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ELECTRICITY CORPORATIONS ACT 2005

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**ELECTRICITY (STANDARD  
PRODUCTS) WHOLESALE  
ARRANGEMENTS 2014**





**ELECTRICITY CORPORATIONS ACT 2005****ELECTRICITY (STANDARD PRODUCTS) WHOLESALE  
ARRANGEMENTS 2014**

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## ELECTRICITY CORPORATIONS ACT 2005

ELECTRICITY (STANDARD PRODUCTS) WHOLESale  
ARRANGEMENTS 2014

## 1.—PRELIMINARY

## 1.1 Citation

- (a) This Arrangement may be cited as the Electricity (Standard Products) Wholesale Arrangements 2014.
- (b) This Arrangement, and the rules contained in this Arrangement, are wholesale arrangements approved by the Minister under section 38(1) of the Act and regulation 26(1) of the Regulations.

## 1.2 Authority

This Arrangement is made by the Minister under section 38(1) of the Act and regulation 26(1) of the Regulations.

## 1.3 Commencement

This Arrangement comes into operation on the date it is published in the *Government Gazette*.

## 1.4 Terms used in this Arrangement

- (a) In this Arrangement, unless the contrary intention appears—

**Act** means the *Electricity Corporations Act 2005* (WA).

**Approved Counterparty** means a person approved by the EGRC in accordance with clause 4 for the purpose of entering into Transactions in Standard Products with the EGRC.

**Approved Counterparty's Facilities** means each Facility that is owned by the Approved Counterparty or in relation to which the Approved Counterparty is registered as the Market Generator under the Market Rules.

**Availability** means, in relation to a Standard Product, the number of those Standard Products, determined in accordance with the requirements and principles set out in clauses 3.1 and 3.3, that the EGRC has available for Transacting with Approved Counterparties.

**Bilateral Submission** has the meaning given to that term in the Market Rules.

**Business Day** means a day that is not a Saturday, Sunday or public holiday in Perth, Western Australia.

**Calendar Year** means a period of 12 months commencing at the beginning of the Trading Interval that starts at 08:00 hours on 1 January and ending at the end of the Trading Interval that starts at 07:30 hours on 1 January of the following year.

**Capacity Credits** has the meaning given to that term in the Market Rules.

**Carbon Emissions Factor** means, in relation to a Standard Product, an amount of Greenhouse Gas emissions per unit of electricity (expressed in tonnes of carbon dioxide equivalent per MWh) determined by the EGRC in accordance with the requirements of clause 5.2(c).

**Carbon Price** means the amount (in \$s per MWh) for a Standard Product determined in accordance with clause 5.3(b).

**Carbon Reference Price** means—

- (i) in relation to electricity supplied under a Standard Product during the period commencing on 1 July 2014 and ending on 30 June 2015, the amount of \$25.40 per tonne of carbon dioxide equivalent (or any other value prescribed under a Greenhouse Gas Scheme); and
- (ii) in relation to electricity supplied under a Standard Product on and from 1 July 2015—
- (A) a price set in accordance with a CRP Methodology; or
- (B) if the Greenhouse Gas Scheme set out in the *Clean Energy Act 2011* (Cth) is not in effect, the amount of \$0 (zero).

**Commenced Standard Product** means any Standard Product that has a Transaction Period which has already commenced and not expired at the time the Availability of a New Standard Product is published in accordance with clause 3.3(b) or 3.3(d).

**Coordinator of Energy** means the person appointed in accordance with section 4 of the *Energy Coordination Act 1994* (WA).

**CRP Methodology** means a methodology developed by the EGRC that is the EGRC's reasonable estimate, acting in good faith, for determining the average price in \$ per tonne of carbon dioxide equivalent, at which the EGRC can, acting reasonably, purchase On Market, the volume of Eligible Emissions Units required to acquit a Relevant Carbon Liability.

**Default Number** means, in relation to a New Standard Product, the number of that Standard Product determined in accordance with clause 3.4.

**EGRC** means the Electricity Generation and Retail Corporation established under section 4(1)(a) of the Act.

**EGRC's Facilities** means—

- (i) each Facility that is owned by the EGRC or in relation to which the EGRC is registered as the Market Generator under the Market Rules; and
- (ii) each of the following Registered Facilities (as described in the list of Registered Facilities maintained and published by the Independent Market Operator)—
  - (A) SWCJV\_WORSLEY\_COGEN\_COG1;
  - (B) PPP\_KCP\_EG1;
  - (C) BW1\_BLUEWATERS\_G2;
  - (D) BW2\_BLUEWATERS\_G1; and
  - (E) NEWGEN\_KWINANA\_CCG.

**Eligible Emissions Units** has the meaning given to that term in the *Clean Energy Act 2011* (Cth).

**Expiring Quarterly Standard Product** has the meaning given to that term in clause 3.3(b).

**Expiring Yearly Standard Product** has the meaning given to that term in clause 3.3(d).

**Facility** has the meaning given to that term in the Market Rules.

**Financial Year** means a period of 12 months commencing at the beginning of the Trading Interval that starts at 08:00 hours on 1 July and ending at the end of the Trading Interval that starts at 07:30 hours on 1 July of the following year.

