# EFET

### European Federation of Energy Traders

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**ALLOWANCES APPENDIX (POWER)**

**to the**

**EFET General Agreement**

**Concerning the Delivery and Acceptance of Electricity Version 2.1/December 20, 2000 and Version 2.1(a)/September 21, 2007**

**(the “Allowances Appendix”)**

**NOTICE & WAIVER: THIS ALLOWANCES APPENDIX WAS PREPARED BY MEMBERS OF EFET - EUROPEAN FEDERATION OF ENERGY TRADERS - OPERATING SINCE JANUARY 25, 2024, UNDER THE BRAND NAME ENERGY TRADERS EUROPE (“ENERGY TRADERS EUROPE”) WHILST EXERCISING ALL REASONABLE CARE AND DUE DILIGENCE. HOWEVER, ENERGY TRADERS EUROPE, ENERGY TRADERS EUROPE MEMBERS, REPRESENTATIVES AND COUNSEL INVOLVED IN ITS PREPARATION AND APPROVAL SHALL NOT BE LIABLE OR OTHERWISE RESPONSIBLE FOR ITS USE AND ANY DAMAGES OR LOSSES RESULTING FROM ITS USE IN ANY PARTICULAR CASE OR JURISDICTION. IT IS THEREFORE THE RESPONSIBILITY OF EACH PARTY WISHING TO USE THIS ALLOWANCES APPENDIX AND THE EFET GENERAL AGREEMENT TO ENSURE ITS TERMS AND CONDITIONS ARE LEGALLY BINDING, VALID AND ENFORCEABLE AND THAT THEY BEST SERVE TO PROTECT THE USER’S LEGAL INTERESTS. USERS OF THIS ALLOWANCES APPENDIX ARE URGED TO CONSULT RELEVANT LEGAL OPINIONS MADE AVAILABLE THROUGH ENERGY TRADERS EUROPE AS WELL AS THEIR OWN COUNSEL.**

USAGE NOTES TO ALLOWANCES APPENDIX (VERSION 7.0/March 20, 2025):

1. **Annex 1: Definitions.** The defined terms have been amended to implement Directive (EU) 2023/959 of the European Parliament and of the Council of 10 May 2023, amending Directive 2003/87/EC. In particular, the definition of “Reconciliation Deadline” has been changed, and, in this regard, the trigger periods within the definition of “Long Stop Date” have been amended accordingly. New defined terms have been introduced with respect to the linking of a greenhouse gas emission trading scheme with the EU ETS pursuant to Article 25 of the EU ETS Directive.
2. **Use of Allowances Appendix with Options.** Please note that this Allowances Appendix does not expressly cater for entry by the Parties into Options transactions with respect to Allowances. Consequently, Parties to such Options transactions are encouraged to insert additional, specific terms as appropriate.
3. **General drafting update.**  In consultation with Energy Traders Europe’s members, certain minor revisions have been made to enhance the readability of this Allowances Appendix. Accordingly, certain full clauses of the General Agreement with embedded changes have been included. For example, see § 13 (***Invoicing and Payment***). In these clauses, the amendments to the General Agreement introduced by the Allowances Appendix are shown in italics. For the avoidance of doubt, if entire clauses or sub-clauses are replaced, the replacements are displayed in regular (non-italicised) font.

**[REMOVE AND DISCARD THIS PAGE PRIOR TO EXECUTION] [FOR INFORMATION PURPOSES ONLY - NOT PART OF APPENDIX]**

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### European Federation of Energy Traders

##### Allowances Appendix

###### to the General Agreement

Concerning the Delivery and Acceptance of Electricity Version 2.1/December 20, 2000 and Version 2.1(a)/September 21, 2007

**ALLOWANCES APPENDIX (POWER)**

dated as of (the **“Allowances Appendix Effective Date**”)

Between

[ ]

(“**Party A**”)

and

[ ]

(“**Party B**”)

**Check the applicable box and fill in date ONLY if you are using this Allowances Appendix to modify and supplement a previously executed General Agreement and Allowances Appendix, or any long-form Confirmations for Individual Contracts that are Allowance Transactions specifying the Fourth Compliance Period as the applicable "Compliance Period", between the Parties:**

