

Capacity Market Code

Agreed
Procedure
2 Default
and
Suspension

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DOCUMENT HISTORY

Version	Date	Author	Comment
1.0	10/01/2017	I-SEM Project Team	Issued to the Regulatory Authorities

RELATED DOCUMENTS

Document Title	Version	Date	By
Capacity Market Code			
Agreed Procedure 1 “Registration”			

1. INTRODUCTION

1.1 Background and Purpose

This Agreed Procedure supplements the rules set out in the Capacity Market Code (hereinafter referred as the “**Code**”) in relation to Default and Suspension. It sets out procedures with which Parties to the Code must comply.

1.2 Scope of Agreed Procedure

This Agreed Procedure sets out the procedures in relation to:

- (a) Suspension; and
- (b) Termination Orders.

This Agreed Procedure forms an annex to, and is governed by the Code. It sets out procedures to be followed, subject to the rights and obligations of Parties under the Code. In the event of any conflict between a Party’s obligations set out in the Code and this Agreed Procedure, the Code shall take precedence.

It is not intended that there be any inconsistency or conflict between section 2 “Overview” and section 3 “Procedural Steps”. However, in the event of any inconsistency or conflict, section 3 “Procedural Steps” shall take precedence.

In section 3 “Procedural Steps” a corresponding process flow diagram is included for each procedural steps table. Process flow diagrams are for illustrative purposes. It is not intended that there be any inconsistency or conflict between any procedural steps table and process flow diagram however, in the event of any inconsistency or conflict, a procedural steps table shall take precedence.

1.3 Definitions

Words and expressions defined in the Code shall, unless the context otherwise requires or unless otherwise specified, have the same meanings when used in this Agreed Procedure.

References to particular sections relate internally to this Agreed Procedure unless specifically noted.

1.4 Compliance with Agreed Procedure

Compliance with this Agreed Procedure is required under the terms as set out in the Code.

2. OVERVIEW

2.1 Default and Suspension

2.1.1 Default

A Party shall be in Default where it is in material breach of any provision of the Code or the Capacity Market Framework Agreement. A Default Notice shall be issued by the System Operators in accordance with paragraph B.13.2.3 of the Code.

2.1.2 Suspension

The System Operators may suspend a Party from participation under the Code in respect of some or all of its registered Capacity Market Units in accordance with a Suspension Order.

The procedure for Suspension pursuant to a Suspension Order issued in accordance with paragraph B.13.3.1 of the Code is set out at section 3.1.1 below.

The procedure for Suspension pursuant to a Suspension Order issued in accordance with paragraph B.13.3.2 of the Code (i.e. in the event that a Participant of a Party fails at any time to provide Performance Security as required under the Code) is set out at section 3.1.2 below.

A Suspension Order shall include the following information:

- (a) Estimated date that suspension shall take effect; and
- (b) A copy of the relevant Default Notice.

2.2 Termination Orders

The System Operators may, with the prior approval of the Regulatory Authorities, issue a Termination Order to a Party in accordance with paragraph B.13.6.1 of the Code.

The procedure in relation to the issue of a Termination Order by the System Operators is set out in section 3.2 below.