**Force Majeure Event** means, in relation to a person who is a party to an SP Agreement, any event or circumstance or combination of events and circumstances the cause of which is beyond the reasonable control of the person and which by the exercise of due diligence the person is not reasonably able to prevent or overcome, other than the person's lack of, or inability or unwillingness to reasonably use funds.

**GHG Change in Law Provisions** has the meaning given to that term in clause 6.4(d).

**Greenhouse Gas** has the meaning given to that term in the *National Greenhouse and Energy Reporting Act 2007* (Cth) and any associated regulations and determinations made under that Act.

**Greenhouse Gas Scheme** means any law which has as one of its objectives the reduction, offset or management of Greenhouse Gas emissions including, but not limited to, the scheme set out in the *Clean Energy Act 2011* (Cth) and includes all regulations, legislative instruments, orders, determinations, directives and guidelines (however named) made under that legislation as promulgated, supplemented or amended from time to time.

**Independent Market Operator** means the body of that name established under regulation 4(1) of the *Electricity Industry (Independent Market Operator) Regulations 2004* (WA).

**Initial Standard Products** means the Standard Products set out in item 1.2 of the Schedule.

**Interruption Event** has the meaning given to that term in clause 7.1.

**Market Generator** has the meaning given to that term in the Market Rules.

**Market Participant** has the meaning given to that term in the Market Rules.

**Market Rules** means the market rules referred to in section 123(1) of the *Electricity Industry Act 2004* (WA) and regulation 5 of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004* (WA).

**Minimum Weekly Acquisition Number** is defined in sub-clause 3.2(c)(ii) .

**Minimum Weekly Supply Number** is defined in sub-clause 3.2(c)(i) .

**MWh** means mega-watt hours.

**New Quarterly Standard Product** means a Standard Product for which an Availability is published by the EGRC in accordance with clause 3.3(b).

**New Standard Product** means a New Quarterly Standard Product or a New Yearly Standard Product.

**New Yearly Standard Product** means a Standard Product for which an Availability is published by the EGRC in accordance with clause 3.3(d).

**On Market** means all the markets for the sale and purchase of Eligible Emission Units in which EGRC could reasonably procure sufficient Eligible Emission Units to acquit a Relevant Carbon Liability.

**Peak Period** means a period of time starting at 08:00 hours and finishing at 22:00 hours on a Business Day.

**Qualifying Transaction Offer** means an SP Transaction Offer that satisfies the conditions specified in each of sub-clauses 2.5(a) to 2.5(g).

**Quarterly Standard Product** means any Standard Product identified in column 1 of the table in item 1.1 of the Schedule as a Q1, Q2, Q3 or Q4 Standard Product.

**Registered Facility** has the meaning given to that term in the Market Rules.

**Regulations** means the *Electricity Corporations (Electricity Generation and Retail Corporation) Regulations 2013* (WA).

**Relevant Carbon Liability** means the EGRC's reasonable estimate, acting in good faith, of its liability under an applicable Greenhouse Gas Scheme during a Standard Supply Period.

**Remaining Weekly Acquisition Availability** means, in relation to a Transaction Week, the Weekly Number minus the aggregate number of Standards Products (to be acquired by the EGRC) that are Transacted in that week, provided that if that number is a negative number the Remaining Weekly Acquisition Availability for that Transaction Week is taken to be 0 (zero).

**Remaining Weekly Supply Availability** means in relation to a Transaction Week, the Weekly Number minus the aggregate number of Standards Products (to be supplied by the EGRC) that are Transacted in that week, provided that if that number is a negative number the Remaining Weekly Supply Availability for that Transaction Week is taken to be 0 (zero).

**Retail Business Unit** has the meaning given to that term in regulation 3 of the Regulations.

**SP Agreement** means a legally binding agreement in a form published by the EGRC in accordance with clause 6.1(a) or clause 6.2(a) between the EGRC and an Approved Counterparty.

**SP Price** means, in relation to a Standard Product, the price determined in accordance with clause 5.2.

**SP Supplier** means the party supplying electricity under a Transaction in a Standard Product.

**SP Supplier's Facilities** means the Approved Counterparty's Facilities or the EGRC's Facilities as the context requires.

**SP Transaction Offer** has the meaning given to that term in clause 2.3.

**Specified Plant** means the following Registered Facilities (as described in the list of Registered Facilities maintained and published by the Independent Market Operator)—

- (i) SWCJV\_WORSLEY\_COGEN\_COG1;
- (ii) MUJA\_G5;
- (iii) MUJA\_G6;
- (iv) MUJA\_G7;
- (v) MUJA\_G8;
- (vi) COLLIE\_G1;
- (vii) COCKBURN\_CCG1;
- (viii) BW1\_BLUEWATERS\_G2;
- (ix) BW2\_BLUEWATERS\_G1;
- (x) PPP\_KCP\_EG1; and
- (xi) NEWGEN\_KWINANA\_CCG.

**Standard Flat Quantity** means, in each Trading Interval occurring during the Standard Supply Period of a Standard Product, the quantity of electricity (in MWh) specified in column 3 of the table in item 1.1 of the Schedule.

**Standard Peak Quantity** means—

- (i) in each Trading Interval occurring in a Peak Period during the Standard Supply Period of a Standard Product, the quantity of electricity (in MWh) specified in column 4 of the table in item 1.1 of the Schedule; and
- (ii) in all other Trading Intervals during a Standard Supply Period of a Standard Product, the figure of 0 (zero) MWh.

