

Intercontinental Exchange



## **REC Markets on ICE**

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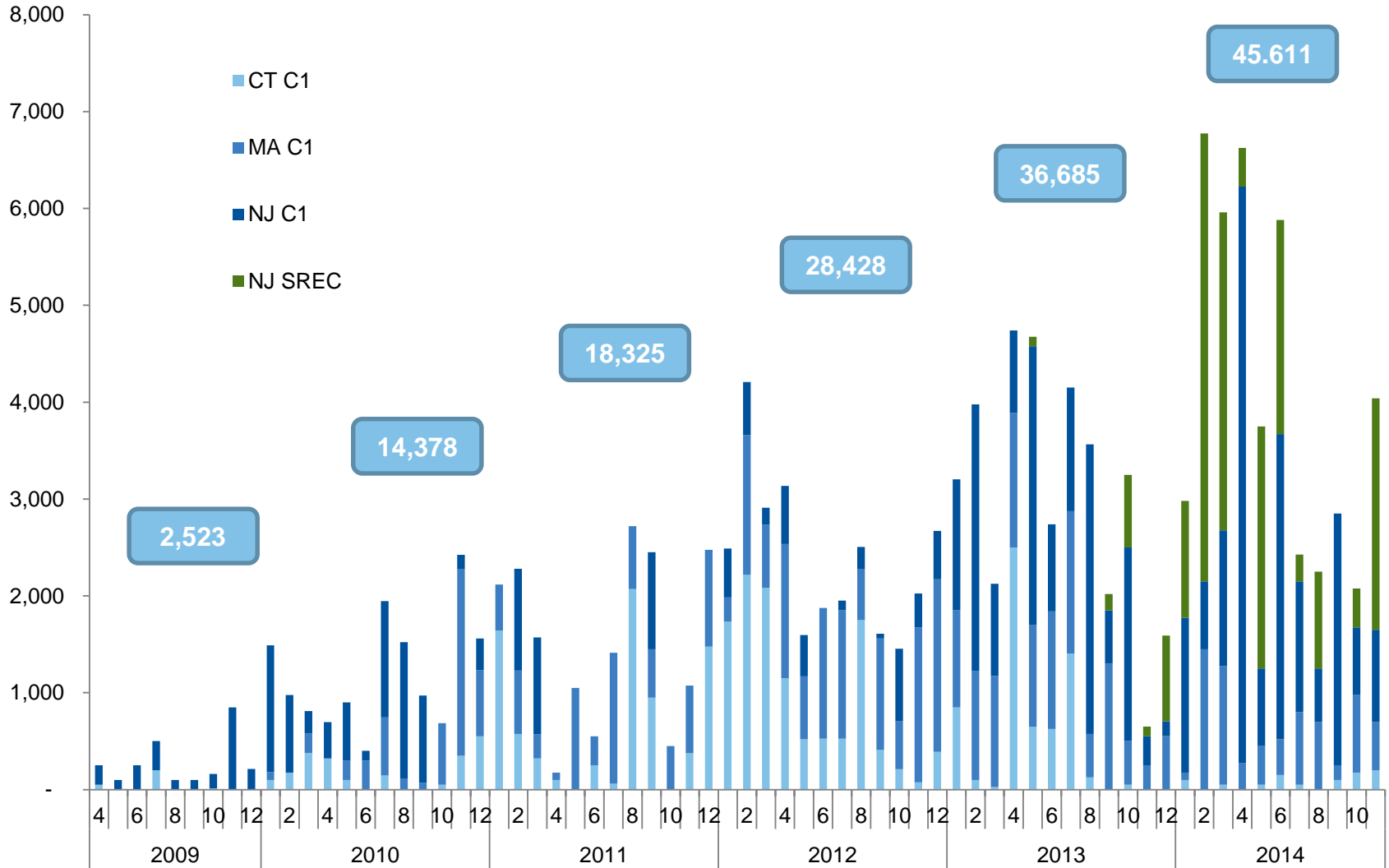
# What is ICE