3. PROCEDURAL STEPS

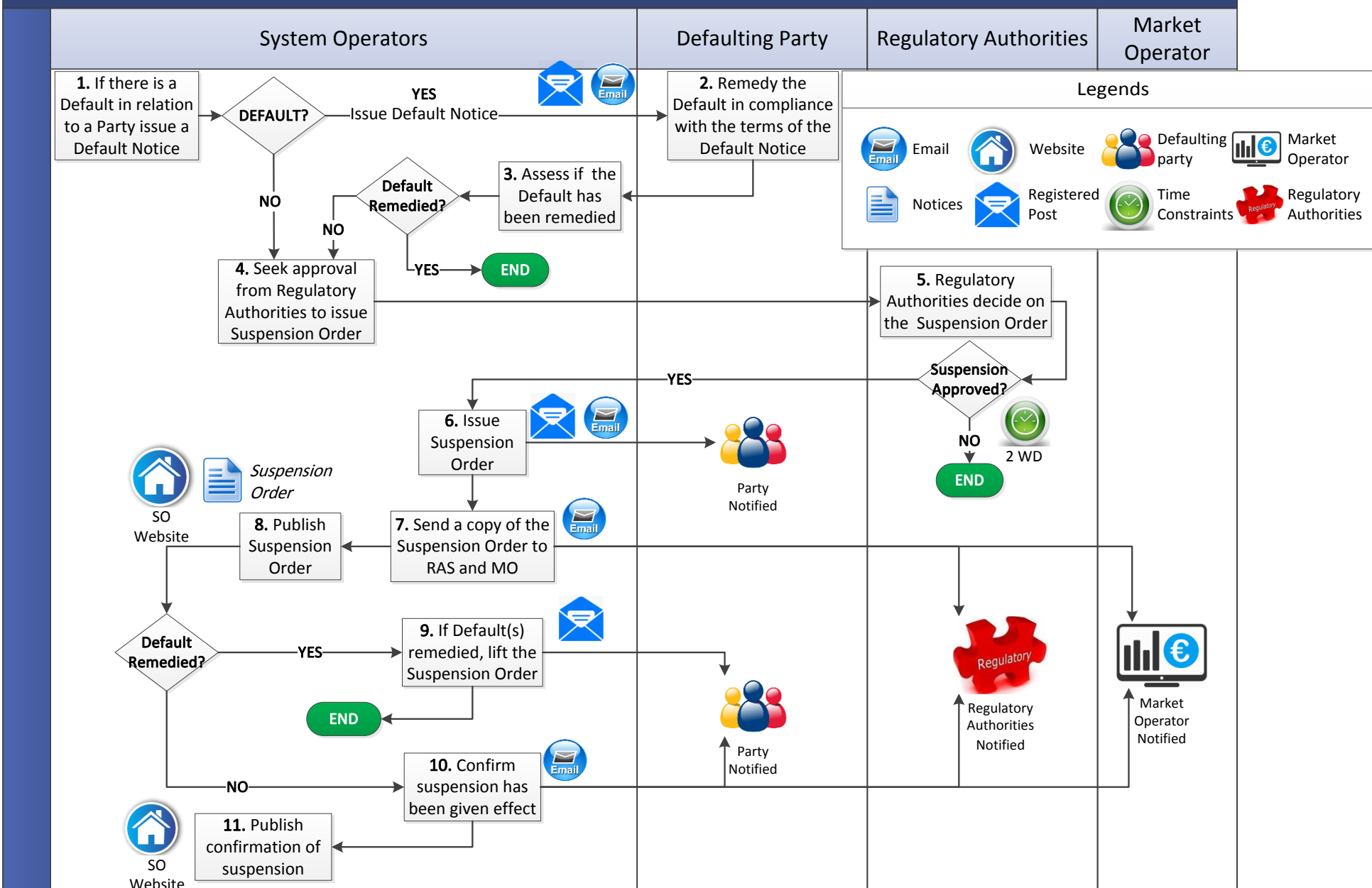
3.1 Suspension

3.1.1 Suspension pursuant to a Suspension Order issued in accordance with paragraph B.13.3.1 of the code

Step	Step Description	Timing	Method	From / By	To
1	In the circumstances set out in paragraph B.13.3.1(g) of the Code, issue a Default Notice in accordance with paragraph B.13.2.3 of the Code, otherwise go to step 4	Immediately on becoming aware of a Default in relation to a Party	Registered post and a copy by email	System Operators	Defaulting Party
2	Remedy the Default in compliance with the terms of the Default Notice	Immediately on receipt of Default Notice	-	Defaulting Party	System Operators
3	Assess whether the Default has been remedied by the Defaulting Party. If the Default has been remedied, end process . If the Default has not been remedied, continue to step 4	Within the timelines set out in the Default Notice	-	System Operators	-
4	The System Operators may seek approval from Regulatory Authorities to issue Suspension Order in accordance with paragraph B.13.3.1 of the Code	In accordance with paragraph B.13.3.1 of Code	-	System Operators	Regulatory Authorities
5	Confirm whether the issue of a Suspension Order is approved. If issue of a Suspension Order is not approved, end process , otherwise continue to step 6	Within 2 WD of step 4	-	Regulatory Authorities	System Operators
6	Issue Suspension Order	On receipt of approval in step 5	Registered Post and a	System Operators	Defaulting Party

