



Delivery guide for ASX Environmental Futures

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Table of Contents

1. Introduction	2
2. Maturity dates	3
3. Delivery process	3
4. Key timings.....	4
5. Registry account access	5
6. ASX registry accounts.....	6
7. ASX deposit accounts.....	6
8. Certificates and Units eligible for delivery	6
9. Clearing Participant check list.....	8

1. Introduction

ASX Environmental Futures are designed to support Australia and New Zealand's decarbonisation efforts and transition to net zero. Demand for carbon credits continue to increase with governments and organisations focused on meeting voluntary targets and compliance obligations.

The Australian and New Zealand Government have committed to achieving net-zero emissions by 2050 in addition to 43% and 50% reduction¹ respectively in Greenhouse Gas (GHG) emissions by 2030. In addition to this, much of the corporate sector have committed to net zero emissions by 2025 or 2030.

ASX offers **three Environmental Futures** contracts covering:

- Australian Carbon Credit Units (ACCU's)
- Large Generation Certificates (LGC's)
- New Zealand Units (NZU's)

The **key features** of the Environmental Futures product suite are as follows:

- > Each contract is generic with one future equating to 1,000 tonnes of carbon dioxide equivalent Greenhouse Gas not released into the atmosphere or 1,000 MWh of renewable energy generation (LGC's). Alternatively, one Futures contract is equal to 1,000 underlying certificates.
- > The Futures are deliverable, meaning at expiry those holding short Futures positions will be required to deliver commensurate Certificates or Units in accordance with the contract specifications detailed in the ASX 24 Operating Rules.
- > Five annual futures contracts per product are available to trade at any one time, providing a transparent forward curve out to five years.
- > Environmental Futures provide a transparent forward curve for the market to hedge and price the transition to net zero. A transparent forward curve should assist in the allocation of capital to fund projects and initiatives that support the energy transition.

¹ 43% reduction below 2005 levels

2. Maturity dates

In order to claim emission offsets, Certificates or Units must be surrendered to the Government by the underlying surrender date. ASX's delivery period is set 2-4 weeks ahead of the Government surrender date for the underlying scheme. The Final Trading Day and delivery day for Environmental Futures and the associated underlying surrender dates are listed below.

Environmental Future	Final Trading Day (ASX 24)	Settlement (delivery)	Government surrender date
ACCU Future	4th March or, if 4th March is not a Business Day, the next Business Day	Three Business Days following the Final Trading Day (FTD + 3)	31 st March
LGC Future	27th January or, if 27th January is not a Business Day, the next Business Day	Three Business Days following the Final Trading Day (FTD + 3)	14 th February
NZU Future	4th May or, if 4th May is not a Business Day, the next Business Day	Three Business Days following the Final Trading Day (FTD + 3)	31 st May

3. Delivery process

Clearing Participants are ultimately responsible for client open positions held at the time of expiry (Final Trading Day 12pm). Clearing Participants retain the ability to close clients out of positions prior to market close if they are not willing or able to go to delivery.

To be a party to delivery, Clearing Participants must establish and maintain registry account(s) for the relevant products. Clearing Participants that do not maintain registry account(s) must have appropriate procedures in place to ensure close out of any open client positions prior to the Final Trading Day cut off times outlined in the contract specifications. Clearing Participants will be required to provide an attestation to this effect.

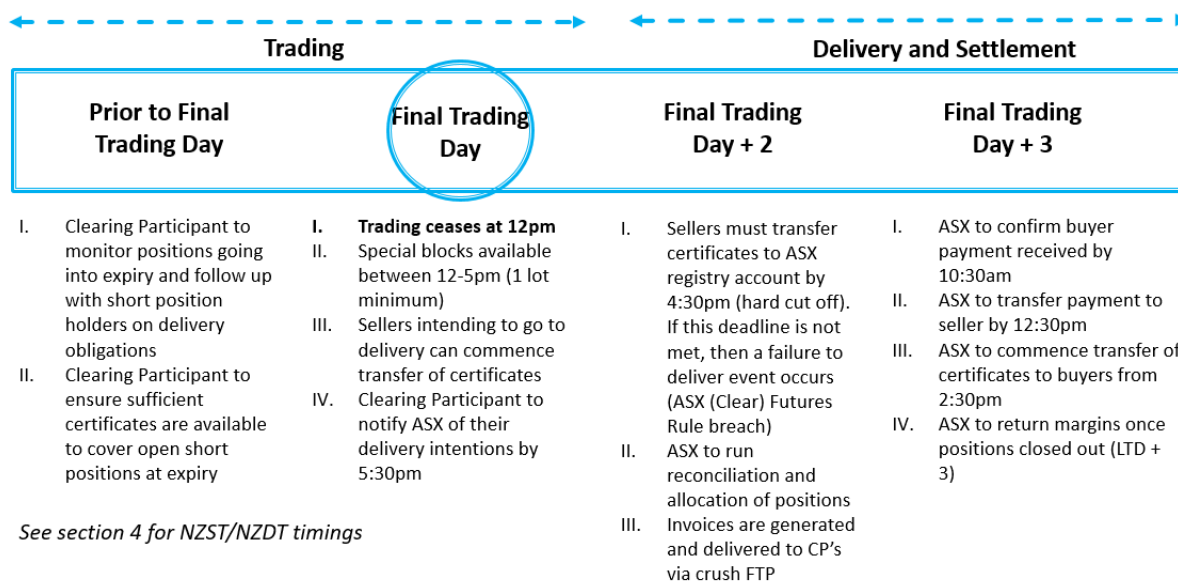
The delivery process takes between 3-4 days to complete from start to finish, commencing on the Final Trading Day.

