



▶ **ECC Clearing Circular 39/2016 | 2016-08-31**

Introduction of Financial German-Austrian Wind Power Futures on EEX

**Summary**

From 4 October 2016 ECC will offer clearing services for EEX Financial German-Austrian Wind Power Futures.

This Clearing Circular contains information regarding the product setup, the settlement processes and the preconditions for participation.

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## Product Set-Up

The new futures offered at EEX for exchange trading and trade registration will be set up within the ECC clearing system (Eurex) as follows:

Product ID	Name	SMSS Product Group
W1B1 – W1B5	Wind Power Week Futures	EEX_FT_WIND_D/A
W1BM	Wind Power Month Futures	
W1BQ	Wind Power Quarter Futures	
W1BY	Wind Power Year Futures	

Detailed information on the product setup is provided in the ECC Clearing Specification and in the ECC Contract Details File. Both files are available for download on ECC's website.

## Clearing process

### Registration of transactions for clearing

The transactions concluded on EEX are imported into the Eurex system and integrated into the standard clearing processes for derivative contracts. Transactions are included in the Eurex data streams and in the Eurex reports as usual. In addition, the respective data can be retrieved via the ECC Member Area after 9:30 am (CET) on the next ECC business day.

The transactions are processed in the ECC settlement system SMSS for invoicing purpose using the product group mentioned above.

### Expiry and settlement

All products are settled financially. For open positions and new transactions a variation margin is calculated on every ECC business day. The settlement prices required to this end are determined by EEX in the product currency Euro and published in the Eurex system at approximately 7:00 pm (CET).

### Margining

Open positions in the new products will be included in ECC's Cross Margining until contract expiry and will be calculated according to ECC's standard methodology<sup>1</sup>. Margin parameters are updated and published daily in the SPAN<sup>2</sup> parameter file on ECC's website. The margin requirements will be reported in the SPAN margin class in the Eurex Report CC050 "Daily Margin".

If the last calendar day of a month is not an EEX business day, the Wind Power Month contract will expire before the final settlement price can be determined and the contract will be settled at a preliminary final settlement price. The final settlement price as well as the last variation margin will be corrected on the next ECC business day after expiry. As SPAN margin will be released on the

<sup>1</sup> <http://www.ecc.de/ecc-en/risk-management/margining>

<sup>2</sup> SPAN<sup>®</sup> is a registered trademark of Chicago Mercantile Exchange Inc., used herein under license. Chicago Mercantile Exchange Inc. assumes no liability in connection with the use of SPAN by any person or entity.

day of the expiry, a special margin will be raised, named 'AMWI', to cover resulting risk. This margin is calculated by multiplying the respective scanning range with the absolute netted position size.

Details of this procedure can be found here: <http://www.ecc.de/ecc-en/risk-management/margining> in the Variation Margin Correction document.

This procedure is not valid for Wind Power Week Futures.

### Fees

To support the market launch of the new products EEX together with ECC decided upon a fee holiday until 30 September 2017.

The ECC Price List has been adopted accordingly; the new version 21 including the pricing of the new futures is available on ECC's website.

## Preconditions for Participation

### Clearing Member:

The ECC clearing licence for Clearing Members does already include the settlement of Financial German-Austrian Wind Power Futures.

### Non Clearing Member:

Participants who are already registered for participation in EEX Power Futures at ECC can be authorized to take part in trading of Financial German-Austrian Wind Power Futures if they announce their intention via e-mail to [memberreadiness@ecc.de](mailto:memberreadiness@ecc.de).

## Simulation

The Financial German-Austrian Wind Power Futures are setup within the Eurex simulation environment and are available for testing purposes. Interested members may contact [memberreadiness@ecc.de](mailto:memberreadiness@ecc.de).