

clear to trade



eurex clearing *circular 077/09*

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CO₂ Products - EEX / Eurex Cooperation:
Primary Auction of European Emission Allowances (EUA)
on the EEX Platform

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Content may be most important for:

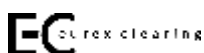
Ü All departments

Attachments:

none

Summary:

The circular contains details of a further customer information newsletter published by the European Energy Exchange (EEX) on the Primary Auction of European emission allowances (EUA) on the EEX platform.



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Primary Auction of European Emission Allowances (EUA)
on the EEX Platform

As announced in the previous customer information of November 30, 2009, you will find below details on the primary auction of European emission allowances (EUA) on the EEX platform starting in January 2010. As expected, the EEX Exchange Council approved the changes to EEX Trading Conditions and EEX Contract Specifications Futures and Options on Emission Rights (Contract Specifications) for the new spot market instrument in its meeting on December 3, 2010. Thus, the changes will become effective on January 1, 2010.

On the derivatives market, auctions will take place each Wednesday between 14:45 and 15:00 CET. Auction results will be published at approx. 15:05 CET.

First auction date: January 6, 2010.

Auctions will be held as so-called "Black Box Auctions". This implies that during the auction no indicative prices and indicative auction quantities will be displayed.

For the exact auction dates please refer to the auction calendar which you will find on the EEX website under the following link:

www.eex.com > Products & Fees > EUA Primary Market Auction

Process of the derivatives market auction

On the derivatives market, auctions will take place in the respective front contract of the Mid Dec European Carbon Futures (F2EA). For this purpose, continuous trading will be interrupted each Wednesday. All remaining orders from continuous trading will be deleted. Orders which were not executed during the auction will also be deleted prior to resumption of continuous trading. The same as auctions on the spot market, auctions on the derivatives market are also "All or Nothing" auctions. 570 contracts (570,000 tons) will be auctioned each week.

The following overview shows the auction process of the derivatives market:

Trading phase	Time	Description
TRAD	until 14:40	Continuous Trading
HALT	Start: 14:40 End: 14:45	EEX Market Supervision deletes all remaining orders from continuous trading
PRETR	Start: 14:45 End: 15:00 (random end)	During this trading phase, participants enter their orders in the order book (Black Box Auction)
FREEZE	Start: 15:00 End: approx. 15:05	EEX Market Supervision checks the order book as to compliance with EEX rules and regulations. Participants are no longer able to change their orders.
POSTF	Approx. 15:05	Publication of auction results. Auction price and quantity are displayed in the Market Overview window. Participants can view their individual order execution status in the Own Trade window.
HALT	Start: 15:05 End: 15:10	All orders which were not executed during the auction are deleted.
PRETR PREOP FREEZE TRAD	From approx. 15:10	Resumption of continuous trading.

*All times in CET

General information

EEX Market Supervision reserves the right to extend the call phase, should there not be enough orders in one of the auctions or auction prices be distorted. Thus, participants will have the possibility to adjust their orders or to enter additional ones.

For participants who are already admitted for EUA trading on EEX no additional costs will incur for technical access or admission.

Transaction fee for the spot market is 0.20 ct/EUA and for the derivatives market 0.18 ct/EUA. ECC will charge 0.10 ct/EUA for clearing and settlement for both spot market and derivatives market.

Frankfurt, December 23, 2009