Clearing Participants are required to notify ASX Operations of their delivery intentions by 5:30pm on the Final Trading Day via email (clearing@asx.com.au) or file delivery via SFTP.

Sellers (clients) who intend to hold a short position to expiry can deliver Certificates or Units into their Clearing Participant registry account at the relevant registry ahead of the Final Trading Day. The Clearing Participant must then transfer the certificates into the nominated ASX Registry account by the designated cut off time (4:30pm on the second Business Day following the Final Trading Day).

Clearing Participants must maintain house and client sub accounts at the Environmental Registry for the purpose of effecting delivery with ASX Clear (Futures). Clearing Participants are required notify ASX of the relevant house and client sub account numbers for the purpose of reconciliation with ASX Genium positions.

Clearing Participants facilitating delivery should have a process in place to ensure Certificates and Units are fairly and objectively allocated among buyers.



4. Key timings

Key delivery and settlement timings for ACCU's and LGC's

Day	Time (AEST/AEDT)	Details
Final Trading Day	12:00pm	On market trading ceases
	12:00pm	Clearing Participants may commence transfer of Certificates or Units to ASX registry account to cover short positions
	12:00pm – 5:00pm	Special blocks (1 lot minimum) are available to close out open positions
	5:30pm	Clearing Participants to notify ASX of delivery intentions
Final Trading Day + 2	4:30pm	Clearing Participants with short positions must ensure eligible Certificates or Units have been transferred to the nominated ASX account within the relevant registry
	5:00pm	ASX Clearing Operations runs final reconciliation
	5:30pm	Invoices are generated and delivered via crushFTP
Final Trading Day + 3	10:30am	Buyer payments to be made by 10:30am (via Austraclear)
	12:30pm	ASX to transfer payment to sellers
	From 2:30pm	ASX to commence transfer of Certificates or Units to buyers

Key delivery and settlement timings for NZU's

Day	Time (NZST/NZDT)	Details
Final Trading Day	12:00pm	On market trading ceases
	12:00pm	Clearing Participants may commence transfer of Certificates or Units to ASX registry account to cover short positions

	12:00pm – 5:00pm	Special blocks (1 lot minimum) are available to close out open positions
	5:30pm	Clearing Participants to notify ASX of delivery intentions
Final Trading Day + 2	4:30pm	Clearing Participants with short positions must ensure eligible Certificates or Units have been transferred to the nominated ASX account within the relevant registry
	5:00pm	ASX Clearing Operations runs final reconciliation
	5:30pm	Invoices are generated and delivered via crushFTP
Final Trading Day + 3	10:30am	Buyer payments to be made by 10:30am (via Swift)
	12:30pm	ASX to transfer payment to sellers
	From 2:30pm	ASX to commence transfer of Units to buyers

5. Registry account access

Clearing Participants and clients wanting to go to delivery will need to establish an account at the relevant Environmental Registry. Clearing Participants should be aware that registry accounts may take a number of months to establish with each requiring varying degrees of approval and sign off.

Below are links to each of the registries and contact email addresses.

Australian National Registry of Emissions Units (ANREU)

ANREU is the registry for Australian Carbon Credit Units (ACCU's)

Opening an ANREU account: <https://www.cleanenergyregulator.gov.au/OSR/ANREU/Opening-an-ANREU-account>

Contact details: ParticipantAssessment@cer.gov.au (account specific queries), CER-RegistryContact@cer.gov.au (generic queries)

Time to open account: recommend allowing 6 months to complete process from start to finish

Renewable Energy Certificates (REC) registry

REC is the registry for Large Generation Certificates (LGC's)

Opening a REC account: <https://www.cleanenergyregulator.gov.au/OSR/REC/Create-an-account>

Contact details: enquiries@cleanenergyregulator.gov.au

Time to open account: recommend allowing 2 months to complete process from start to finish

New Zealand Emissions Trading Register (NZETR)

NZETR is the registry for New Zealand Units (NZU's)

Opening an NZETR account: <https://emissionsregister.govt.nz/Common/Guidance.aspx>

Contact details: emissionstrading@epa.govt.nz

Time to open account: recommend allowing 4 months to complete process from start to finish

6. ASX registry accounts

Clearing Participants taking short (sell) positions to delivery must transfer the requisite number of Certificates or Units to ASX's nominated registry account by the cut off times set out in the ASX 24 Operating Rules and Procedures. Clearing Participants can commence transfer of Certificates or Units to ASX's registry account from 12pm on the Final Trading Day.

