Option on Biofuel Outright - D3 RINs (OPIS) Average Price Option

Contract Specifications

Description	The D3 RINs (OPIS) Average Price Option is based on the underlying D3 RINs (OPIS) Future and will automatically exercise into the settlement price of the Future on the day of expiry of the options contract.
Contract Symbol	BFH
Hedge Instrument	The delta hedge for the D3 RINs (OPIS) Average Price Option is the D3 RINs (OPIS) Future (BFH)
Contract Size	50,000 RINs
Unit of Trading	Any multiple of 50,000 RINs
Currency	US Dollars and cents.
Trading Price Quotation	One hundredth of one cent ($0.0001) per RIN.
Minimum Price Fluctuation	One hundredth of one cent ($0.0001) per RIN.
Settlement Price Quotation	One hundredth of one cent ($0.0001) per RIN.
Last Trading Day	Last trading day of the contract month.

Contract Specifications

Option Style	Options are average priced and will be automatically exercised into the D5 RINs (OPIS) Future on the expiry day if they are "in the money". The Future resulting from exercise immediately goes to cash settlement relieving market participants of the need to concern themselves with liquidation or exercise issues. If an option is "out of the money" it will expire automatically. It is not permitted to exercise the option on any other day or in any other circumstances than the Last Trading Day. No manual exercise is permitted.
Option Premium / Daily Margin	The D3 RINs (OPIS) Average Price Options are premium-paid-upfront options. The traded premium will therefore be debited by the Clearing House from the Buyer and credited to the Seller on the morning of the Business Day following the day of trade. Members who are long premium-paid-upfront options will receive a Net Liquidating Value (NLV) credit to the value of the premium which is then used to offset the initial margin requirement flowing from both these options and positions in other energy contracts. Members who are short premium-paid-upfront options will receive an NLV debit in addition to their initial margin requirement. NLV is calculated daily with reference to the settlement price of the option
Expiry	14:30 EPT. Automatic exercise settings are pre-set to exercise contracts which are one minimum price fluctuation or more “in the money” with reference to the relevant reference price. Members cannot override automatic exercise settings or manually enter exercise instructions for this contract. The reference price will be a price in USD and cents per RIN equal to the Final Settlement Price of the D3 RINs (OPIS) Future for the contract month. When exercised against, the Clearing House, at its discretion, selects sellers against which to exercise on a pro rata basis.
Strike Price Increments	A minimum of 20 Strike Prices in increments of $0.0001 per RIN above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in $0.0001 increments.
Contract Series	Up to 60 consecutive months, or as otherwise determined by the Exchange
Business Days	Publication days for OPIS Biofuels Daily Report.