

ELECTRICITY GENERATION AND RETAIL CORPORATION TRADING AS SYNERGY

PROCEDURE FOR ENTERING INTO TRANSACTIONS, DEALING WITH LIMITED AVAILABILITY AND SIMULTANEOUS OFFERS

1. SCOPE

- 1.1 This procedure is made pursuant to clause 2 of the *Electricity (Standard Products) Wholesale Arrangements 2014* (WA) as amended from time to time (the **SP Arrangements**).
- 1.2 Clause 2 of this procedure sets out the process with which a Trader must comply if it wishes to make an offer to Synergy to enter into one or more Transactions in Standard Products (a **SP Transaction Offer**).
- 1.3 Clause 3 of this procedure applies where a Trader makes a SP Transaction Offer in respect of more than one Standard Product and Synergy has insufficient Availability, Remaining Weekly Supply Availability or Remaining Weekly Acquisition Availability (as applicable) to fulfil the SP Transaction Offer.
- 1.4 Clause 4 of this procedure applies where two or more SP Transaction Offers from multiple Traders are taken to be received by Synergy at the same time and Synergy has insufficient Availability, Remaining Weekly Supply Availability or Remaining Weekly Acquisition Availability (as applicable) to fulfil all SP Transaction Offers.
- 1.5 For the purposes of this procedure, a SP Transaction Offer is taken to be received by Synergy at the same time as another SP Transaction Offer if the "sent" time stamp identified on the email enclosing the SP Transaction Offer of each affected Trader as recorded by Synergy's email exchange server is the same time (to the nearest minute and in Western Standard Time).
- 1.6 Synergy may, from time to time, notify a Trader that Security is required in relation to any Transactions to be entered into with the Trader in accordance with Synergy's Wholesale Energy Credit Policy. Such notice must include details of the Security required by Synergy to be provided by that Trader.

2. PROCEDURE FOR ENTERING INTO TRANSACTIONS

- 2.1 A Trader may make a SP Transaction Offer in accordance with the following provisions of this clause 2 and its SP Agreement with Synergy.
- 2.2 A SP Transaction Offer:
 - (a) must be made by email to Synergy's email address for receiving SP Transaction Offers as published on the Synergy SP Website from time to time;
 - (b) must be sent by an Authorised Officer of the Trader who is authorised to enter into a Transaction on behalf of the Trader;
 - (c) must be received by Synergy between the hours of 1000 and 1600 on a Business Day during the Transaction Period for each Standard Product which is the subject of the SP Transaction Offer;
 - (d) must at a minimum, contain the following information:
 - (1) name of the Seller and name of the Buyer;
 - (2) the Standard Product to be traded under each proposed Transaction;

- (3) the SP Price applicable to each Standard Product which is the subject of each proposed Transaction, as determined in accordance with clause 2.3 of this procedure;
 - (4) the figure for CPI_b applicable to each SP Price for each Standard Product which is the subject of each proposed Transaction, as published by Synergy on the Synergy SP Website at the time the SP Transaction Offer is made;
 - (5) the Carbon Emissions Factor applicable to each Standard Product which is the subject of each proposed Transaction, as determined in accordance with clause 2.4 of this procedure;
 - (5) the Trading Interval Quantity applicable to each Standard Product which is the subject of each proposed Transaction; and
 - (6) details of any Security required by Synergy to be provided by the Trader in accordance with a prior notice given by Synergy under clause 1.6 of this procedure;
- (e) must comply with the provisions of the SP Arrangements; and
 - (f) shall constitute the Trader's offer to enter into a legally binding Transaction in respect of each Standard Product which is the subject of the SP Transaction Offer and on the terms set out in the SP Transaction Offer, without any further action by the Trader.
- 2.3 The SP Price to be included in a SP Transaction Offer for each Standard Product which is the subject of each proposed Transaction:
- (a) must be the SP Price published by Synergy at the time the SP Transaction Offer is made for the Standard Product(s) specified in such SP Transaction Offer, in accordance with clause 5 of the SP Arrangements and regulation 22 of the Regulations; and
 - (b) is subject to the CPI adjustment mechanism published by Synergy on the Synergy SP Website.
- 2.4 The Carbon Emissions Factor to be included in a SP Transaction Offer for each Standard Product which is the subject of each proposed Transaction must be the Carbon Emissions Factor published by Synergy at the time the SP Transaction Offer is made for the Standard Product(s) specified in such SP Transaction Offer, in accordance with clause 5 of the SP Arrangements.
- 2.5 Subject to clauses 3 and 4 of this procedure, Synergy shall notify the Trader by return email whether it accepts or rejects the SP Transaction Offer in accordance with the SP Arrangements. Synergy's acceptance shall constitute an agreement to enter into a Transaction in respect of each Standard Product which is the subject of the SP Transaction Offer and which Synergy has accepted to buy or sell, on the terms set out in such SP Transaction Offer. The Transaction will become a legally binding contract between the parties in accordance with the provisions of the SP Agreement.
3. **LIMITED AVAILABILITY**
- 3.1 If:
- (a) Synergy has insufficient Availability, Remaining Weekly Supply Availability or Remaining Weekly Acquisition Availability to fulfil a Trader's SP Transaction Offer; and

