



# EFET LC Task Force Italy



supported by





# Agenda

- EFET Organisation
- Why LC Task Force Italy?
- Why Opt for an EFET Master Agreement?
- Actions & Accomplishments LC Task Force Italy
- Comments or questions?



# What is EFET all about?

**EFET = European Federation of Energy Traders**

[www.efet.org](http://www.efet.org)

- Organisation designed to (i) improve the conditions of energy trading in Europe and (ii) to promote a sustainable and liquid European wholesale market
- Development of standardised, consistent and easily negotiable contractual terms (Power and Gas Master Agreement and various appendixes)
- EFET Members: Atel, BKW FMB Energie, Edison, EGL, Enel Trade, EniPower, E.ON Sales & Trading, Essent, E.ON, but for you to get the full picture..



**NOK** Nordostschweizerische Kraftwerke AG  
Ein Unternehmen der **aspo**

**MVM**  
THE SOURCE OF POWER

**mark**

**ConocoPhillips**



Nexen Energy  
Marketing

**NUON**

OST  
ELEKTRA

Morgan Stanley



RWE  
Trading

**EOS**  
ENERGIE OUEST SUISSE



**SJB** energy  
trading

**spe**

Stadtwerke Leipzig  
Alles ganz einfach.



Statkraft

**NIDERA**

Trafigura Ltd



**SLOVENSKÉ  
ELEKTRÁRNE**

**RBS** Sempra  
Commodities

**SYNECO**

**STATOIL**

**MERCURIA**  
ENERGY TRADING S.A.



**Trianel** Energie

**UNION FENOSA**

**Macquarie**

VATTENFALL



**Vitol**

**ENLARGAZ**  
A BULGARIAN HOLDING COMPANY

**WINGAS**

**RE**  
BATA ENERGIE

**raonordic**

**UBS**



**VP** VIVID POWER AD  
THE ENERGY IN LIFE

**EFET**

## Why LC Task Force Italy?

- The LC Task Force Italy was created in 2006 with the aim to promote and spread the use of EFET GA to facilitate trading in particular of gas and power (but also emissions). This avoids long negotiations of all kind of different agreements in the Italian language without any/sufficient credit support provisions and improves the speed of execution.
- Basic Concept: EFET GA= Credit ☺ + Legal ☺ = Trader ☺ which leads to increasing liquidity in the Italian energy market.

# Why negotiate an EFET General Agreement?

1. Standardization of contractual terms which cover all aspects of a trading relationship
  - EFET General Agreement (GA) is usable in each European jurisdiction and has become an industry standard among energy traders
  - Standardisation allows saving of time and resources
    - when negotiating
    - during trading process (confirmations, invoicing, payment...)
    - when terminating the agreement (end business relationship, event of default, ...)

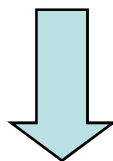
# Why negotiate an EFET General Agreement?

2. Reduce credit risk
  - Credit Support from the start of trading relationship or in case of a downgrade in the creditworthiness of a counterparty
  - Single Agreement → avoid cherry picking and allow for Close-Out-Netting of all individual contracts
  
3. Userfriendly, flexible and easily customizable General Agreement (check the box principle)
  - Legal Opinions
  - Allowance Appendix, NBP Appendix, PSV Appendix, TTF Appendix, Credit Support Annex, ...



## Actions & Accomplishments

- Translation of the EFET GA Power and Gas into Italian by Lorenzo Parola (Allen & Overy)
- PSV Appendix drafted by Lorenzo Parola in cooperation with some energy market players
- Promotion of the EFET GA and stimulating its use in Italy through the organisation of 3 seminars on the EFET GA taught by Lorenzo Parola in tight cooperation with Paolo Ghislandi (AIGET).



- No more lack of knowlegde, no more language problems, so no more excuses not to use the EFET GA..

In fact as a result the EFET GA is now widely used in Italy.



# Comments or questions?

Marleen Meijeringh

Legal Counsel

Essent Trading

[marleen.meijeringh@essenttrading.com](mailto:marleen.meijeringh@essenttrading.com)

T +41 (0) 22 918 31 69

M +41 (0) 79 834 98 07