nodal
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Nodal Electronic Trade Error Policy

A. **Policy Overview**. The policy will be applied to balance the adverse effects on market integrity of executing trades and publishing trade information inconsistent with prevailing market conditions while preserving legitimate expectations of trade certainty by Participants. The Nodal Exchange Rulebook authorizes Nodal Exchange ("Nodal") to cancel (bust) trades when such action is necessary to mitigate market disrupting events caused by the improper or erroneous use of the Exchange or by system defects or malfunctions. Notwithstanding any other provision of Rule 4.9.1, the Exchange may cancel any trade if the Exchange determines that allowing the trade to stand as executed may have a material, adverse effect on the integrity of the market. Any decision of the Exchange with respect to a cancellation subject to Rule 4.9.1 shall be final.

B. **Determining When to Review a Trade.** Nodal may review a trade based on its analysis of market conditions or a request for review by a user of the Exchange. Nodal phone numbers are available on the Nodal Exchange Website. A request for review must be made to the Nodal Exchange Helpdesk within eight minutes of the execution of the trade; the Exchange may determine in its sole discretion that a trade may be reviewed beyond that timeframe. Nodal shall promptly determine whether the trade will be subject to review. Upon deciding to review a trade, Nodal will promptly issue an alert to all Participants by posting a message which includes the impacted trade group id on the Nodal Trade Log, that indicates that the trade is under review.

   In the course of its review of any trade, Nodal may contact Exchange Participants. The Exchange will not disclose to the parties to the alleged error trade the identity of their counterparty. In the absence of a timely request for review, during volatile market conditions, upon the release of significant news, or in any other circumstance in which Nodal deems it to be appropriate, Nodal may determine, in its sole discretion, that a trade shall not be subject to review.

C. **Determining When to Cancel a Trade.** Upon making a determination that a trade will be subject to review, Nodal will first determine whether the trade price is within the "No Cancellation Range" (as defined herein). In applying the No Cancellation Range, Nodal shall determine the fair value market price for that contract at the time the trade under review occurred.

   In determining the fair value market price, Nodal may consider any relevant information, including, but not limited to: the last trade price in the Nodal contract, or a better bid or offer price on the Nodal Exchange system, a more recent price in a different contract month, the price of the same or related Nodal contract established in another venue or

another market, the market conditions at the time of the trade, the theoretical value of an option based on the most recent implied volatility and responses to a request for quote. Nodal will then compare the trade price to the fair value market price and determine if any difference is inside or outside the cancellation range.

i. **Trade Price Inside the No Cancellation Range.** If Nodal determines that the price of the trade is inside the No Cancellation Range, the Exchange will issue an alert indicating that the trade shall stand.

ii. **Trade Price Outside the No Cancellation Range.** If Nodal determines that a trade price is outside the No Cancellation Range, the Exchange will bust the trade. Nodal will issue an alert regarding its decision.

Cancelled trade prices shall be recorded in Nodal Exchange's official record of time and sales.

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No Cancellation Ranges

Financial Power Products	Hour	Spread	BalDay/ NextDay/ BalWeek	Spread	Weekly & Balmo	Spread	Month & Season	Spread	Quarter & Calendar	Spread
PJM West Hub RT, Indiana RT, Nepool DA Futures	$5.00	$5.00	$5.00	$5.00	$2.00	$2.00	$0.60	$0.60	$0.40	$0.40
All other futures contracts	$5.00	$5.00	$5.00	$5.00	$2.00	$2.00	$1.00	$1.00	$1.00	$1.00
Post Daily LMP Publish			$0.05	$0.05						
Day Ahead/Real Time Spreads							$0.60		$0.40	