- › Intercontinental Exchange (ICE) is the leading network of regulated exchanges and clearing houses for the global financial and commodity markets.
- › Global exchanges and clearinghouses including NYSE
- › 9 asset classes: energy, agriculturals, metals, rates, FX, credit, equity derivatives and equities
- › Home to more than 50% of the world's traded crude oil and refined oil futures volume
- › Started as Continental Power Exchange in 1997, currently listed as ICE on NYSE with market cap of \$25B

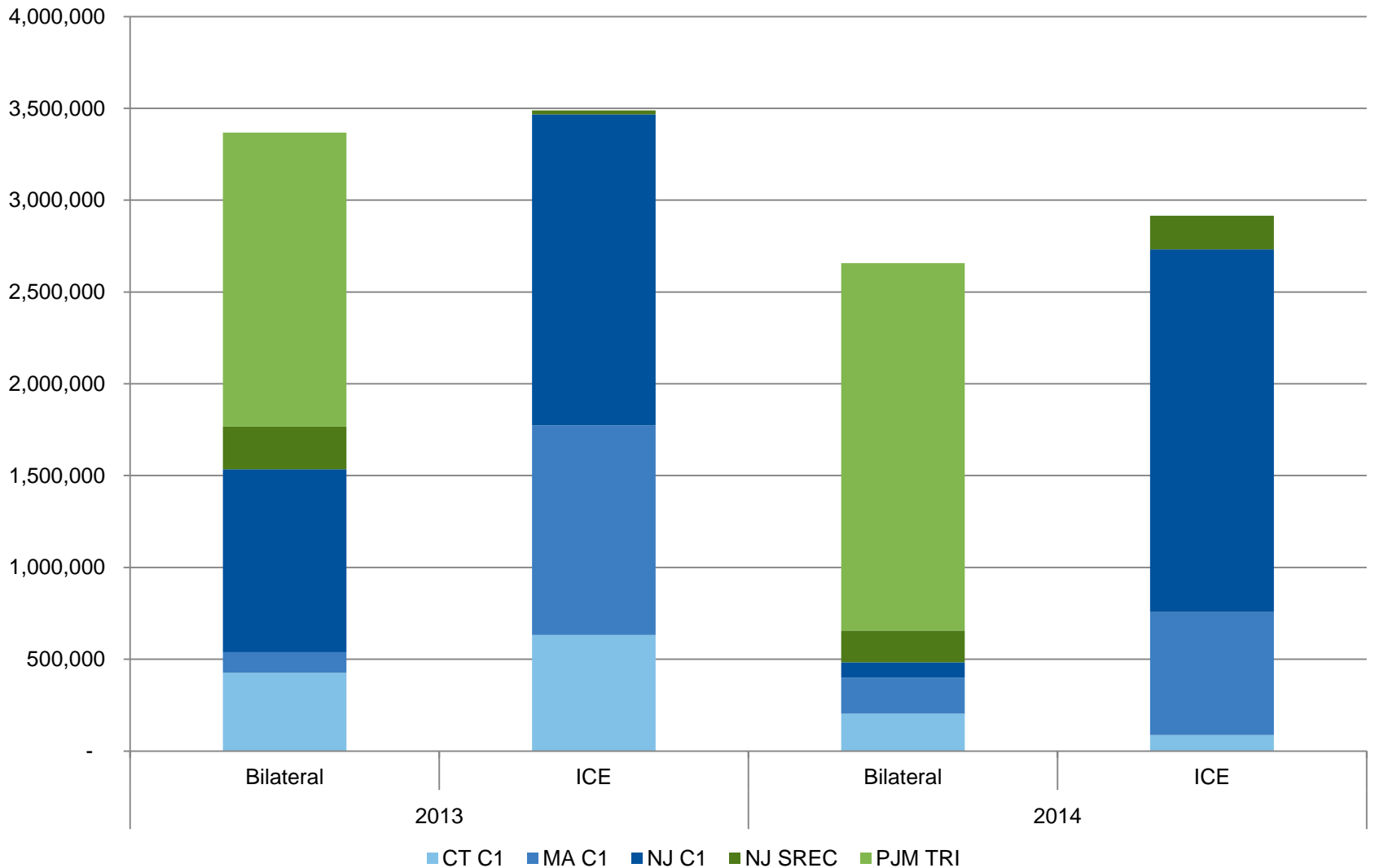
# What is ICE in RECs

- › Acquired Climate Exchange in 2010, RECs listed on Chicago Climate Futures Exchange
- › CCFE launched REC futures contracts in April of 2009
- › Initial listing was NJ, CT, MA, Green-e
- › January 2012 - Transitioned to ICE's Over the Counter (OTC) platform and ICE Clear Europe
- › October 2012 - Transitioned to ICE Futures US
- › April 2013 listed NJ SRECs and TX RECs