**Standard Product** means a wholesale acquisition or supply by the EGRC of a Standard Supply Quantity of electricity in each Trading Interval occurring during a Standard Supply Period at an applicable SP Price, Carbon Emissions Factor and Carbon Price. The Standard Products are set out in the table in item 1.1 of the Schedule.

**Standard Supply Period** means, in relation to a Standard Product, the period specified for that product in column 2 of the table in item 1.1 of the Schedule.

**Standard Supply Quantity** means a Standard Flat Quantity or a Standard Peak Quantity.

**Subsidiary** has the meaning given to that term in the Act.

**SWIS** or *South West interconnected system* has the meaning given to that expression in section 3 of the *Electricity Industry Act 2004* (WA).

**Trading Interval** has the meaning given to that term in the Market Rules.

**Transaction** means a legally binding transaction under the terms of an SP Agreement between the EGRC and an Approved Counterparty under which the EGRC—

- (i) supplies electricity under a Standard Product to the Approved Counterparty; or
- (ii) acquires electricity under a Standard Product from the Approved Counterparty.

**Transaction Period** means—

- (i) in relation to an Initial Standard Product, the period commencing at 10:00 hours on Tuesday 1 July 2014 and ending at 16:00 hours on the last Business Day of the month that begins 2 months before the commencement of the Standard Supply Period applicable to that Initial Standard Product; and
- (ii) in relation to all Standard Products except the Initial Standard Products, the period commencing at 10:00 hours on the date the EGRC first publishes the Availability of the Standard Product and ending at 16:00 hours on the last Business Day of the month that begins 2 months before the commencement of the Standard Supply Period applicable to the Standard Product.

**Transaction Week** means the period commencing at 10:00 hours on the first Business Day of each week, and ending at 16:00 hours on the last Business Day of each week.

**Weekly Number** means the number specified in item 3.1 of the Schedule.

**Wholesale Electricity Market** means the market established by regulations under section 122 of the *Electricity Industry Act 2004* (WA).

**Wholesale Energy Credit Policy** means the EGRC's policy of that name as published on the EGRC's website and amended from time to time.

**Yearly Standard Product** means any Standard Product identified in column 1 of the table in item 1.1 of the Schedule as a Calendar Year or Financial Year Standard Product.

(b) In this Arrangement—

- (i) a reference to a “clause” or “sub-clause” or “item” or “Schedule” is a reference to a clause or sub-clause or item or Schedule of this Arrangement;
- (ii) if a word or phrase is defined, its other grammatical forms have a corresponding meaning unless the context requires otherwise;
- (iii) a reference to any law, legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any statutory instruments issued under that legislation or legislative provision; and
- (iv) a reference to an individual or person includes a corporation, partnership, joint venture, association, authority, trust, state or government and vice versa.

## 2.—STANDARD PRODUCTS AND TRANSACTIONS

### 2.1 EGRC to Transact in Standard Products

The EGRC must, during the Transaction Period applicable to a Standard Product and for so long as there is an Availability of the Standard Product, enter into Transactions in the Standard Product with Approved Counterparties at an applicable SP Price, Carbon Emissions Factor and Carbon Price in accordance with this Arrangement.

### 2.2 General requirements for Transactions

- (a) The EGRC must not enter into Transactions in a Standard Product with a person who is not an Approved Counterparty.
- (b) The EGRC must not enter into a Transaction in a Standard Product with the Retail Business Unit of the EGRC or any Subsidiary of the EGRC.
- (c) The EGRC and an Approved Counterparty must not Transact in a Standard Product unless and until an SP Agreement has been executed by the EGRC and the Approved Counterparty.
- (d) The EGRC must not acquire or supply any Capacity Credits in any Transaction for a Standard Product.
- (e) The EGRC must not enter into a Transaction for a Standard Product if the proposed quantity of electricity to be supplied or acquired in each Trading Interval during the Standard Supply Period is not a Standard Flat Quantity or a Standard Peak Quantity.

### 2.3 Offers to enter into Transactions

- (a) An Approved Counterparty may, in accordance with sub-clauses 2.3(b) and 2.3(c), make offers to enter into one or more Transactions in Standard Products with the EGRC (**SP Transaction Offer**).
- (b) An SP Transaction Offer may include a request for the acquisition or supply of more than one Standard Product.
- (c) An SP Transaction Offer must be in such form as the EGRC reasonably requires provided that an SP Transaction Offer must—
  - (i) identify each Standard Product that is the subject of the offer;



- (ii) identify the SP Price determined and published by the EGRC in accordance with clause 5 at which the Approved Counterparty is willing to supply or acquire (as the case may be) the Standard Product;
  - (iii) identify the Carbon Emissions Factor published by the EGRC for the Standard Product in accordance with clause 5; and
  - (iv) otherwise be in a form capable of acceptance by the EGRC as a Transaction without any further action by the Approved Counterparty.
- (d) The EGRC must receive SP Transaction Offers at any time between the hours of 10:00 and 16:00 on Business Days.
- (e) The EGRC must not consider or accept any SP Transaction Offer submitted—
- (i) before 10:00 hours or after 16:00 hours on a Business Day;
  - (ii) on a day that is not a Business Day; or
  - (iii) before the commencement of the Transaction Period applicable to the relevant Standard Product.
- (f) The EGRC must—
- (i) establish and apply a fair and reasonable procedure for recording the time at which an SP Transaction Offer is received; and
  - (ii) as soon as practicable, provide notice of that time to the Approved Counterparty.
- (g) For the purposes of this Arrangement, the time recorded by the EGRC in accordance with clause 2.3(f) is the time an SP Transaction Offer is taken to be received by the EGRC.

