**LETTER OF AGREEMENT**

The purpose of this Letter of Agreement is to facilitate the processing of *reallocation* *transactions* under clause 3.15.11 of the National Electricity Rules comprising *swap offsets*, *cap offsets* or *floor offsets*. AEMO processes these types of reallocation transactions under a facility that is exempt from the operation of Part 7.3 of the Corporations Act 2001 (Cth).

AEMO requires that *reallocation requests* be offered for registration under the terms set out below. Consent to these terms is given by completing, signing and forwarding this document to AEMO.

**AEMO DETAILS (“AEMO”)**

Name: Australian Energy Market Operator Limited

ABN: 94 072 010 327

**PARTICIPANT DETAILS ("Participant")**

Participant Name:

Participant ABN:

Authorised User ID:

Your signature on this Letter of Agreement acknowledges that you have all power and authority to enter into this Letter Agreement on behalf of the Participant and the Participant agrees to be bound by the terms and conditions of this Letter of Agreement as set out in the remainder of this document.

This agreement may be executed in counterparts. All counterparts when taken together are deemed to constitute one instrument. The counterparts may be executed and delivered by email or other electronic signature by one or more of the parties and the receiving party or parties may rely on the receipt of such document so executed and delivered electronically as if the original had been received.

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| Signed for and on behalf of Participant by: Authorised Signature Name (Please Print) Title Date | Signed for and on behalf of AEMO by: Authorised Signature Name (Please Print) Title Date |

**1. DEFINITIONS**

For the purposes of this Letter of Agreement:

“**Authorised User ID**” means the designated user account nominated by the Participant for the purposes of sending *reallocation requests* under this Letter of Agreement.

“**Wholesale Client**” has the meaning given to that term in section 761A of the *Corporations Act 2001* (Cth).

All other terms *in italics* are defined in the National Electricity Rules (“**NER**”) or the Reallocation Procedure: Swap and Option Offset Reallocations (“**Procedure**”) made by AEMO under clause 3.15.11A of the NER.

**2. PARTICIPANT ELIGIBILITY**

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| 2.1 | It is a condition of this Letter of Agreement that the Participant is registered under the NER as a *Market Customer*, *Market Generator* or *Market Network Service Provider*, and is a Wholesale Client. |
| 2.2 | Participant represents and warrants to AEMO that it is, and will at all times during the term of this Letter of Agreement remain, a Wholesale Client.  |
| 2.3 | If Participant becomes aware that it will cease or has ceased to be a Wholesale Client, it must promptly notify AEMO in writing.  |
| 2.4 | This Letter of Agreement terminates automatically on the date on which Participant ceases to be either: * 1. registered as a *Market Customer*, *Market Generator* or *Market Network Service Provider*; or
	2. a Wholesale Client.
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**3. REALLOCATION SERVICE**

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| 3.1 | Participant agrees to create, submit and authorise *reallocation requests* using the *Reallocation Request Service* in accordance with the terms of this Letter of Agreement. |
| 3.2 | A *reallocation request* is not valid unless it has been accepted electronically by the *Reallocation Request Service*. If the *Reallocation Request Service* is not functioning then temporary alternative arrangements for lodging and authorising urgent requests may be agreed with AEMO. |
| 3.3 | All *reallocation requests* are to comply with clause 3.15.11 of the NER and be in the form as determined by AEMO from time to time. |
| 3.4 | AEMO will act on Participant’s *reallocation request* only if the request has been authorised by another *Market Participant* within the *reallocation timetable* published on the AEMO website. |
| 3.5 | A *reallocation request* submitted to or authorised in the *Reallocation Request Service* under this Letter of Agreement is deemed to comprise execution of the *reallocation request* submitted or authorised by the participant, for the purposes of clause 3.15.11 of the NER. |
| 3.6 | Nothing in this Letter of Agreement fetters AEMO’s powers, obligations or discretions under clause 3.15.11 of the NER. |