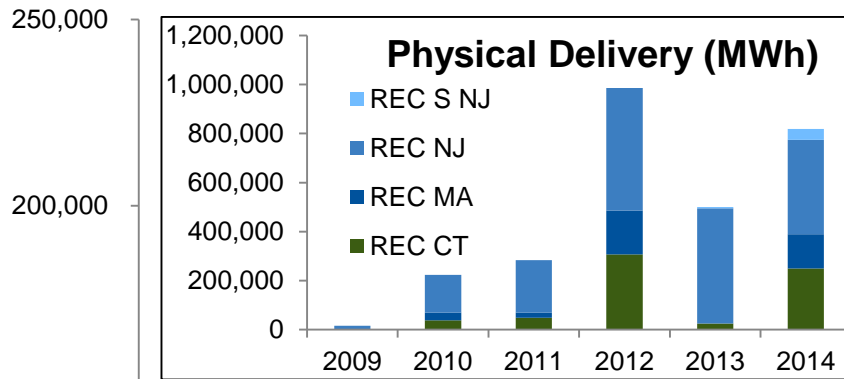
# ICE REC Volumes



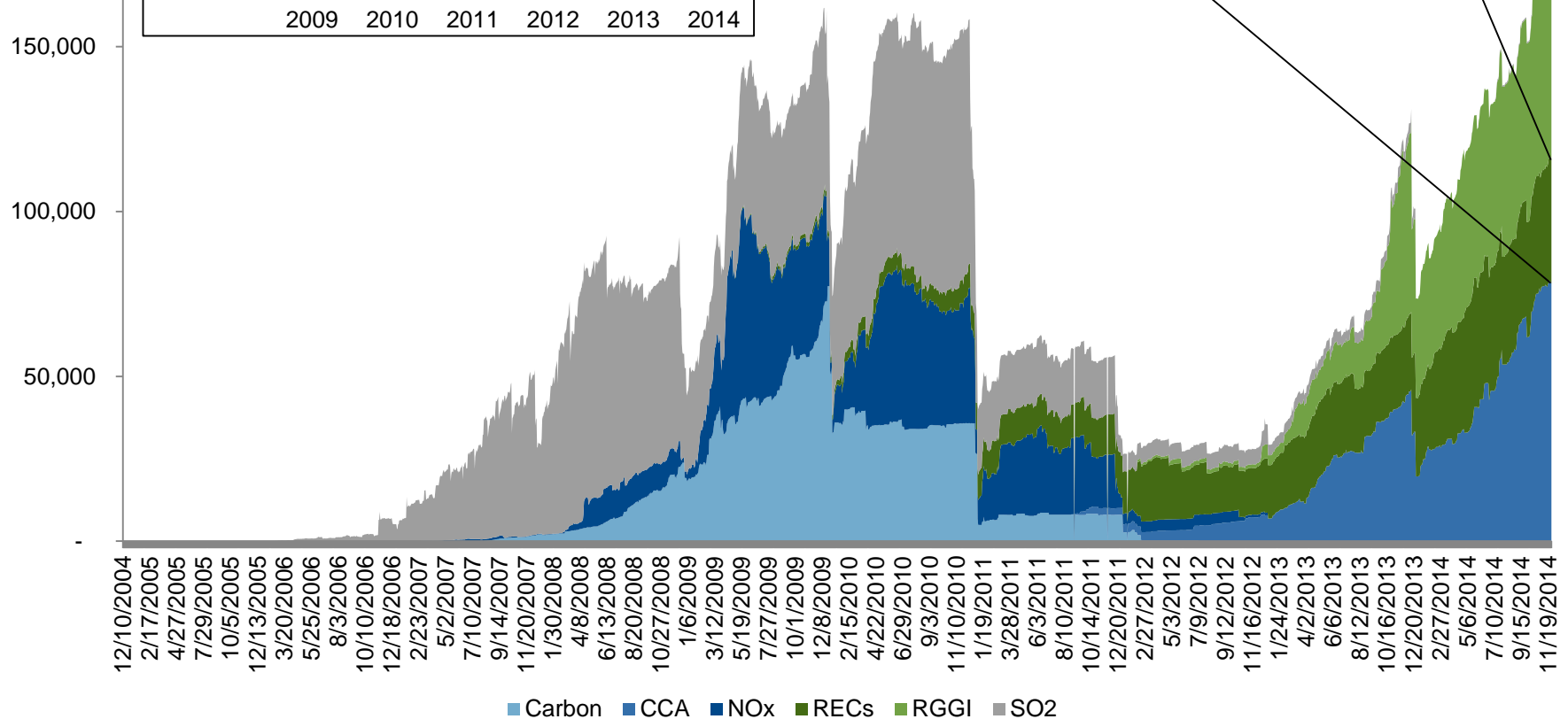
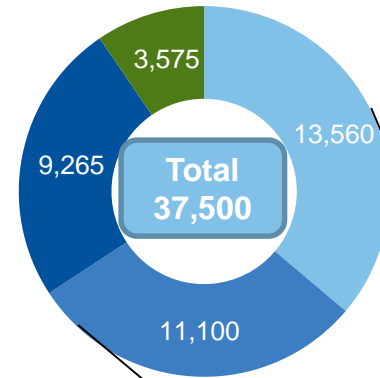
# Cleared vs. Bilateral Market Share (Argus Reported)