#### 2.4 Expiry of Transaction Period

- (a) Subject to clause 2.4(b), the EGRC must not accept an SP Transaction Offer after the Transaction Period for a Standard Product that is the subject of the SP Transaction Offer expires.
- (b) A Transaction in a Standard Product that relates to an SP Transaction Offer received before the expiry of the Transaction Period for that Standard Product may be completed after the expiry of the Transaction Period.

#### 2.5 Accepting SP Transaction Offers

If—

- (a) the person that makes an SP Transaction Offer is an Approved Counterparty;
  - (b) the Approved Counterparty is not acquiring a Standard Product for the purpose of its own consumption;
  - (c) an SP Agreement has been entered into by the EGRC and the Approved Counterparty;
  - (d) the Transaction contemplated by the SP Transaction Offer is within any credit limits and other requirements set by the EGRC for that Approved Counterparty in accordance with the Wholesale Energy Credit Policy;
  - (e) the SP Price and the Carbon Emissions Factor specified for a Standard Product in the SP Transaction Offer is the same as the SP Price and Carbon Emissions Factor published by the EGRC for that Standard Product at the time the SP Transaction Offer is taken to be received by the EGRC;
  - (f) the SP Transaction Offer is otherwise in a form that is capable of acceptance by the EGRC as a Transaction without any further action by an Approved Counterparty; and
  - (g) the EGRC has, at the time the SP Transaction Offer is taken to be received, sufficient Availability of the relevant Standard Products to meet the number of Standard Products requested in an SP Transaction Offer,
- (a *Qualifying Transaction Offer*)

the EGRC must, as soon as practicable after receiving the Qualifying Transaction Offer—

- (h) accept the Qualifying Transaction Offer at the SP Prices and the Carbon Emissions Factors quoted in the SP Transaction Offer; and
- (i) enter into a Transaction in respect of the requested Standard Products with the Approved Counterparty in accordance with the SP Agreement.

#### 2.6 Procedures for limited Availability and simultaneous offers

- (a) The EGRC must develop and publish on a website the procedures the EGRC will apply where an SP Transaction Offer is made in respect of more than one Standard Product and the EGRC has insufficient Availability, Remaining Weekly Supply Availability or Remaining Weekly Acquisition Availability to fulfil the SP Transaction Offer.
- (b) The EGRC must develop and publish on a website the procedures that the EGRC will apply where—
  - (i) two or more SP Transaction Offers are taken, in accordance with clause 2.3(g), to be received by the EGRC at the same time;
  - (ii) there is insufficient Availability, Remaining Weekly Supply Availability or Remaining Weekly Acquisition Availability for the EGRC to fulfil all SP Transaction Offers; and
  - (iii) the EGRC determines not to acquire or supply (as the case may be) the additional Standard Products required to fulfil all SP Transaction Offers.

- (c) The procedures developed by the EGRC for the purposes of clause 2.6(b) must provide for a fair and reasonable allocation of Standard Products between relevant SP Transaction Offers on a pro rata basis.

### 3.—AVAILABILITY

#### 3.1 Initial Availability and determination by EGRC

- (a) The Availability of each Initial Standard Product as of 1 July 2014 is set out in the table in item 3.2 of the Schedule.
- (b) On and from 1 July 2014, the Availability of all Standard Products will be determined by the EGRC in accordance with the principles in this clause 3.1.
- (c) Each time the EGRC supplies (sells) a Standard Product (**first product**) the EGRC may make a corresponding reduction in the Availability of all other Standard Products for supply to Approved Counterparties that have a Standard Supply Period that is contemporaneous (whether in whole or in part) with the Standard Supply Period of the first product.
- (d) Each time the EGRC acquires (purchases) a Standard Product (**first product**) the EGRC may make a corresponding reduction in the Availability of all other Standard Products available for acquisition (purchase) by the EGRC that have a Standard Supply Period that is contemporaneous (whether in whole or in part) with the Standard Supply Period of the first product.
- (e) Each time the EGRC acquires (purchases) a Standard Product for a Standard Flat Quantity (**first product**) the EGRC must make a corresponding increase in the Availability of all other Standard Products that are available for supply (sale) by the EGRC that have a Standard Supply Period that is wholly contemporaneous with the Standard Supply Period of the first product.
- (f) Each time the EGRC acquires (purchases) a Standard Product for a Standard Peak Quantity (**first product**) the EGRC must make a corresponding increase in the Availability of all other Standard Products for a Standard Peak Quantity that are available for supply (sale) by the EGRC that have a Standard Supply Period that is wholly contemporaneous with the Standard Supply Period of the first product.

