

**UPDATE 38**  
**August 2010**

**Section 3.11 – Environmental Products**

In conjunction with the Environmental Products Committee, Johnson Winter & Slattery has updated the Environmental Products Addendum to:

- incorporate the changes to the Renewable Energy (Electricity) Act 2000 (Cwlth) (**REC Act**) to split the obligation to acquire RECs into an obligation to acquire LRECs, being large-scale generation certificates and an obligation to acquire SRECs, being small-scale technology certificates.
- include a reference to GRECs being LRECs created by generators accredited under the Green Power Program;
- remove references to VRECs (being certificates created under the Victorian Renewable Energy Act 2006) as this scheme is ending and will transition in stages to the Commonwealth's expanded Renewable Energy scheme throughout 2010; and
- replace the reference to the CEO of AFMA selecting a Calculation Agent, if the market price of an Environmental Product cannot be agreed by the parties following a Settlement Disruption Event continuing for more than 5 days, to being selection by the Environmental Products Committee of AFMA (by a 75% majority) and failing that an expert selected in accordance with the Rules for Expert Determination published by the Australian Commercial Disputes Centre.

A marked-up comparison between the August 2010 and December 2009 versions of the Addendum is in section 3.11.4.10 of the *Guide*.

The forward and options confirmations have been revised to include LRECs, SRECs and GRECs and to remove the references to VRECs.

The Environmental Products Market Conventions and Spot Contract will be updated shortly.