# Open Interest (contracts)



- NJ SREC
- NJ Class 1
- MA Class 1
- CT Class 1



# Example Trade: NJ SREC V15 @ \$203.00/MWh

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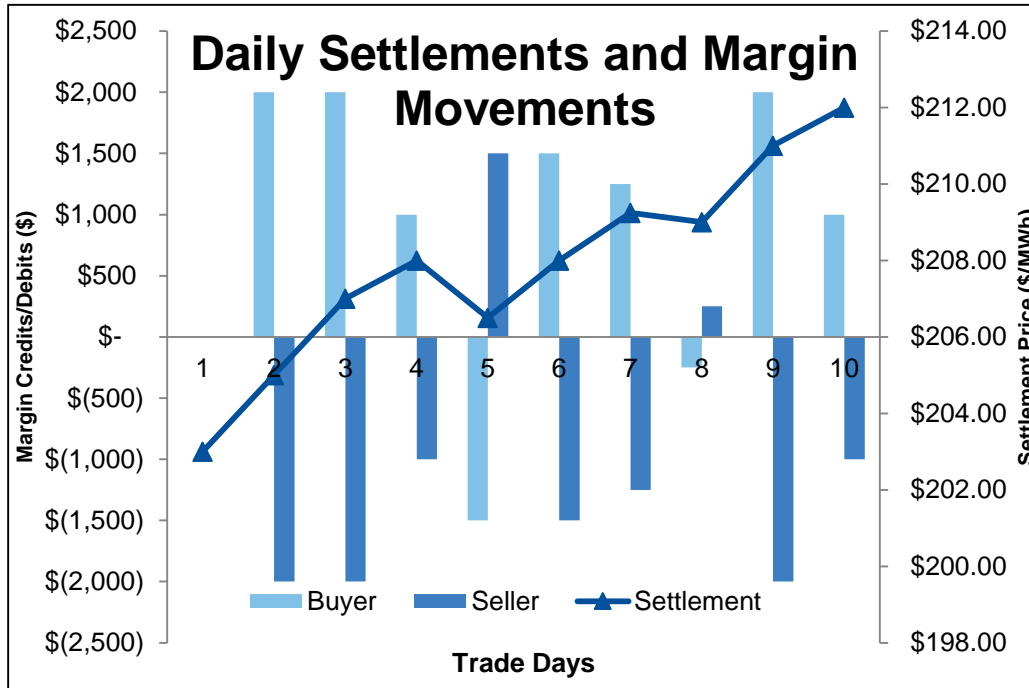
Kill All Activate All **Live Only** Hold Bids Hold All Hold Offers

Orders Deals Options UPS US Environmental Henry CCA RECs Platts Ethanol Platts RINs ICE RINs RINs West Power SP15 RGGI NP 15

Hold All On Hit/Lift Hold Bids On Hit Hold Offers On Lift Live Only

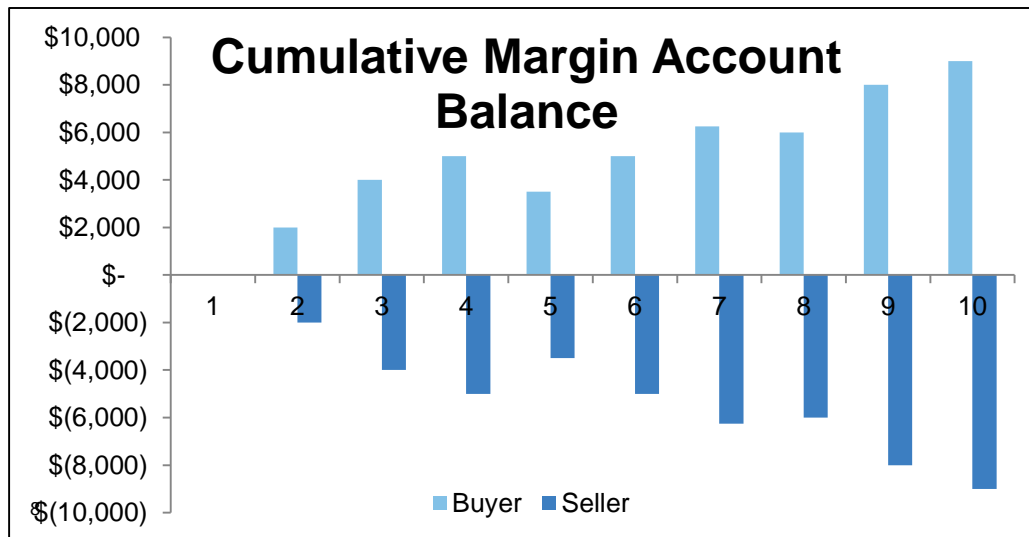
Product	Hub	Strip	RFQ	+	-	Sell	Qty	Bid	Offer	Qty	Buy	Last	Settlement
SREC-NJ Futures	SREC-NJ EY14	Dec14					50	190.00	209.00	80			195.00
SREC-NJ Futures	SREC-NJ EY14	Jan15					1	190.00	210.00	1			195.00
SREC-NJ Futures	SREC-NJ EY14	Feb15					1	190.00	211.00	1			195.00
SREC-NJ Futures	SREC-NJ EY14	Mar15					1	190.00	212.00	1			195.00
SREC-NJ Futures	SREC-NJ EY14	Apr15					1	191.00	213.00	1			195.00