- (b) Synergy elects, in its sole discretion, not to acquire or supply (as the case may be) the additional Standard Products required to fulfil that SP Transaction Offer,

then Synergy will as soon as reasonably practicable notify the Trader by return email.

3.2 If Synergy has sufficient Availability, Remaining Weekly Supply Availability or Remaining Weekly Acquisition Availability (as applicable) to fulfil part of the Trader's SP Transaction Offer, then Synergy's notice under clause 3.1 shall include a counter-offer (a **SP Transaction Counter-Offer**) by Synergy to acquire or supply (as the case may be) that part of the Trader's SP Transaction Offer and such notice:

- (a) must at a minimum, contain the information set out in clause 2.2(d);
- (b) must comply with the provisions of the SP Arrangements; and
- (c) shall constitute Synergy's offer to enter into a legally binding Transaction in respect of each Standard Product which is the subject of the SP Transaction Counter-Offer and on the terms set out in the SP Transaction Counter-Offer, without any further action by Synergy.

3.3 An Authorised Officer of the Trader who is authorised to enter into a Transaction on behalf of the Trader shall notify Synergy by return email to Synergy's email address specified in clause 2.2(a) whether it accepts or rejects the SP Transaction Counter-Offer:

- (a) no later than one hour after receiving that SP Transaction Counter-Offer if the SP Transaction Counter-Offer is received by the Trader prior to 1500 hours on a Business Day; or
- (b) by 1100 hours on the following Business Day if the SP Transaction Counter-Offer is received by the Trader after 1500 hours on a Business Day.

3.4 The Trader's acceptance shall constitute an agreement to enter into a Transaction in respect of each Standard Product which is the subject of the SP Transaction Counter-Offer on the terms set out in such SP Transaction Counter-Offer. The Transaction will become a legally binding contract between the parties in accordance with the provisions of the SP Agreement.

3.5 If the Trader rejects the SP Transaction Counter-Offer, the Trader shall be deemed to have withdrawn the SP Transaction Offer to which the SP Transaction Counter-Offer relates and no legally binding Transaction shall arise between the parties. For the purposes of this clause 3.5, if a Trader does not notify Synergy that it accepts Synergy's SP Transaction Counter-Offer within the time period and by the method specified in clause 3.3, it shall be deemed to have rejected Synergy's SP Transaction Counter-Offer.

4. **SIMULTANEOUS OFFERS**

4.1 If:

- (a) Synergy is taken to have received Qualifying Transaction Offers from multiple Traders at the same time;
- (b) Synergy has insufficient Availability, Remaining Weekly Supply Availability or Remaining Weekly Acquisition Availability to fulfil all Qualifying Transaction Offers; and
- (c) Synergy elects, in its sole discretion, not to acquire or supply (as the case may be) the additional Standard Products required to fulfil all Qualifying Transaction Offers,

Synergy will as soon as reasonably practicable, notify the affected Traders.