#### 3.2 Minimum Weekly Transactions

- (a) The EGRC must ensure that the number of Standard Products (to be supplied by the EGRC) that are Transacted in each Transaction Week is no less than the Minimum Weekly Supply Number.
- (b) The EGRC must ensure that the number of Standard Products (to be acquired by the EGRC) that are Transacted in each Transaction Week is no less than the Minimum Weekly Acquisition Number.
- (c) For the purposes of this clause 3.2—
- (i) the **Minimum Weekly Supply Number** is the lesser of—
- (A) the aggregate number of Standard Products in the Qualifying Transaction Offers for the supply of Standard Products by the EGRC accepted by the EGRC during the relevant Transaction Week; and
- (B) the Weekly Number.
- (ii) the **Minimum Weekly Acquisition Number** is the lesser of—
- (A) the aggregate number of Standard Products in the Qualifying Transaction Offers (for the acquisition of Standard Products by the EGRC) accepted by the EGRC during the relevant Transaction Week; and
- (B) the Weekly Number.
- (d) The EGRC may, in a Transaction Week, Transact for the supply or acquisition of Standard Products in excess of the Minimum Weekly Supply Number or Minimum Weekly Acquisition Number, provided that any Standard Products supplied or acquired by the EGRC in excess of those respective numbers must not be taken into account by the EGRC for the purposes of determining the Availability, Remaining Weekly Supply Availability or Remaining Weekly Acquisition Availability of any Standard Products.

#### 3.3 Availability of Additional Standard Products

- (a) The EGRC must make additional Standard Products available for Transactions in accordance with the remainder of this clause 3.3 and clause 3.4.
- (b) On each occasion when the Transaction Period of a Quarterly Standard Product expires (**Expiring Quarterly Standard Product**) the EGRC must, on the next Business Day, publish the Availability of a Default Number of Quarterly Standard Products that, except for the Standard Supply Period, are the same as the Expiring Quarterly Standard Product (**New Quarterly Standard Product**).
- (c) The Standard Supply Period of a New Quarterly Standard Product must commence 15 months after the commencement of the relevant Expiring Quarterly Standard Product.
- (d) On each occasion when the Transaction Period of a Yearly Standard Product expires (**Expiring Yearly Standard Product**) the EGRC must, on the next Business Day, publish the Availability of a Default Number of Yearly Standard Products that, except for the Standard Supply Period, are the same as the Expiring Yearly Standard Product (**New Yearly Standard Product**).

- (e) The Standard Supply Period of a New Yearly Standard Product must commence either 12 months or 18 months after the commencement of the Standard Supply Period of the Expiring Yearly Standard Product.
- (f) After the Availability of a New Standard Product is first published by the EGRC, the Availability of a New Standard Product is determined by the EGRC in accordance with clause 3.1.

### 3.4 Default Numbers of new Standard Products

- (a) Subject to sub-clauses 3.4(c) and 3.4(d), the *Default Number* of a New Standard Product to be supplied by the EGRC is 150.
- (b) Subject to sub-clauses 3.4(c) and 3.4(d), the *Default Number* of a New Standard Product to be acquired by the EGRC is 100.
- (c) The Default Number of a New Standard Product must be adjusted by the EGRC so that all Transactions entered into by the EGRC in all Commenced Standard Products that have a Standard Supply Period that is contemporaneous whether in whole or in part with the Standard Supply Period of the New Standard Product are taken into account in determining the Default Number of the New Standard Product.
- (d) The EGRC must apply the principles in clause 3.1 for the purposes of adjusting the Default Number of a New Standard Product in accordance with sub-clause 3.4(c).

### 3.5 Transaction Week

On the expiry of a Transaction Week the Remaining Weekly Supply Availability and the Remaining Weekly Acquisition Availability are taken to be 0 (zero), irrespective of whether the Remaining Weekly Supply Availability or Remaining Weekly Acquisition Availability immediately before the expiry of that Transaction Week was greater than 0 (zero).

### 3.6 Publishing Requirements for Availability

- (a) The EGRC must publish on a website and update in as close to real time as practicable—
  - (i) the Availability of all Standard Products; and
  - (ii) in each Transaction Week, the Remaining Weekly Supply Availability and the Remaining Weekly Acquisition Availability for that week.
- (b) By no later than 1 July 2014 the EGRC must publish worked examples (including a description of those examples) of hypothetical Transactions and the EGRC's determination of the Availability of Standard Products and both the Remaining Weekly Supply Availability and Remaining Weekly Acquisition Availability in light of those hypothetical Transactions.
- (c) The worked examples published by the EGRC must include a reasonable sample of hypothetical Transactions—
  - (i) of different Standard Supply Periods and different standard supply quantities;
  - (ii) where the EGRC is the supplier of a Standard Product; and
  - (iii) where the EGRC is the acquirer of a Standard Product.

### 3.7 Other Publishing Requirements

- (a) The EGRC must publish details of historic prices for Standard Products on a website and update those details on—
  - (i) each occasion the EGRC revises the SP Price applicable to a Standard Product; and
  - (ii) the first Business Day of each month.
- (b) The EGRC must publish on a website details of historic Transactions entered into by the EGRC, with the identity of the relevant Approved Counterparty removed, and update those details on each occasion the EGRC enters into a Transaction.
- (c) The EGRC must publish on a website and update on a monthly basis, information on price trends for Transactions in Standard Products.

## 4.—APPROVED COUNTERPARTIES

### 4.1 Applications

- (a) Any person, except the Retail Business Unit of the EGRC or a Subsidiary of the EGRC, who is a Market Participant may apply to the EGRC to become a person approved by the EGRC for entry into Transactions in Standard Products with the EGRC.
- (b) An application under clause 4.1(a) is to be made in such form as the EGRC may reasonably require.
- (c) On receipt of an application made in accordance with clause 4.1(a), the EGRC must determine whether to approve a person as an Approved Counterparty in accordance with clause 4.2 and respond to the applicant as soon as practicable.