SREC-NJ Futures	SREC-NJ EY14	May15					1	192.00	214.00	1			195.00
SREC-NJ Futures	SREC-NJ EY14	Jun15					1	193.00	215.00	1			195.00
SREC-NJ Futures	SREC-NJ EY14	Jul15					1	194.00	216.00	1			195.00
SREC-NJ Futures	SREC-NJ EY14	Aug15							217.00	1			195.00
SREC-NJ Futures	SREC-NJ EY15	Dec14					50	191.00					202.50
SREC-NJ Futures	SREC-NJ EY15	Jan15					1	191.00	209.00	1			202.50
SREC-NJ Futures	SREC-NJ EY15	Feb15		+			50	195.00	210.00	1			202.50
SREC-NJ Futures	SREC-NJ EY15	Mar15					1	191.00	211.00	1			202.50
SREC-NJ Futures	SREC-NJ EY15	Apr15					1	191.00	212.00	1			202.50
SREC-NJ Futures	SREC-NJ EY15	May15							213.00	1			202.50
SREC-NJ Futures	SREC-NJ EY15	Jun15							214.00	1			202.50
SREC-NJ Futures	SREC-NJ EY18	Jul18							205.00	300			188.00
SREC-NJ Futures	SREC-NJ EY17	Jul17					50	195.00	215.00	300			200.00
SREC-NJ Futures	SREC-NJ EY16	Jul16		+			100	207.50	212.50	50			208.00