**[ ]**

By executing this Allowances Appendix in the signature block at the end hereof, the Parties hereby modify, supplement and amend the terms of that certain previously executed General Agreement entered into and dated as of , to provide that the terms of this Allowances Appendix (Version 7.0/March 20, 2025) shall be incorporated therein, and shall (unless otherwise agreed and specified) replace any prior terms incorporated by any previous versions of this Allowances Appendix agreed between them with respect to Allowance Transactions specifying the Fourth Compliance Period as the applicable "Compliance Period" and shall be applicable to and thereafter govern all Allowance Transactions specifying the Fourth Compliance Period as the applicable "Compliance Period".

**[ ]**

All long-form Confirmations relating to Allowance Transactions specifying the Fourth Compliance Period as the applicable "Compliance Period" and which were concluded before execution of this Allowances Appendix shall be governed by this Allowances Appendix (Version 7.0/March 20, 2025).

**Part II:**

**ELECTIONS FOR CUSTOMISATION OF PROVISIONS IN THE ALLOWANCES APPENDIX:**

§ 4

**Primary Obligations for Delivery and Acceptance of Allowances**

|  |  |  |  |
| --- | --- | --- | --- |
| **§ 4.3** | **Physical Settlement Netting:** | [ ] | § 4.3 shall not apply, or |
|  |  | [ ] | § 4.3 shall apply; and for this purpose the relevant Allowance Type(s) shall include [ ] |
|  | | | and the Physical Settlement Netting Accounts for Party A and for Party B, in their designated Registries, shall be as follows: |
| Party A: Account Number(s): [ ], in  Account Registry(ies): [ ]; and |
| Party B: Account Number(s): [ ], in Account Registry(ies) [ ] |

**§ 7**

**Non-Performance Due to Force Majeure**

|  |  |  |
| --- | --- | --- |
| **§ 7.4(b) Force Majeure Termination Payment:** | [ ] | § 7.4(b)(i) **(No Termination Payment)** shall apply; or |
|  | [ ] | § 7.4(b)(ii) **(Two-Way Market Quotation Termination** |
|  |  | **Payment)** shall apply; or |
|  | [ ] | § 7.4(b)(iii) **(Two-Way Loss Termination Payment)** shall |
|  |  | apply |

**§ 8**

**Remedies for Failure to Transfer or Accept**

**§ 8.3(a) EEP and EEP Equivalent** [ ] EEP shall not apply

[ ] EEP Equivalent shall not apply

§ 13

**Invoicing and Payment**

|  |  |  |  |
| --- | --- | --- | --- |
| **§ 13.2 Payment:** | [  [ | ]  ] | Payment Cycle A shall apply, or Payment Cycle B shall apply |
| **§ 13.3.1 Cross Product Payment Netting:** | [ | ] | Payments due in relation to Individual Contracts in respect of electricity shall be netted against payments due in relation to Allowance Transactions*.* |

**§ 14**

**VAT and Taxes**

|  |  |  |  |
| --- | --- | --- | --- |
| **§ 14** | **VAT and Taxes:** | [ ] | The specified amendments to § 14 shall not apply |
|  |  | [ ] | The specified amendments to § 14 shall apply, or |

|  |  |  |  |
| --- | --- | --- | --- |
|  | [ | ] | The specified amendments to § 14 shall not apply, but the following provisions and/or amendments shall apply: |
|  |  | [ ] |
| **§ 14.4 Termination for New Tax:** | [ | ] | unless otherwise specified in the terms of an Individual Contract the provisions of § 14.4 shall apply to such Individual Contract only in the circumstances specified in the first paragraph of § 14.4, or |
|  | [ | ] | subject to the terms of an Individual Contract, the provisions of § 14.4 shall only apply in the following circumstances: |
|  |  |  | [ ] |
| **§ 14.5 Withholding Tax:** | [  [ | ]  ] | § 14.5 shall apply, or  § 14.5 shall not apply |

**§ 22**

**Governing Law and Arbitration**

|  |  |  |  |
| --- | --- | --- | --- |
| **§ 22.3 Expert Determination:** |  | [ ] | § 22.3 shall apply, and |
|  | **§ 22.3(d)** | [ ]  [ ] | § 22.3(d) shall not apply; or  § 22.3 shall not apply |

**Annex 1 to the**

**Allowances Appendix Defined Terms**

**“Delivery Business Day”** The relevant jurisdiction for the purposes of the definition of Delivery Business Day that each Party specifies as applying to it shall be as follows:

Party A: ; and Party B:

And in case of a delivery involving a Linked Scheme, the additional relevant jurisdiction shall be that specified as Linked Scheme Delivery Business Day.