**4. AUTHORISED USER**

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| 4.1 | All *reallocation requests* sent to AEMO must be submitted or authorised under the Authorised User ID only. |
| 4.2 | Participant is responsible for creating and maintaining user name(s), password(s) and account designation(s) for the Authorised User ID. Participant is responsible for maintaining the confidentiality of the user name(s), password(s) and account(s), and is fully responsible for all activities that occur under the Authorised User ID. Participant agrees to:1. immediately notify AEMO of any unauthorised use of the Authorised User ID or any other breach of security; and
2. ensure that the Authorised User ID name(s), password(s) and account(s) are only used by persons authorised by Participant.
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| 4.3 | AEMO cannot and will not be liable for any loss or damage arising from unauthorised use of the Authorised User ID . |

**5. PARTICIPANT ACKNOWLEDGMENTS**

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| 5.1 | Participant acknowledges that AEMO operates the *Reallocation Request Service* and settles *reallocation transactions* under the Procedure pursuant to the *CS Facility Exemption*.  |
| 5.2 | Participant acknowledges that the *CS Facility Exemption* requires AEMO to notify or report certain matters to the Australian Securities and Investments Commission (ASIC) and consents to AEMO giving ASIC information relating to Participant to the extent required by the *CS Facility Exemption*, including (without limitation) information about:* 1. the identity of Participant and the number and value of its *reallocation transactions* requested and performed;
	2. the issue of a *default notice* to Participant; or
	3. the drawdown of any *credit support* provided in respect of Participant.
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**6. AEMO'S LIABILITY**

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| 6.1 | AEMO provides the *Reallocation Request Service* without any warranties or guarantees. The Participant must bear all reasonable risks associated with the use of the *Reallocation Request Service.* |
| 6.2 | To the extent permitted by law, AEMO excludes liability for all losses, costs, damages and expenses incurred or suffered by the Participant or any third party directly or indirectly from Participant’s use of the *Reallocation Request Service*, whether arising in contract, tort (including without limitation negligence), in equity, under statute, under an indemnity or on any other basis including, without limitation, liability in connection with:* 1. any errors, inaccuracies or omissions in the material and data communicated via the *Reallocation Request Service* and the Participant’s reliance on such material or data;
	2. loss or disclosure of Participant specific data;
	3. any technical problems the Participant may experience with the *Reallocation Request Service*;
	4. incompatibility of the *Reallocation Request Service* with any of Participant’s equipment, software or telecommunications links;
	5. technical problems including errors or interruptions of the *Reallocation Request Service*;
	6. unsuitability, unreliability or inaccuracy of the *Reallocation Request Service*; and
	7. inadequacy of the *Reallocation Request Service* to meet Participant’s requirements.
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**7. PREVIOUS AGREEMENTS TERMINATED**

This Letter of Agreement supersedes all previous agreements entered into between the parties in respect of *reallocation* *transactions* for *swap offsets*, *cap offsets* or *floor offsets*, and the parties agree that any such previous agreement terminates on the date of this Letter of Agreement.

**8. GOVERNING LAW**

This Letter of Agreement is governed by and shall be construed in accordance with the laws of Victoria and the parties irrevocably submit to the non-exclusive jurisdiction of the courts of Victoria.

SUGGESTED LETTER - COMPANY LETTERHEAD

Date: DD Month YYYY

Group Manager - Market Management

Australian Energy Market Operator Limited

Level 12, 171 Collins Street

Melbourne VIC 3000

Dear Sir/Madam

**Letter of Agreement - *Reallocation request***

Please find enclosed a signed Letter of Agreement for <Name of Company> the submission and authorisation of *reallocation requests* to AEMO via the *Reallocation request service*.

<Name of Company> nominates the below staff members as the authorised contact/s for managing security of the *reallocation request service* client user account.

|  |  |  |
| --- | --- | --- |
|  | **Staff member** | **E-mail address** |
| **Primary Contact** |  |  |
| **Back-up Contact** |  |  |

<Name of Company> will notify AEMO if the above details change.

It is understood that this agreement may be executed in counterparts. All counterparts when taken together are deemed to constitute one instrument. The counterparts may be executed and delivered by email or other electronic signature by one or more of the parties and the receiving party or parties may rely on the receipt of such document so executed and delivered electronically as if the original had been received.

The electronic counterpart copy will be emailed to the following person:

<Name of Person>

<Title>

<Name of Company

<Email Address>

Yours sincerely

Position title