# Example Trade: NJ SREC V15 @ \$203.00/MWh



<b>Buyer</b>	100 contracts (10 MWh/Contract)	1,000 NJ SRECs
	Deal Price (\$/MWh)	\$ (203)
	Price Paid at Delivery (\$/MWh)	\$ (212)
	Amount Paid	\$ (212,000)
	Margin Debit/Credit	\$ 9,000
	Deal Cost	\$ (203,000)
	Price Paid (\$/MWh)	\$ (203)
	Initial Margin Posted	\$ (14,000)
	Initial Margin Returned	\$ 14,000

<b>Seller</b>	100 contracts (10 MWh/Contract)	1,000 NJ SRECs
	Deal Price (\$/MWh)	\$ 203
	Price Received at Delivery (\$/MWh)	\$ 212
	Amount Received	\$ 212,000
	Margin Debit/Credit	\$ (9,000)
	Deal Proceeds	\$ 203,000
	Price Received (\$/MWh)	\$ 203
	Initial Margin Posted	\$ (14,000)
	Initial Margin Returned	\$ 14,000





## Why Trade on ICE?

- Eliminates counterparty credit and performance risk
- Increase pool of counterparties
- Anonymous trading
- Low search costs
- Immediate execution
- Free up cash on produced RECs
- Transparent and unbiased settlements

# How to trade on ICE?

- Access:
  - ICE Electronic User and Data Services Agreement
  
- Credit:
  - Open a clearing account with an Clearing Firm
  - Clearing firm establishes trading limits for client
  
- Trading:
  - Screen trading on WebICE
  - Block trades via brokers and cleared on ICE

# Contact Information and Other Resources

- › Stephen McComb
  - 312-806-5416
  - [Stephen.McComb@theice.com](mailto:Stephen.McComb@theice.com)
  
- › Contract Specifications:
  - [New Jersey Class 1 REC](#)
  - [Connecticut Class 1 REC](#)
  - [Massachusetts Class 1 REC](#)
  - [NJ Solar REC](#)
  - [Texas REC](#)
  
- › Daily Settlements: [www.theice.com/marketdata/reports/142](http://www.theice.com/marketdata/reports/142)
  
- › Clearing Firms: [Clearing Firms](#)