

Outline of Specifications for Electricity Futures Weekly Contracts

November 2nd, 2023

Tokyo Commodity Exchange, Inc.

TOCOM decided to exclude Standard Combination Order (SCO) for inter-commodity spread from the order types for weekly contracts although it was included in the Outline of Specifications disclosed in June 2023 to seek public comments (June 19, 2023 – July 19, 2023). Other part of specifications will remain unchanged.

Item	Description	Notes
<p>I. Trading Specifications</p> <p>1. Type of Contract</p> <p>2. Underlying</p>	<ul style="list-style-type: none"> • The type of contract shall be cash-settled futures. • The underlying products shall be as below. <ol style="list-style-type: none"> (1) East area weekly baseload electricity: Electricity for the Tokyo area traded on the JEPX spot market (2) East area weekly peakload electricity: Electricity for the Tokyo area traded on the JEPX spot market (3) West area weekly baseload electricity: Electricity for the Kansai area traded on the JEPX spot market (4) West area weekly peakload electricity: Electricity for the Kansai area traded on the JEPX spot market • The trading period for each weekly contract shall be one week from each Saturday to Friday of the next week. 	<ul style="list-style-type: none"> • "East area" means the Tokyo area as defined as a regional service area by the Organization for Cross-regional Coordination of Transmission Operations (OCCTO). • "West area" means the Kansai area as defined in the same way by OCCTO. • "Weekly baseload electricity" means electricity with an output of 100 kw delivered between 00:00 and 24:00 on calendar days within the trading period. • "Weekly peakload electricity" means electricity with an output of 100 kw delivered between 08:00 and 20:00 on weekdays (meaning days as specified by TOCOM; these will be the same as for monthly contracts; the same shall apply hereinafter) within the trading period.

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3. Last Trading Days, etc.	<ul style="list-style-type: none"> • Five consecutive contracts shall be available for trading, consisting of each week of the five-week period starting from the current contract (for electricity futures weekly contracts, this means the contract with the earliest last trading day). • The first trading day shall be the business day after the last trading day, and trading for a new contract shall start from the day session. • The last trading day of each contract shall be as below. <ul style="list-style-type: none"> (1) Weekly baseload electricity: the business day before Friday of each week (2) Weekly peakload electricity: the business day before Friday of each week (to be moved up if Friday is not a weekday) 	<ul style="list-style-type: none"> • The trading period shall be five weeks including the current week.
4. Contract Units and Tick Sizes, etc. (1) Contract Unit (2) Price Quotation Unit (3) Tick Size (4) Circuit Breaker Trigger Level 5. Trading	<ul style="list-style-type: none"> • One contract unit for weekly baseload electricity shall be the following amount of electricity (kWh): No. of calendar days from the relevant Saturday to Friday of the next week x 24 hours x 100 kWh • One contract unit for weekly peakload electricity shall be the following amount of electricity (kWh): No. of weekdays from the relevant Saturday to Friday of the next week x 12 hours x 100 kWh • The price quotation unit shall be 1 kWh. • The tick size shall be JPY 0.01. • The price limit shall be JPY 8.00. • The reference price for the price limit range shall be the settlement price of the previous trading day (or, for new contracts, the reference price of the first trading day as determined by TOCOM). • An upper limit and lower limit shall be set by adding and subtracting the price limit from the reference price, and orders shall only be accepted within this range. 	<ul style="list-style-type: none"> • The contract unit of each weekly baseload electricity contract is 16,800 kWh. • The contract unit of each weekly peakload electricity contract depends on the number of weekdays. If the number of weekdays is five, the unit is 6,000 kWh. • The value of one tick shall be different for each contract and type of electricity.

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(1) Trading Sessions and Trading Hours	<ul style="list-style-type: none"> • Trading shall be divided into a day session and a night session, and the trading hours of each session shall be as below. <ol style="list-style-type: none"> (1) Day session <ul style="list-style-type: none"> • Opening auction: 8:45 a.m. • Zaraba: 8:45 a.m. – 3:10 p.m. • Closing auction: 3:15 p.m. (2) Night session <ul style="list-style-type: none"> • Opening auction: 4:30 p.m. • Zaraba: 4:30 p.m. – 6:55 p.m. • Closing auction: 7:00 p.m. 	<ul style="list-style-type: none"> • This is the same as for monthly contracts.
(2) Trading Method	<ul style="list-style-type: none"> • Trading shall be conducted via the electronic trading system. 	<ul style="list-style-type: none"> • The trading system shall be J-GATE3.0.
(3) Types of Orders	<ul style="list-style-type: none"> • Participants may submit limit orders, and market orders. Orders must state an order condition, execution condition, order duration, and other conditions as specified by TOCOM. 	<ul style="list-style-type: none"> • <u>Standard Combination Order (SCO) is not available to use for weekly contracts of electricity futures.</u>
6. Suspension of Trading and Temporary Trading Halts		
(1) Suspension of Trading	<ul style="list-style-type: none"> • In cases where it deems it necessary, TOCOM may temporarily change the opening and closing times of trading sessions or temporarily suspend all or part of auction and off-floor trading. 	
(2) Temporary Trading Halts (Static Circuit Breaker)	<ul style="list-style-type: none"> • Temporary trading halts triggered by the static circuit breaker shall not apply. 	<ul style="list-style-type: none"> • This is the same as for monthly contracts.
(3) Immediately Executable Price Range (Dynamic Circuit Breaker)	<ul style="list-style-type: none"> • The Immediately Executable Price Range (Dynamic Circuit Breaker (DCB)) shall be applied to trading of each contract as below. <ol style="list-style-type: none"> a. When a bid or offer that is likely to be executed beyond the price range specified by TOCOM from the DCB reference price (hereinafter referred to as the "DCB Price Range") is accepted, all transactions from orders within the DCB Price Range will be executed before trading is halted for a certain period of time. b. If trading has been halted for a certain period pursuant to a. above and 	<ul style="list-style-type: none"> • The DCB reference price for each contract shall be the most recent execution price within the same trading day (if there is none, the reference price). • For the time being, the DCB Price Range shall be set as follows. <ul style="list-style-type: none"> ➢ Opening auction: JPY 6.00

