



April 23, 2018

Via Electronic Submittal to cotb@arb.ca.gov

Clerk of the Board
California Air Resources Board
1001 I Street Sacramento, California 95814

Re: Comments on the regulatory amendments to the Low Carbon Fuel Standard

Clerk of the Board,

ICE Futures U.S., Inc. and ICE Clear Europe Ltd. (hereinafter collectively referred to as "ICE") are pleased to have the opportunity to provide feedback in response to the Notice of Public Hearing from the California Air Resources Board ("ARB"). As the operator of a futures and options exchange and clearing house, which facilitate the trading of commodities ranging from agricultural products, to precious metals to carbon allowances, ICE has a duty to provide absolute certainty in the delivery process for the contracts it offers. While we have determined that we cannot list a futures contract which calls for physical delivery of Low Carbon Fuel Standard ("LCFS") credits that may subsequently be invalidated, we are supportive of the LCFS market and plan to list a financially settled futures contract, as previously announced on April 17, 2018.

As the ARB knows from ICE's prior comments on the LCFS program, our primary concern is that credits can be invalidated after they had been delivered. ICE appreciates the work ARB has done address such concerns, primarily set forth in the pending changes to Section 95495. However, we don't view the proposed changes as providing complete invalidation protection for unsuspecting buyers. As such, ICE is unable to offer a physical delivery futures contract on the LCFS market at this time. However, ICE intends to support the LCFS market by listing a financially settled futures contract on May 21, 2018

The ICE futures contract will financially settle against the OPIS LCFS spot market assessment as published in the "OPIS Ethanol & Gasoline Component Spot Market Prices". We believe that this contract will provide many important features for LCFS market participants. The contract will allow for certainty and growth by providing a transparent forward curve of tradable prices which developers and financiers can use to hedge exposure. Furthermore, we anticipate broad market access which should dampen volatility and improve financial terms for compliance entities and developers.

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Again, we appreciate the opportunity to comment on the LCFS regulations and ARBs consideration of our comments. If you or your staff have any questions, or would like to discuss our comments further, please do not hesitate to contact Stephen McComb at 312-836-6727 or Stephen.McComb@theice.com

Respectfully submitted,

Stephen McComb
Director, US Environmental Markets
Intercontinental Exchange, Inc.