##### ADDITIONAL PROVISIONS APPLICABLE ONLY TO ALLOWANCE TRANSACTIONS:

This page need ONLY be executed by Parties that checked and completed one of the two boxes on the first page hereof. Those appending this Allowances Appendix to a General Agreement at the time of its execution need only append it to the General Agreement.

IN WITNESS whereof this Allowances Appendix has been duly executed by the authorized representatives of each Party on the respective dates set out below with effect from the Allowances Appendix Effective Date.

“Party A” “Party B”

[Name of Party] [Name of Party]

[Name of Signatory/ies] [Name of Signatory/ies]

[Title of Signatory/ies] [Title of Signatory/ies]

# EFET

### European Federation of Energy Traders

##### Annex 2 (A) to the

**ALLOWANCES APPENDIX (POWER)**

**CONFIRMATION OF ALLOWANCE TRANSACTIONS (INCLUDING AEUA AND EUA TRANSACTIONS)**

**(Fixed Price, Fourth Compliance Period)**

between

as **Seller**

and

as **Buyer**

as Parties to the

EFET General Agreement Concerning the Delivery and Acceptance of Electricity entered into and dated as of

,

Allowance Transaction concluded on: (**Trade Date**) Name of Broker (if applicable):

Delivery Schedule

(Delivery Date to each Delivery Point for each Contract Quantity and Compliance Period.)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Transfer Point(s):** | **Delivery Point(s):** | **Compliance Period** | **Contract Quantity** | **Allowance Type** | **Delivery Date** | **Price per Allowance** | **Contract Price** |
| Holding Account number and Registry of Seller (or**,** an Account to be determined at the specified national Registry): | Holding Account number and Registry of Buyer (or**,** an Account to be determined at the specified national Registry): | Fourth Compliance Period |  | [AEUA] / [EUA] |  |  | € |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| (1)  Acc. No.: Registry:  (2)  Acc. No.: Registry:  (3)  Acc. No.: Registry:  (4)  Acc. No.: Registry: | (1)  Acc. No.: Registry:  (2)  Acc. No.: Registry:  (3)  Acc. No.: Registry:  (4)  Acc. No.: Registry: |  |  |  | |  |  |  |
|  |  |  |  |  | |  |  |  |
|  |  |  |  |  | |  |  |  |
| **Total Contract Quantity:** | | |  | | | **Total Contract Price:** | | |
|  | | | | | Special Conditions & Terms:  [*INSERT ANY AMENDMENTS OR ADDITIONS TO THIS ALLOWANCES CONFIRMATION HERE]*  For this specific Allowances Transaction:  [ ] EEP shall not apply.  [ ] EEP Equivalent shall not apply.  [ ] EEP shall apply1.  [ ] EEP Equivalent shall apply1.  Other:  Physical Settlement Netting Accounts:  Party A: Account Number(s): [ ], in Account Registry(ies): [ ]; and  Party B: Account Number(s): [ ]  in Account Registry(ies): [ ]  Linked Scheme Delivery Business Day: | | | |

1 Parties need only check the box to apply EEP and/or EEP Equivalent if they have specifically opted-out of either EEP and/or EEP Equivalent in § 8.3(a) ***(EEP and EEP Equivalent)*** of the Allowances Appendix agreed between them.

This Confirmation confirms the Allowance Transaction entered into pursuant to the EFET General Agreement Concerning the Delivery and Acceptance of Electricity between the Parties (General Agreement) as modified, supplemented and amended by the Allowances Appendix between the Parties (Allowances Appendix) and forms part of that General Agreement. In case of any inconsistencies between the terms of this Confirmation and the Allowance Transaction, please contact us immediately.

|  |  |
| --- | --- |
| Date: | Signature: Name: Title:  Company: |