



California Carbon Allowance Vintage 2018 Future

Contract Specifications

Description	Physically delivered greenhouse gas emissions allowances where each is an allowance issued by the California Air Resources Board or a linked program ("California Carbon Allowance") representing one metric ton of CO2 equivalent under California Assembly Bill 32 "California Global Warming Solutions Act of 2006" and its associated regulations, rules and amendments, all together known as the "California Cap and Trade Program".
Contract Symbol	CAW
Settlement Method	Physical delivery
Contract Size	1,000 California Carbon Allowances
Currency	USD
Minimum Price Fluctuation	The price quotation convention shall be One cent (\$0.01) per California Carbon Allowance; minimum price fluctuation may vary by trade type. Please see Table in Resolution 1 to this Chapter 18.
Listing Cycle	<ol style="list-style-type: none">1. Standard-cycle contract listings: Monthly contract sets for the current year + 3 years.2. Annual December contract sets through 20203. The Exchange may list any other calendar month contract sets off the standard-cycle listing schedule through the last expiring contract set.
Last Trading Day	Three Business Days prior to the last Business Day of the delivery month The last weekday of December is not considered a Business Day, unless otherwise determined and announced by the Exchange.

Contract Specifications

The deliverable instruments are California Carbon Allowances equal to the contract size delivered through the California MTS.

California Carbon Allowances acceptable for delivery are those issued as a limited authorization to emit up to one metric ton of CO₂ or CO₂ equivalent in the California Cap and Trade Program having a vintage corresponding to the specified vintage year and allowances having a vintage of any year prior to the specified vintage-year.

If the specified vintage year allowances do not exist in the California MTS at contract expiry, allowances of any prior vintage year or allowances of the earliest vintage year available in the California MTS shall be delivered.

If the California MTS is not operational and capable of transferring allowances at the expiration of contracts in 2012, all open positions in the expiring contract will roll forward one (1) calendar year based on a value determined by multiplying the final settlement price of the expired contract times the sum of one (1) plus the interest rate on 12-month U.S. Treasury notes that is prevailing at the time of contract expiration.

If the California MTS is not operational and capable of transferring allowances at the expiration of contracts in 2013 and later, all open positions in the expiring contract will settle at the Auction Reserve Price (ARP) as defined in the California Cap and Trade Program. Where the ARP is not defined within the California Cap and Trade Program, for 2013 the ARP shall be \$10 per allowance. For expiries beyond 2013, the ARP will increase by 5% per year plus the rate of inflation as measured by the Consumer Price Index for All Urban Consumers published by the U.S. Bureau of Labor Statistics.

Deliverable Instruments

Registry

California MTS