

UPDATE 59

6 October 2017

Section 3.8.21 – Sample Confirmation – energy offset ex ante reallocation transaction

[U59.01] Sample Confirmation – energy offset ex ante reallocation transaction

An AFMA working group has developed new documentation to assist in documenting reallocation transactions in the form of a sample confirmation for energy offset ex ante reallocation transactions. The documentation was endorsed by the AFMA Electricity Committee in August 2017.

A reallocation is a financial arrangement between the Australian Energy Market Operator and a pair of market participants. Where the two participants are linked by one or more off-market financial commitments, reallocation can act to reduce the settlement amounts and the prudential liability between all three parties.