Step	Step Description	Timing	Method	From / By	To
			copy by email		
7	Send a copy of the Suspension Order	With step 6	Email	System Operators	Regulatory Authorities, Market Operator
8	Publish Suspension Order	With step 6	System Operators' website	System Operators	System Operators website
9	If the Defaulting Party has remedied Default(s) in accordance with the Code, lift the Suspension Order, end process , otherwise continue to step 10	Immediately	Registered post	System Operators	Defaulting Party
10	Confirm suspension has been given effect	In accordance with the timelines specified in the Suspension Order	Email	System Operators	Defaulting Party, Regulatory Authorities, Market Operator
11	Publish confirmation of suspension	With step 10	System Operators' website	System Operators	System Operators' website

Suspension - *Suspension pursuant to a Suspension Order issued in accordance with paragraph B.13.3.1 of the code*

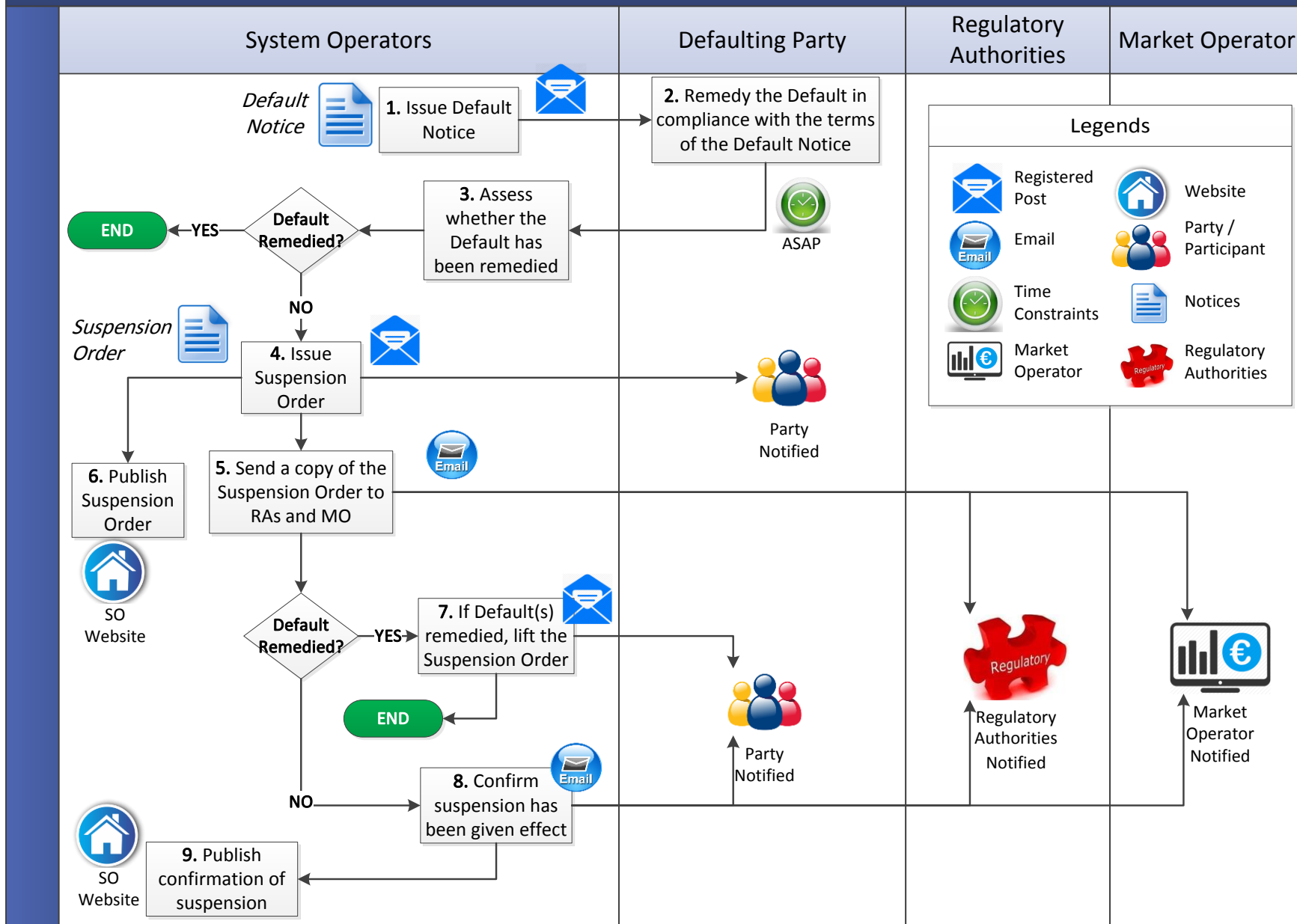


3.1.2 *Suspension pursuant to a Suspension Order issued in accordance with paragraph B.13.3.2 of the Code*

Step	Step Description	Timing	Method	From / By	To
1	In the event that a Party has failed to provide Performance Security under the Code, issue Default Notice in accordance with paragraph B.13.2.3 of the Code.	Immediately on becoming aware of a Default in relation to a Party	Registered post	System Operators	Defaulting Party
2	Remedy the Default in compliance with the terms of the Default Notice	Immediately on receipt of Default Notice	-	Defaulting Party	System Operators
3	Assess whether the Default has been remedied by the Defaulting Participant. If the Default has been remedied, end process . If the Default has not been remedied, continue to step 4	Within the timelines set out in the Default Notice	-	System Operators	-
4	In accordance with paragraph B.13.3.2 of the Code, issue a Suspension Order	At the same time and /or in accordance with the terms of the Default Notice	Registered post	System Operators	Defaulting Party
5	Send a copy of the Suspension Order	Together with step 3	Email	System Operators	Regulatory Authorities, Market Operator