4.2 If Synergy has, after making the allocation in clause 4.3, sufficient Availability, Remaining Weekly Supply Availability or Remaining Weekly Acquisition Availability (as applicable) to fulfil part of a Trader's Qualifying Transaction Offer, Synergy's notice under clause 4.1 shall include a SP Transaction Counter-Offer by Synergy to acquire or supply (as the case may be) such part of the Trader's Qualifying Transaction Offer and such notice shall comply with the requirements of clause 3.2. The Trader shall notify Synergy whether it accepts or rejects Synergy's SP Transaction Counter-Offer in accordance with clauses 3.3 to 3.5. For the purposes of this procedure and the SP Agreement, if a Trader accepts Synergy's SP Transaction Counter-Offer it shall be deemed to have accepted to buy or sell (as applicable) the greater of:

- (a) the number of Standard Products specified in Synergy's SP Transaction Counter-Offer; or
- (b) the number of Standard Products that are Available as a result of Synergy's recalculation (if any) of the pro rata allocation under clause 4.4,

provided that the number of Standard Products accepted by the Trader shall not exceed the number of Standard Products specified in the Trader's original Qualifying Transaction Offer to which Synergy's SP Transaction Counter-Offer relates.

4.3 Where clause 4.1 applies, Synergy must make a pro rata allocation between all affected Traders of the Standard Products that are Available based on the number of Standard Products requested in each Trader's Qualifying Transaction Offer and rounded down to the nearest whole number of Standard Products. If the nearest whole number of Standard Products to be allocated to a Trader in accordance with the pro rata allocation required under this clause 4.3 is zero then:

- (a) Synergy may elect, in its sole discretion, to acquire or supply (as the case may be), the additional Standard Products required to allocate one Standard Product to the Trader; or
- (b) if Synergy does not make such an election, Synergy is deemed to have insufficient Availability, Remaining Weekly Supply Availability and Remaining Weekly Acquisition Availability to fulfil the affected Trader's Qualifying Transaction Offer and must reject the Trader's Qualifying Transaction Offer and no legally binding Transaction shall arise between the parties.

4.4 If one or more affected Traders notify Synergy within the time period specified in clause 3.3 that they reject Synergy's SP Transaction Counter-Offer, Synergy shall, within one hour of the latest time for accepting a SP Transaction Counter-Offer under clause 3.3, recalculate the pro rata allocation under clause 4.3 taking into account the additional Standard Products that are Available as a result of any rejected SP Transaction Counter-Offer(s). Synergy shall notify any Trader(s) that accepted Synergy's SP Transaction Counter-Offer of the additional Standard Products (if any) that are Available as a result of Synergy's recalculation and those Traders shall be deemed to have accepted such greater number of Standard Products (if any) in accordance with clause 4.2.

5. **AMENDMENT**

Synergy may amend this procedure from time to time, provided that this procedure continues to comply with the SP Arrangements. Such amendments shall take effect from the time that the revised procedure is published on the Synergy SP Website.

6. **DEFINITIONS**

Capitalised terms used in this procedure which are not defined below have the meaning given to them in the SP Agreement between Synergy and each Trader.

Approved Counterparty has the meaning given to it in the SP Arrangements.

Availability has the meaning given to it in the SP Arrangements and "**Available**" shall have the corresponding meaning.

CPI means the consumer price index as defined in the CPI adjustment mechanism published by Synergy on the Synergy SP Website.

CPI_b means the base CPI reference price applicable to a SP Price.

Qualifying Transaction Offer means a SP Transaction Offer that satisfies the conditions specified in clauses 2.5(a) to 2.5(f) (inclusive) of the SP Arrangements.

Remaining Weekly Acquisition Availability has the meaning given to it in the SP Arrangements.

Remaining Weekly Supply Availability has the meaning given to it in the SP Arrangements.

SP Agreement has the meaning given to it in the SP Arrangements.

SP Arrangements has the meaning given to it in clause 1.1 of this procedure.

SP Transaction Counter-Offer has the meaning given to it in clause 3.2 of this procedure.

SP Transaction Offer has the meaning given to it in clause 1.2 of this procedure.

Synergy means Electricity Generation and Retail Corporation trading as Synergy established under the *Electricity Corporations Act 2005* (WA).

Trader means an Approved Counterparty who has entered into a SP Agreement with Synergy.

Transaction Period has the meaning given to it in the SP Arrangements.

Western Standard Time has the meaning given to it in the Market Rules.

Wholesale Energy Credit Policy means Synergy's policy of that name required under regulation 23 of the *Electricity Corporations (Electricity Generation and Retail Corporation) Regulations 2013* (WA), as may be amended from time to time.