### 4.2 Approval by EGRC

In determining whether to approve a person as an Approved Counterparty the EGRC must—

- (a) be satisfied that the person is a Market Participant;
- (b) assess the creditworthiness of the person in accordance with the Wholesale Energy Credit Policy; and
- (c) otherwise apply the EGRC's usual business practices and procedures.

### 4.3 Publication Requirements

The EGRC must, by no later than 31 May 2014, publish on a website details of the EGRC's procedures for receiving and determining an application by a person to become an Approved Counterparty.

## 5.—SP PRICING REQUIREMENTS

### 5.1 EGRC must publish prices and emissions factors

- (a) The EGRC must, for each Standard Product and in accordance with the remainder of this clause 5, publish on a publicly accessible part of a website—
  - (i) the SP Prices at which the EGRC will supply and acquire the Standard Product; and
  - (ii) a Carbon Emissions Factor applicable to that Standard Product.
- (b) The EGRC must publish initial SP Prices and Carbon Emissions Factors for all Initial Standard Products no later than 1 July 2014.
- (c) The EGRC must publish an initial SP Price and Carbon Emissions Factor for any other Standard Product by no later than the date the Availability of that Standard Product is published in accordance with clause 3.3.
- (d) The EGRC may revise an SP Price or a Carbon Emissions Factor for a Standard Product at any time after publication of an initial SP Price until the end of the Transaction Period for that Standard Product, provided that any revised SP Price or Carbon Emissions Factor—
  - (i) must be determined in accordance with the requirements of clause 5.2;
  - (ii) does not take effect until it is published by the EGRC on a publicly accessible part of a website; and
  - (iii) subject to any GHG Change in Law Provisions in an SP Agreement, does not alter the SP Price or Carbon Emissions Factor applicable to any SP Transaction Offer received by the EGRC before a revised SP Price or Carbon Emissions Factor (as the case may be) is published by the EGRC on a publicly accessible part of a website.

### 5.2 Determining SP Prices and Carbon Emissions Factors

- (a) **(Non-discrimination)** An SP Price for a Standard Product must comply with the requirements of regulation 22 of the Regulations and the remainder of this clause 5.2.
- (b) **(SP Prices are exclusive of Carbon Price)** An SP Price must be determined exclusive of the Carbon Price applicable to a Standard Product.
- (c) **(Buy/Sell Carbon Emissions Factors to be identical)** The Carbon Emissions Factor for the EGRC's acquisition of a Standard Product (for a particular Standard Supply Quantity in a particular Standard Supply Period) and the Carbon Emissions Factor for the EGRC's supply of that same Standard Product must be identical.
- (d) **(Carbon Price)** The EGRC must treat the Carbon Price applicable to a Standard Product in accordance with clause 5.3.
- (e) **(Maximum buy/sell spread)** The EGRC must at all times ensure that an SP Price published by the EGRC for the acquisition of a Standard Product is not less than an amount determined in accordance with the following formula—

$$\text{SP Price}_{\text{BUY}} = [1.0 - (\text{Spread}/100)] \times (\text{SP Price}_{\text{SELL}})$$

where—

- |                          |  |
|--------------------------|--|
| SP Price <sub>SELL</sub> | is the SP Price published by the EGRC in accordance with sub-clause 5.1 at which the EGRC will supply (sell) a Standard Product; |
| Spread                   | is the % (percentage) figure specified in item 2 of the Schedule; and  |
| SP Price <sub>BUY</sub>  | is the minimum SP Price for the acquisition (purchase) of the same Standard Product by the EGRC.                                 |

### 5.3 Carbon Prices

- (a) A party that acquires a Standard Product under a Transaction must, in addition to the SP Price, pay a Carbon Price for that Standard Product.
- (b) Subject to any GHG Change in Law Provisions in an SP Agreement, the Carbon Price applicable to a Standard Product is an amount (on a \$ per MWh basis), determined in accordance with the following formula—

$$\text{Carbon}_{\text{PRICE}} = \text{CRP} \times \text{CEF}$$

where—

- |                         |   |
|-------------------------|---|
| Carbon <sub>PRICE</sub> | is the Carbon Price to be paid by the acquirer of the Standard Product (on a \$ per MWh basis); |
| CRP                     | is the Carbon Reference Price; and  |
| CEF                     | is the Carbon Emissions Factor published by the EGRC for the Standard Product.                  |

#### 5.4 Publishing requirements for Carbon Price and Carbon Reference Price

- (a) By no later than 1 July 2014, the EGRC must develop and publish a CRP Methodology on a website.
- (b) The EGRC must, by no later than 31 May 2014, develop and publish on a website, the EGRC's methodologies for determining the time and manner under an SP Agreement in which—
  - (i) a Carbon Reference Price is fixed in respect of a Standard Product; and
  - (ii) a Carbon Price is fixed and becomes payable in respect of a Standard Product.

