

October 27, 2020

VIA CFTC PORTAL

Commodity Futures Trading Commission
Attention: Chris Kirkpatrick, Secretary
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: CFTC Regulation 40.6(a) Certification: Amendments to Nodal Clear Rules to Accommodate Physical Settlement of Renewable Identification Numbers (“RINs”) Contracts and Amendments to the Exchange and Clearing Transaction Fee Schedule

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“Commission” or “CFTC”) Regulation 40.6(a), Nodal Clear, LLC (“Nodal Clear” or “Clearing House”) hereby notifies the Commission that it is self-certifying amendments to existing Nodal Clear Rules 1.1, 7.9.1, 9.3.1, and 9.3.4 and adopting new Nodal Clear Rule 9.4 (collectively, the “Rule Amendments”). In addition, Nodal Clear is amending the Exchange and Clearing Transaction Fee Schedule (“Fee Schedule”). The Rule Amendments and Fee Schedule are attached hereto and indicate the specific text in red that is being amended. The Rule Amendments and the Fee Schedule shall become effective on November 10, 2020.

The Rule Amendments are required in order to add new Section 9.4 addressing physical settlement and delivery of new physically settled RINs Contracts that are being launched for trading by Nodal Exchange and cleared by Nodal Clear, and to make certain related changes. Nodal Clear is also updating the deadline for delivery confirmation in the existing delivery procedures for environmental contracts in Section 9.3.4.

Nodal Clear management has assessed the Rule Amendments and the Fee Schedule and their compliance with applicable provisions of the Commodity Exchange Act (“CEA”), including the Commission’s Regulations and DCO Core Principles. Nodal Clear has identified that the Rule Amendments and the Fee Schedule may have some bearing on the following Core Principles:

Core Principle B - Financial Resources: The Fee Schedule will not impact Nodal Clear’s ability to discharge its financial, operational, or managerial responsibilities as a DCO.

Core Principle C – Participant and Product Eligibility: In General, the Rule Amendments are intended to facilitate the clearing of a new physically settled RINs contracts that are being launched for trading by Nodal Exchange. The Rule Amendments set out the obligations and roles of Clearing Members and the Clearing House. Nodal Clear believes that its existing financial resources, risk management, systems and operational arrangements (which already support the clearing of physically settled environmental contracts) are sufficient to support the clearing of physically settled RINs contracts and to manage the risks associated with RINs contracts.

Core Principle E - Settlement Procedures: As noted above, the Rule Amendments set out the settlement procedures with respect to RINs contracts and clearly set out the role and liabilities of the Clearing House and Clearing Members in the physical delivery process.

Core Principle L - Public Information: As required by Core Principle L, Nodal Clear is publicly posting this self-certification letter on its website to ensure that market participants receive advance notice of the Rule Amendments and Fee Schedule. On the effective date of the Rule Amendments and Fee Schedule, the updated Nodal Clear Rules and Fee Schedule will be posted on the Nodal Clear website.

Pursuant to Section 5c(c)(1) of the CEA and the Commission's Regulation 40.6(a), Nodal Clear certifies that the Rule Amendments and Fee Schedule comply with the CEA and the Commission's Regulations thereunder. Nodal Clear is not aware of any opposing views expressed regarding the Rule Amendments or the Revised Fee Schedule. Nodal Clear certifies that this submission has been concurrently posted on the Nodal Clear website at www.nodalclear.com.

If you have any questions or need additional information regarding this submission, please contact me at 703-962-9864 or alvarez@nodalexchange.com.

Sincerely,

/s/Cody Alvarez

Cody Alvarez
Chief Compliance Officer
Corporate Counsel

Attachments:

Rule Amendments (Redline)
Exchange and Clearing Transaction Fee Schedule (Redline)