Item	Description	Notes
7. Restrictions on Trading 8. Off-floor transactions 9. Give-ups 10. Large Position Reporting 11. Membership (Trading Qualification) II Clearing and Settlement	<p>the matching price is still beyond the DCB Price Range from the current DCB reference price, trading will not resume, the DCB reference price will be renewed to the price within the DCB Price Range that is nearest the matching price, and trading will again be halted for a certain period of time.</p>	<ul style="list-style-type: none"> ➢ Zaraba: JPY 5.00 ➢ Closing auction: JPY 6.00 • The duration of the temporary trading halt shall be, as a general rule, 30 seconds.
	<ul style="list-style-type: none"> • In cases where it deems that trading conditions are or likely to be abnormal, TOCOM may implement necessary regulatory measures among those specified in TOCOM's rules against trading or accepting orders from customers. 	
	<ul style="list-style-type: none"> • Off-floor transactions, EFP transactions and EFS transactions (hereinafter collectively referred to as "off-floor transactions") on electricity futures weekly contracts shall be available for Members as prescribed by TOCOM. • The tick size for off-floor transactions shall be JPY 0.01. • The upper and lower limits of the registration price range for off-floor transactions shall be calculated by adding and subtracting the last execution price within the trading session to/from the settlement price of the previous business day multiplied by 2000%. 	<ul style="list-style-type: none"> • If there is no execution price within the trading session, the settlement price from the previous business day shall be used.
	<ul style="list-style-type: none"> • Give-ups shall be possible. 	
	<ul style="list-style-type: none"> • The reporting obligation for large positions shall be applied. 	<ul style="list-style-type: none"> • Details will be announced later.
<ul style="list-style-type: none"> • An Energy Division (Electricity) trading qualification shall be required to trade electricity futures weekly contracts. 	<ul style="list-style-type: none"> • Trading qualifications can be obtained by following the procedures specified by TOCOM. No additional qualifications will be required for Members who already have an Energy Division (Electricity) trading qualification . 	

Item	Description	Notes
<p>Framework</p> <p>1. Clearing House</p> <p>2. Clearing Qualifications</p> <p>3. Clearing and Settlement</p> <p>(1) Clearing of Transactions</p> <p>(2) Settlement Price</p> <p>(3) Mark-to-Market</p> <p>(4) Margin</p> <p>(5) Final Settlement Day</p>	<ul style="list-style-type: none"> • Electricity futures weekly contracts shall be cleared by Japan Securities Clearing Corporation (JSCC). • The clearing qualifications pertaining to clearing of electricity futures weekly contracts shall be set forth by JSCC. • Clearing of transactions shall be conducted between clearing participants and JSCC in accordance with the methods prescribed by JSCC. • The settlement price shall be as determined by JSCC. • Delivery and receipt of the following amounts shall be made between clearing participants and JSCC and between non-clearing participants and the clearing participants to which they have entrusted commodity clearing ("designated clearing participants"). <ul style="list-style-type: none"> a. With regard to new positions taken on the trading day, the difference between each contract price and the day's settlement price b. With regard to unsettled contracts excluding a. above, the difference between the previous day's settlement price and the present day's settlement price • Clearing participants shall submit or deposit to JSCC, and non-clearing participants shall submit or deposit to their designated clearing participants, margin that is equivalent to or greater than the required amount specified by JSCC, separately for customer entrustments and a proprietary account. • The final settlement day shall be the business day after the last trading day. 	<ul style="list-style-type: none"> • No additional qualifications will be required for Members who already have an Energy Futures Clearing Qualification at JSCC.

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(6) Final Settlement Price	<ul style="list-style-type: none"> • The final settlement price of each electricity futures weekly contract shall be as below. <ol style="list-style-type: none"> (1) East area weekly baseload electricity: The average of the reported prices of Tokyo area baseload (0:00 – 24:00) on the JEPX spot market from the relevant Saturday to the next Friday. (2) West area weekly baseload electricity: The average of the reported prices of Kansai area baseload (0:00 – 24:00) on the JEPX spot market from the relevant Saturday to the next Friday. (3) East area weekly peakload electricity: The average of the reported prices of Tokyo area peakload (08:00 – 20:00) on the JEPX spot market on business days between the relevant Saturday and the next Friday. (4) West area weekly peakload electricity: The average of the reported prices of Kansai area peakload (08:00 – 20:00) on the JEPX spot market on business days between the relevant Saturday and the next Friday. • In cases where said average price cannot be obtained or where it is deemed necessary, TOCOM shall specify the price taking into an account market conditions. 	
III. Other		
1. Trading Fees	<ul style="list-style-type: none"> • Trading fees are to be determined. 	
2. Disclosure of Information		
(1) Market Information	<ul style="list-style-type: none"> • Market information such as opening/high/low/closing price data, trading volume, and open interest for electricity futures weekly contracts shall be published separately from other futures contracts. 	
(2) Trading by Type of Investor	<ul style="list-style-type: none"> • Trading volume and value of sales and purchases by type of investor shall be published for electricity futures weekly contracts separately from other futures contracts. 	<ul style="list-style-type: none"> • The specific frequency and method of disclosure will be same as other futures contracts.
IV. Listing Date	<ul style="list-style-type: none"> • These contracts will be listed in spring 2024 (planned). 	