



ICE RGGI Carbon Futures Index

General Description

The ICE RGGI Carbon Futures Index (the “Index”) measures the performance of a long-only basket of ICE Regional Greenhouse Gas Initiative Futures Contracts (“RGGI Contracts”). Each RGGI Contract is dollar-denominated and represents a lot of 1,000 RGGI Allowances (“RGGI”) that are physically delivered greenhouse gas emissions allowances issued by each state in the RGGI program. The Regional Greenhouse Gas Initiative (RGGI) is a cooperative effort among the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont to cap and reduce power sector carbon dioxide emissions. Each RGGI is an entitlement to emit one short ton of carbon dioxide gas. RGGI Contracts trade on the ICE Futures U.S. Energy Division and clear on ICE Clear Europe.

The Index generally utilizes the same calculation methodology that applies to the ICE® BofA® Commodity Index eXtra (MLCX) family of indices, but with certain modifications. Specifically, the modifications include:

- a multi-month annual roll methodology;
- a different holiday calendar; and
- a different method for calculating Contract Production Weights.

These modifications are explained in detail below. The ICE BofA Commodity Index eXtra Handbook (the “Handbook”) for the MLCX family of indices is available on the ICE Index Platform (<https://indices.theice.com>) under the Rules & Methodologies tab of the Publications section.

Index Specifications

The Index is published in three different versions:

ICERGGI	Excess Return
ICERGGIT	Total Return
ICERGGIS	Spot Return

The Index is calculated and published every 15 seconds between the hours of 1:30 AM and 7:15 PM New York time to the ICE Consolidated Feed on the ICE Data Indices Commodity Indices channel. The real-time calculation of the Index incorporates trades for the RGGI Contracts while the closing calculation of the Index incorporates the daily settlement for the RGGI Contracts normally available shortly after 5:00 PM New York time each day. The Index base currency is in USD and it is calculated on all weekdays except for the Index holidays of New Year’s Day, Good Friday, and Christmas Day. When Christmas Day or New Year’s Day falls on a Sunday, the Index is not calculated on the following Monday. When Christmas Day falls on a Saturday, the Index is not calculated on the preceding Friday. When New Year’s Day falls on a Saturday, there is no holiday observed. Index history is available from 12/31/2013.

Definitions

The **RGGI Contracts** are the futures contracts included in the Index.

The **Contract Production Weights (CPWs)** are the weights of the relevant RGGI Contracts for purposes of calculating the Index. The CPWs for Roll-In and Roll-Out RGGI Contracts are recalculated during the Roll Periods according to the methodology described below.

The **Roll Period** is the first 15 Business Days of the months of September, October and November each year.

The **Roll-In Contract** is the next year vintage / next year December expiration contract month during the Roll Period.

The **Roll-Out Contract** is the current year vintage / current year December expiration contract month during the Roll Period.

The **Percentage Target Weights (PTWs)** are the target weights of the relevant Roll-In and Roll-Out RGGI Contracts that are utilized to determine the Contract Production Weights during the Roll Period.

The **Weight Calculation Day** is the Business Day prior to the start of each month of the Roll Period.

Percentage Target Weights

The Percentage Target Weights (PTWs) for the Roll-In and Roll-Out Contracts change on the Weight Calculation Day as per the process outlined in the Rolling Mechanism section.

Contract Production Weight

According to Section 3.3 of the Handbook, the Total Dollar Weights (TDW) are calculated on the Weight Calculation Day of month j . Based on this TDW, the Contract Production Weight (CPW) for commodity i in month j is calculated according to the formula:

$$CPW_{ij} = \frac{TDW \times PTW_{ij}}{P_{ij}}$$

where P_{ij} denotes the price of the RGGI Contract on the Weight Calculation Day for month j .

Rolling Mechanism

The rolling mechanism is similar to that described in Chapter 3 of the Handbook; however, the Index undergoes its roll over the three-month Roll Period falling in September, October, and November.

The Index Roll Period runs from the first to the fifteenth Business Day of the months of September, October, and November. The RGGI Contract rolls in 33.33% increments per month over the three-month Roll Period from the current year vintage / current year December expiration contract month to the next year vintage / next year December expiration contract month. For example, starting in September 2020, the RGGI Contract will start rolling from the Vintage 2020 December 2020 to Vintage 2021 December 2021 vintage / expiration contract month.

Roll Period Month	Roll-In Contract	Roll-Out Contract
September	33.33%	66.67%
October	66.67%	33.33%
November	100.00%	0.00%

Limitations:

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