

**UPDATE 50**  
**August 2013**

### **Section 3.11 – Environmental Products**

In conjunction with the Environmental Products Committee, Johnson Winter & Slattery has further updated Section 3.11 of the *Guide*.

The Environmental Products Addendum has been amended to:

- allow for separate delivery and payment dates. Earlier versions of the Addendum have provided for delivery and payment on the same Settlement Date. The revised Addendum provides for the Seller and Buyer to settle on the Delivery Date and Payment Date respectively;
- change the treatment of Australian carbon credit units (ACCUs) to align more closely with market practice. Earlier versions of the Addendum provided for the parties to select ACCUs or KACCUs and then specify whether the units must also be eligible for surrender under the *Clean Energy Act 2011* (Cth). The revised Addendum provides for the parties to select either Eligible ACCUs (being ACCUs that can be surrendered under the Clean Energy Act) or Voluntary NKACCUs (being all other ACCUs);
- correct the calculation of amounts payable by a Seller that fails to deliver Eligible ACCUs or Voluntary NKACCUs; and
- correct other minor drafting points and move all footnotes to the Commentary.

A marked-up comparison between the December 2012 and the July 2013 versions of the Addendum is in section 3.11.4.10 of the *Guide*.

The Confirmations have been amended to reflect the changes to the Addendum.

The Commentary in the *Guide* and the Environmental Products Market Conventions have also been updated to reflect the changes.

The treatment of ACCUs in the Spot Contract has been aligned with the Addendum (so that parties can select Eligible ACCUs or Voluntary NKACCUs).