#### 5.5 Records to be kept

The EGRC must, on a monthly basis, monitor and keep records of—

- (a) all Transactions entered into by the EGRC for Standard Products and the SP Prices applicable to those Transactions;
- (b) SP Prices for Standard Products published by the EGRC on a website;
- (c) the Availability of all Standard Products;
- (d) any revisions to SP Prices; and
- (e) the occurrence of any Interruption Events or Force Majeure Events and details of their duration and impact on the EGRC's obligations under this Arrangement.

### 6.—SP AGREEMENT

#### 6.1 EGRC to develop and publish SP Agreement and procedures

The EGRC must, by no later than 31 May 2014, develop and publish on a website—

- (a) a form of agreement that complies with the requirements of this Arrangement; and
- (b) details of the EGRC's procedures for the EGRC's entry into an SP Agreement with an Approved Counterparty.

#### 6.2 Varying terms and conditions

- (a) Subject to the remainder of this clause 6.2, the EGRC may, at any time, revise, amend and republish the form of the SP Agreement, provided that the form of the SP Agreement as revised or amended complies with the requirements of this Arrangement.
- (b) Once an SP Agreement has been entered into—
  - (i) it may only be varied by the agreement of both parties to the SP Agreement; and
  - (ii) any variations must be consistent with the requirements of this Arrangement.

#### 6.3 General features of SP Agreement

An SP Agreement must—

- (a) take the form of a bilateral agreement between the EGRC and an Approved Counterparty that specifies the terms and conditions on which the EGRC and the Approved Counterparty may enter into one or more Transactions in Standard Products from time to time;
- (b) provide for either party to the SP Agreement to act as buyer or seller of a Standard Product in respect of a Transaction from time to time; and
- (c) comply with the requirements of clause 6.4.

#### 6.4 Specific Requirements

An SP Agreement—

- (a) must provide for the settlement and payment of amounts owing in respect of Transactions in accordance with the EGRC's usual practices for entering into transactions with counterparties in relation to the wholesale acquisition and supply of electricity in the Wholesale Electricity Market;
- (b) must provide for parties to give effect to Transactions by making valid Bilateral Submissions to the Independent Market Operator for the relevant Standard Supply Quantity for each Trading Interval occurring during the Standard Supply Period of the Standard Product;
- (c) must not provide for the acquisition or supply by the EGRC or an Approved Counterparty of any goods or services except Standard Products;
- (d) may include terms and conditions that pass through the effects of a change in law applicable to a Greenhouse Gas Scheme that occurs after the EGRC has entered into a Transaction including, but not limited to, any such change that has retrospective effect (***GHG Change in Law Provisions***); and
- (e) may include terms and conditions providing relief for the EGRC and the Approved Counterparty from the performance of their respective obligations under the SP Agreement to the extent such performance is hindered, delayed, prevented or otherwise affected by the occurrence of a Force Majeure Event, provided those terms and conditions must comply with the requirements in clause 6.5.

### 6.5 Specific requirements in relation to Force Majeure

If an SP Agreement includes terms and conditions of the kind described in clause 6.4(e) those conditions must—

- (a) include obligations on the party affected by the Force Majeure Event to mitigate the effects of that Force Majeure Event and use its reasonable endeavours to resume performance of its obligations as soon as practicable;
- (b) if the SP Supplier is the party affected by the Force Majeure Event, reduce the other party's (purchaser's) liability to make payment for electricity to the extent the SP Supplier fails or is unable to make Bilateral Submissions as a result of the occurrence of the Force Majeure Event; and
- (c) provide that an SP Supplier is deemed to be hindered, delayed, prevented or otherwise affected by the occurrence of a Force Majeure Event if either of the following occur—
  - (i) the electricity that can be generated or supplied by the SP Supplier's Facilities is reduced by at least 20% in the aggregate as result of a Force Majeure Event; or
  - (ii) if the SP Supplier is the EGRC, the generation or supply of electricity from a generating unit of the SP Supplier's Specified Plant ceases or is completely curtailed or completely interrupted as a result of the occurrence of Force Majeure Event.

### 6.6 Other requirements

An SP Agreement must not specify that the electricity to be supplied or acquired in respect of a Transaction is electricity that will be generated or supplied by a particular Facility or a specified group of Facilities.

## 7.—INTERRUPTION EVENTS

### 7.1 Interruption Event

Each of the following is an Interruption Event—

- (a) The electricity that can be generated or supplied by the EGRC's Facilities and exported into the SWIS is reduced by at least 20% in the aggregate as result of an event or circumstance or combination of events and circumstances the cause of which is beyond the reasonable control of the EGRC including, but not limited to, any of the following—
  - (i) an unplanned network outage;
  - (ii) a disruption in fuel supply; or
  - (iii) an unscheduled outage of the EGRC's Facilities.
- (b) An unplanned outage occurs at any of the Specified Plant and the expected duration of that outage as reasonably determined in good faith by the EGRC will be more than 2 months.
- (c) The EGRC is unable to publish SP Prices as a result of a failure or interruption to the website on which the EGRC publishes SP Prices or other information technology systems on which the EGRC relies including, but not limited to, any such failure or interruption arising as a result of—
  - (i) the unauthorised access of the website or other information technology system; or
  - (ii) a denial of service attack (whether such attack is a distributed denial of service or otherwise).