6	Publish Suspension Order	Together with step 5	System Operators' website	System Operators	System Operators' website
7	If the Defaulting Party has remedied Default(s) in accordance with the Code, lift the Suspension Order and end process , otherwise continue to	As required	Registered post	System Operators	Defaulting Party

Step	Step Description	Timing	Method	From / By	To
step 8					
8	Confirm suspension has been given effect	In accordance with the timelines specified in the Suspension Order	Email	System Operators	Impacted Party, Regulatory Authorities, Market Operator
9	Publish confirmation of suspension	With step 7	System Operators' website	System Operators	System Operators' website

Suspension - *Suspension pursuant to a Suspension Order issued in accordance with paragraph B.13.3.2 of the Code*



3.2 Termination Orders

Step	Step Description	Timing	Method	From / By	To
1	In the circumstances set out in paragraph B.13.6.1 of the Code, the System Operators may seek written approval from Regulatory Authorities to issue Termination Order	As required	Registered post	System Operators	Regulatory Authorities
2	Notify System Operators of decision in relation to of the issue of a Termination Order in accordance with paragraph B.13.6.1 of the Code	As soon as practicable	Registered post	Regulatory Authorities	System Operators
3	If approval is received from Regulatory Authorities, issue Termination Order, otherwise end process	On receipt of approval to issue Termination Order from Regulatory Authorities	Registered post	System Operators	Party
4	Send copy of the Termination Order	With step 3	Registered post	System Operators	Regulatory Authorities and Market Operator
5	Publish Termination Order	With step 3	System Operators' website	System Operators	System Operators' website
6	Deregister Capacity Market Units as applicable	As required	-	System Operators	-
7	Termination takes effect	In accordance with the time and date specified by the System Operators in the Termination Order	-	System Operators	Party

Issuing of a Termination Order

