



## California Carbon Offset Futures

### Contract Specifications

|                           |   |
|---------------------------|---|
| Description               | Physically delivered California Air Resources Board greenhouse gas emissions offset credits where each is a certificate issued by the California Air Resources Board or linked program ("California Carbon Offset") representing one metric ton equivalent of greenhouse gas (GHG) emission reduction or removals enhancements achieved 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           | CCO   |
| Settlement Method         | Physical delivery   |
| Contract Size             | 1,000 California Carbon Offsets   |
| Currency                  | USD   |
| Minimum Price Fluctuation | The price quotation convention shall be One cent (\$0.01) per Offset; 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"><li>1. The Exchange may list monthly contracts in the Standard Cycle or any other calendar month it determines for the current year and forward for up to ten years.</li><li>2. The Standard Cycle is: January, February, March, April, May, June, July, August, September, October, November and December</li></ol>  |
| Last Trading Day          | Three Business Days prior to the last Business Day of the delivery month<br>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 Offsets equal to the contract size delivered through the California MTS. Also eligible for delivery are California Carbon Allowances equal to the contract size delivered through the California MTS.

California Carbon Offsets acceptable for delivery are those issued by the California Air Resources Board representing one metric ton equivalent of greenhouse gas emission reduction or removals enhancement achieved 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". Any individual offset or series of offsets acceptable for delivery are those that are beyond the risk of invalidation, specifically where the Last Delivery Date of the futures contract is greater than the Invalidation Timeframe added to the Start of Invalidation Period (i.e.: Last Delivery Date > Invalidation Timeframe + Start of Invalidation Timeframe) as stated on the California Air Resource Board's website at the time of delivery.

Any available vintage of offset meeting these criteria is deliverable. California Carbon Allowances acceptable for delivery are those issued as a limited authorization to emit up to one metric ton of CO<sub>2</sub> or CO<sub>2</sub> equivalent in the California Cap and Trade Program having a vintage corresponding to the specified calendar year in which the CCO contract expires and allowances having a vintage of any year prior to the specified calendar year in which the CCO contract expires.

Deliverable Instruments

Registry

California MTS