### 7.2 Notice to be given

- (a) Immediately following the occurrence of an Interruption Event the EGRC must publish on a website and give notice to the Coordinator of Energy and all Approved Counterparties setting out details of the—
  - (i) Interruption Event and the reasons for its occurrence;
  - (ii) expected duration of the Interruption Event; and
  - (iii) effect of the Interruption Event on the EGRC's obligations under this Arrangement, including any suspension or modification of the EGRC's obligations under clause 7.3.
- (b) The EGRC must, until the EGRC resumes its obligations under this Arrangement in accordance with clause 7.5 provide the Coordinator of Energy and each Approved Counterparty with regular updates, or publish regular updates on a website, on the status of progress made in resuming all of the EGRC's obligations under this Arrangement.

### 7.3 Occurrence of an Interruption Event

If an Interruption Event occurs then, subject to clauses 7.4 and 7.5 the EGRC—

- (a) must continue to publish SP Prices for Standard Products for so long as the Interruption Event persists, unless the Interruption Event is of a kind described in clause 7.1(c);
- (b) may restrict the Availability of one or more classes of Standard Products the EGRC will supply or acquire; and
- (c) may suspend the Availability of all Standard Products and cease receiving or accepting any SP Transaction Offers.

**7.4 Existing Transactions unaffected**

The occurrence of a Interruption Event does not affect—

- (a) any binding Transactions already agreed between the EGRC and an Approved Counterparty before the Interruption Event occurs; or
- (b) the EGRC's obligation to enter into a Transaction in accordance with clause 2.3 in relation to an SP Transaction Offer received by the EGRC before notice of the Interruption Event is given by the EGRC to the relevant Approved Counterparty.

**7.5 Resuming Arrangements**

The EGRC must use reasonable endeavours to resume its obligations under this Arrangement as soon as practicable and, if the Interruption Event is of the kind referred to in clause 7.1(b) above, within 1 Business Day.

## SCHEDULE

**1. ITEM 1—STANDARD PRODUCTS****1.1 Standard Products Generally**

<b>Column 1 Standard Product</b>	<b>Column 2 Standard Supply Periods</b>	<b>Column 3 Standard Flat Quantity (MWh per Trading Interval)</b>	<b>Column 4 Standard Peak Quantity (MWh per Trading Interval in a Peak Period)</b>
Q1	Each Trading Interval in each Trading Day for the period commencing at the beginning of the Trading Day that starts on 1 January and ending at the end of the Trading Day that begins on 31 March in a Calendar Year.	0.5	0.5
Q2	Each Trading Interval in each Trading Day for the period commencing at the beginning of the Trading Day that starts on 1 April and ending at the end of the Trading Day that begins on 30 June in a Calendar Year.	0.5	0.5
Q3	Each Trading Interval in each Trading Day for the period commencing at the beginning of the Trading Day that starts on 1 July and ending at the end of the Trading Day that begins on 30 September in a Calendar Year.	0.5	0.5
Q4	Each Trading Interval in each Trading Day for the period commencing at the beginning of the Trading that Day starts on 1 October and ending at the end of the Trading Day that begins on 31 December in a Calendar Year.	0.5	0.5
Calendar Year	Each Trading Interval in each Trading Day for the period commencing at the beginning of the Trading Day that starts on 1 January and ending at the end of the Trading Day that begins on 31 December in a Calendar Year.	0.5	0.5
Financial Year	Each Trading Interval in each Trading Day for the period commencing at the beginning of the Trading Day that starts on 1 July and ending at the end of the Trading Day that begins on 30 June in a Financial Year.	0.5	0.5

**1.2 Initial Standard Products**

The Initial Standard Products are—

- (a) Q4 2014 (Standard Supply Period commencing on 1 October 2014);
- (b) Q1 2015 (Standard Supply Period commencing on 1 January 2015);
- (c) Q2 2015 (Standard Supply Period commencing on 1 April 2015);
- (d) Q3 2015 (Standard Supply Period commencing on 1 July 2015);
- (e) Q4 2015 (Standard Supply Period commencing on 1 October 2015);
- (f) Calendar Year 2015 (Standard Supply Period commencing on 1 January 2015);
- (g) Calendar Year 2016 (Standard Supply Period commencing on 1 January 2016); and
- (h) Financial Year 15/16 (Standard Supply Period commencing on 1 July 2015).

**2. ITEM 2—MAXIMUM BUY/SELL SPREAD**

For the purpose of clause 5.2(e)—

- (a) on and from the commencement of this Arrangement until 31 December 2014 Spread is 25%;  
and
- (b) on and from the commencement of 1 January 2015 until this Arrangement is at an end,  
Spread is 20%.

**3. ITEM 3—INITIAL AVAILABILITY OF STANDARD PRODUCTS****3.1 Weekly Number**

The Weekly Number is 5.

**3.2 Initial Availability of Standard Products**

The Availability of each Initial Standard Product on commencement of these Arrangements is as set out in table below.

Standard product	Initial Availability (number of Standard Products)			
	Column 1	Column 2	Column 3	Column 4
	Flat	Peak	Flat	Peak
	Sell	Sell	Buy	Buy
<b>Q4 2014</b>	150	150	100	100
<b>Q1 2015</b>	150	150	100	100
<b>Q2 2015</b>	150	150	100	100
<b>Q3 2015</b>	150	150	100	100
<b>Q4 2015</b>	150	150	100	100
<b>Cal 2015</b>	150	150	100	100
<b>Cal 2016</b>	150	150	100	100
<b>FY 15/16</b>	150	150	100	100