Financial Gas Products	Month	Spread	Season& Calendar	Spread
Henry Hub 2500	$0.04	$0.04	$0.04	$0.04
Henry Hub 10k	$0.05	$0.05	$0.05	$0.05
Environmental Products	**Month**	**Spread**		
CCA, RGGI, WCA Auction Clearing Price (ACP)	$0.05	$0.05		
Alberta TIER EPC	$0.25	$0.10		
California Carbon Allowance, California Carbon Offset, Washington Carbon Allowance	$0.25	$0.10		
RGGI Carbon Allowance	$0.25	$0.10		
California LCFS (OPIS)	$3.00	$1.00		
WCA vs. CCA (OPIS) Spread	$0.10	$0.10		
CSAPR NOX Ozone Season Group 2	$3.00	$3.00		
CSAPR NOX Ozone Season Group 3	$30.00	$30.00		
All other CSAPR NOX Emission Allowance	$0.05	$0.05		
California PCC 3 REC, CA Book and Claim REC	$0.10	$0.10		
PJM Compliance REC/AEC, New York REC Tier 1	$0.50	$0.50		
NEPOOL Class 1, 2 & Class 3 Compliance REC/AEC, MA CPEC	$1.00	$1.00		
Texas, NAR, M-RETS, WREGIS, National CRS Listed RECs, ERCOT, NAR, M-RETS Wind RECs	$0.25	$0.25		
NJ, DC, MD & OH Solar REC, PA Solar AEC	$5.00	$5.00		
MA Solar REC	$5.00	$5.00		
California LCFS, Oregon CFP, Washington CFP Credits	$3.00	$1.00		
Renewable Identification Numbers (RINs), RINs (OPIS)	$0.05	$0.05		
Renewable Natural Gas Certificate	$0.50	$0.50		
Verified Emission Reduction (VER) CORSIA, VER Nature Based, VER Nature Based Vintage, CORSIA Phase 1 EEU	$0.50	$0.50		
Carbon Removal	$0.50	$0.50		
Certified Emission Reduction (CER) 2013+, CER 2016+, CER CP2	$0.05	$0.05		
EFEC	$0.25	$0.25		
New York Renewable EDP REC	$0.25	$0.25		
Canada CFR, Canada CFR (OPIS)	$3.00	$1.00		
Option				
The greater of the following: -Delta multiplied by the underlying futures No Cancellation Range -20% of premium up to ¼ of the underlying futures No Cancellation Range -5 ticks				

Version Control Table

Version	Effective date(s)	Sections changed	Summary of changes	Owner(s)
2022v1	April 25, 2022 – June 16, 2022	Initial version	Nodal Electronic Trade Error Policy	Director of Compliance; Director, Market Operations and Customer Service
2022v2	June 17, 2022	No Cancellation Ranges	Added No Cancellation Ranges for new Env. contracts	Director of Compliance; Director, Market Operations and Customer Service
2023v1	August 11, 2023	No Cancellation Ranges	Added No Cancellation Ranges for new Env. contracts	Director of Compliance; Director, Market Operations and Customer Service
2024v1	June 7, 2024	No Cancellation Ranges	Removed No Cancellation Ranges for retired Env. contracts	Director of Compliance; Director, Market Operations and Customer Service
2024v2	September 17, 2024	No Cancellation Ranges	Added No Cancellation Ranges for new Env. contracts	Director of Compliance; Director, Market Operations and Customer Service
2025v1	January 31, 2025	No Cancellation Ranges	Added No Cancellation Ranges for new Env. contracts	Director of Compliance; Director, Market Operations and Customer Service
2025v2	March 20, 2025	No Cancellation Ranges	Removed No Cancellation Ranges for retired Env. contracts	Director of Compliance; Director, Market Operations and Customer Service
2025v3	September 22, 2025	No Cancellation Ranges	Added No Cancellation Ranges for new Env. contracts	Director of Compliance; Director, Market Operations and Customer Service
2026v1	Jan 01, 2026	No Cancellation Ranges	Updated No Cancellation Ranges for existing Env. contracts	Director of Compliance; Director, Market Operations and Customer Service
2026v2	Feb 02, 2026	No Cancellation Ranges	Updated No Cancellation Ranges for power dailies futures contracts	Director of Compliance; Director, Market Operations and Customer Service
2026v3	Jun 15, 2026	No Cancellation Ranges	Added No Cancellation Ranges for new Env. contracts	Director of Compliance; Director, Market Operations and Customer Service
2026v4	August 17, 2026	No Cancellation Ranges	Added No Cancellation Ranges for new Env. contracts	Director of Compliance; Director, Market Operations and Customer Service
2026v5	August 31, 2026	No Cancellation Ranges	Added No Cancellation Ranges for new Hourlies contracts	Director of Compliance; Director, Market Operations and Customer Service
2026v6	September 21,2026	No Cancellation Ranges	Added No Cancellation Ranges for new Env. contracts	Director of Compliance; Director, Market Operations and Customer Service