPTER
This chapter is limited in application to put and call options on PJM Western Hub Real-Time Peak Average Price Monthly Futures 5 MW (SRT). The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

1392101. OPTION CHARACTERISTICS
1392101.A. Trading Schedule
The hours of trading for this contract shall be determined by the Exchange.

1392101.B. Contract Quantity
The contract quantity shall be the number of peak hours during the contract month multiplied by 5 megawatts for each peak hour. The daily flow is 80 MWh with 16 peak hours and 5 MW each hour. One contract shall equal the daily flow multiplied by the number of peak days in the contract month.

1392101.C. Trading Unit
A PJM Western Hub Real-Time Peak Average Price Call Option 5 MW traded on the Exchange represents the difference between the final settlement price of the underlying PJM Western Hub Real-Time Peak Average Price Monthly Futures 5 MW less the strike price, or zero, whichever is greater, multiplied by the contract quantity.

A PJM Western Hub Real-Time Peak Average Price Put Option 5 MW traded on the Exchange represents the difference between the strike price and the final settlement price of the underlying PJM Western Hub Real-Time Peak Average Price Monthly Futures 5 MW, or zero, whichever is greater, multiplied by the contract quantity.

1392101.D. Peak Days and Peak Hours
Peak day shall mean a Monday through Friday, excluding North American Electric Reliability Corporation holidays. Peak hour shall mean from Hour Ending (HE) 0800 Eastern Prevailing Time (EPT) through HE 2300 EPT.

1392101.E. Price Increments
Prices shall be quoted in dollars and cents per megawatt hour (MWh). The minimum price increment shall be $0.01 per MWh. Cabinet price of $1.00 per contract may occur. The option contract shall not be subject to price fluctuation limitations.

1392101.F. 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.

1392101.G. Termination of Trading
Trading shall cease on the last business day of the contract month.

1392101.H. Type Option
The option is a European-style cash settled option.

1392102. EXERCISE PRICES
Transactions shall be conducted for option contracts as set forth in Rule 300.20.
1392103. DISCLAIMER

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