ASX maintains a single account within each registry under the account holder name ASX CLEAR (FUTURES) PTY LIMITED. The ASX account numbers are listed below:

ANREU: AU-3545

REC: 46719

NZETR: NZ-14806

7. ASX deposit accounts

Clearing Participants taking long (buy) positions to delivery must transfer payment to ASX on the Final Trading Day + 3, within the timeframe set out in the ASX 24 Operating Rules and Procedures.

Transfers will be made via Austraclear for ACCU's and LGC' and swift for NZU's.

Transfer instructions can be found in the [Settlement Instructions](#) document on the ASX website.

8. Certificates and Units eligible for delivery

ACCU's eligible for delivery

There are over 30 different methods for ACCU generation, some of which have co-benefits attached which can result in a perceived value differential between ACCU's. Co-benefits are additional benefits created as a result of the method of generation such as environmental, social and cultural benefits.

For the purpose of government surrender to meet compliance obligations, all ACCU's are considered equal. ASX will accept all ACCU methods as eligible for delivery in alignment with government policy. If government policy changes in the future, ASX will reconsider the ACCU delivery eligibility criteria.

A full list of ACCU scheme methods can be found on the [Clean Energy Regulator website](#).

NZU's eligible for delivery

All NZU's are considered equal and fungible and will be accepted for delivery.

NZU's are classified into 7 different types:

- NZU Emissions Intensive Trade Exposed (NZU_EITE)
- NZU Forestry Allocation (NZU_FA)
- NZU Forestry Entitlement (NZU_FE)
- NZU Other Removal Activity (NZU_ORA)
- NZU Fishing (NZU_FISH)
- NZU Permanent Forest Sink Initiative (NZU_PFSI)
- NZU Other (NZU_Other)

LGC's eligible for delivery

LGC's are classified into a number of categories. Wood waste certificates are not considered acceptable for delivery in the LGC Over The Counter market and are excluded in the AFMA Environmental Products Conventions. ASX excludes wood waste from delivery.

All LGC's within the acceptable column are considered equal and fungible and will be accepted for delivery provided their creation occurred prior to the year of futures contract expiry ([Vintage Rule](#)). **The CER designates that only certificates created in the assessment year or earlier are eligible for surrender.** For example, a January 2025 LGC Futures contract will expire in January 2025. Only LGC's created prior to 2025 will be accepted for delivery in January 2025.

List of LGC's	Acceptable LGC's for delivery
Agricultural waste	Y
Bagasse	Y
Bagasse co-generation^	Y
Biomass-based components of municipal solid waste	Y
Black liquor	Y
Crop waste^	Y
Energy crops	Y
Food and agricultural wet waste^	Y
Food processing waste	Y
Food waste	Y
Geothermal-aquifer	Y
Hot dry rock	Y
Hydro	Y
Landfill gas	Y
Municipal solid waste combustion^	Y
Ocean	Y
Photovoltaic^	Y
Sewage gas and biomass-based components of sewage	Y
Sewage gas^	Y
Solar	Y
Tide	Y
Waste coal mine gas^	Y
Waste from processing of agricultural products	Y
Wave	Y
Wind	Y
Wood waste	N
S.W.H. – air source heat pump (deemed)	Y
Solar water heater (deemed)	Y
S.G.U. – hydro (deemed)	Y
S.G.U. – wind (deemed)	Y
S.G.U. – solar (deemed)	Y
Regulator created (deemed)	Y
S.W.H. – solar (deemed)	Y

9. Clearing Participant check list

- Set up registry account(s); or
- Complete ASX attestation confirming intention and ability to close clients out of positions ahead of delivery
- Establish house and client sub accounts within registry (if supporting delivery)
- Provide registry account details to ASX Operations (if supporting delivery)
- Update internal procedures and processes to either 1) support client delivery via the registry; or 2) close clients out of positions ahead of the Final Trading Day
- Design internal procedures and processes to ensure fair and objective allocation of Certificates and Units among clients e.g. volume matching algorithm
- Test receipt of ASX invoice via crush FTP prior to delivery

Further enquiries:

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