

## UPDATE 36

March 2010

### [U36] Section 3.8 – Electricity

With the continuing uncertainty surrounding any CPRS and the form it might ultimately take, the Electricity Committee has reviewed the definition of “Carbon Scheme” and the revised wording is in the March 2010 Carbon Benchmark Addendum. The changes have necessitated minor changes to other sections (e.g. “Permit”) but the overall intent of the Addendum has not changed.

The March 2010 version is at 3.8.20 of the *Guide* as is a marked up history of changes between versions since the initial one in November 2008.

The Committee has also looked at how the Addendum would respond to the imposition in Australia of a carbon tax (i.e. a tax on emissions of carbon, rather than a carbon tax measured on electricity sent out), in particular in relation to the ISDA approach to a Tax Disruption. The Committee is considering the issue further, and any material or documents relating to a carbon tax will be released later in the year.

As with past updates, AFMA recommends that for any Addendum already forming part of an ISDA Master Agreement, the parties bilaterally agree that the March 2010 version replaces it. A link to a pro-forma amendment agreement to effect that change may be found in 3.8.20 of the *Guide*.