

Chapter 492

PJM Western Hub Day-Ahead Peak 1 MW Average Price Option

492100. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on PJM Western Hub Day-Ahead Peak Monthly 1 MW Futures. 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.

492101. OPTION CHARACTERISTICS

492101.A. Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

492101.B. Trading Unit

A PJM Western Hub Day-Ahead Peak 1 MW Average Price Call Option traded on the Exchange represents an option to assume a long position in the underlying PJM Western Hub Day-Ahead Peak Monthly 1 MW Futures contract.

A PJM Western Hub Day-Ahead Peak 1 MW Put Average Price Option traded on the Exchange represents an option to assume a short position in the underlying PJM Western Hub Day-Ahead Peak Monthly 1 MW Futures contract.

492101.D. Price Increments

Prices shall be quoted in dollars and cents per megawatt hour (MWh). The minimum price increment shall be \$0.01 per MWh. The option contract shall not be subject to price fluctuation limitations.

492101.E. 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.

492101.F. Termination of Trading

Trading shall cease on the Business Day prior to the last Business Day of the contract month.

492101.G. Type Option

The option is a European-style option which can be exercised only on expiration.

492102. EXERCISE PRICES

Transactions shall be conducted for option contracts as set forth in Rule 300.20