

Capacity Market Code

Agreed Procedure 2:
Default and
Suspension

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Document History

Version	Date	Author	Comment
1.0.	31/05/2017	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, Suspension and Termination Orders. 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 sections relate to sections in this Agreed Procedure unless otherwise specified.

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

In the event that a Party is in Default, 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.

In the circumstances set out at paragraph B.13.3.1 of the Code the System Operators may, with the prior written approval of the Regulatory Authorities, issue 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.

In accordance with paragraph B.13.3.2 of the Code, in the event that the Participant of a Party fails at any time to provide Performance Security as required under the Code, the System Operators shall issue a Suspension Order in respect of all of the relevant Party's Capacity Market Units. The procedure for Suspension pursuant to a Suspension Order issued in accordance with paragraph B.13.3.2 of the Code is set out at section 3.1.2 below.

A Suspension Order shall include the following information:

- (a) the Units to which the Suspension Order shall apply;
- (b) the terms of the Suspension;
- (c) the date and time that suspension shall take effect; and
- (d) a copy of the relevant Default Notice.

2.2 Termination Orders

In the circumstances set out in paragraph B.13.6.1 of the Code the System Operators may, with the prior approval of the Regulatory Authorities, issue a Termination Order to a Party.

The Regulatory Authorities may instruct the System Operators to issue a Termination Order in accordance with paragraph B.13.6.2 of the Code.

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

3. PROCEDURAL STEPS

3.1 Suspension

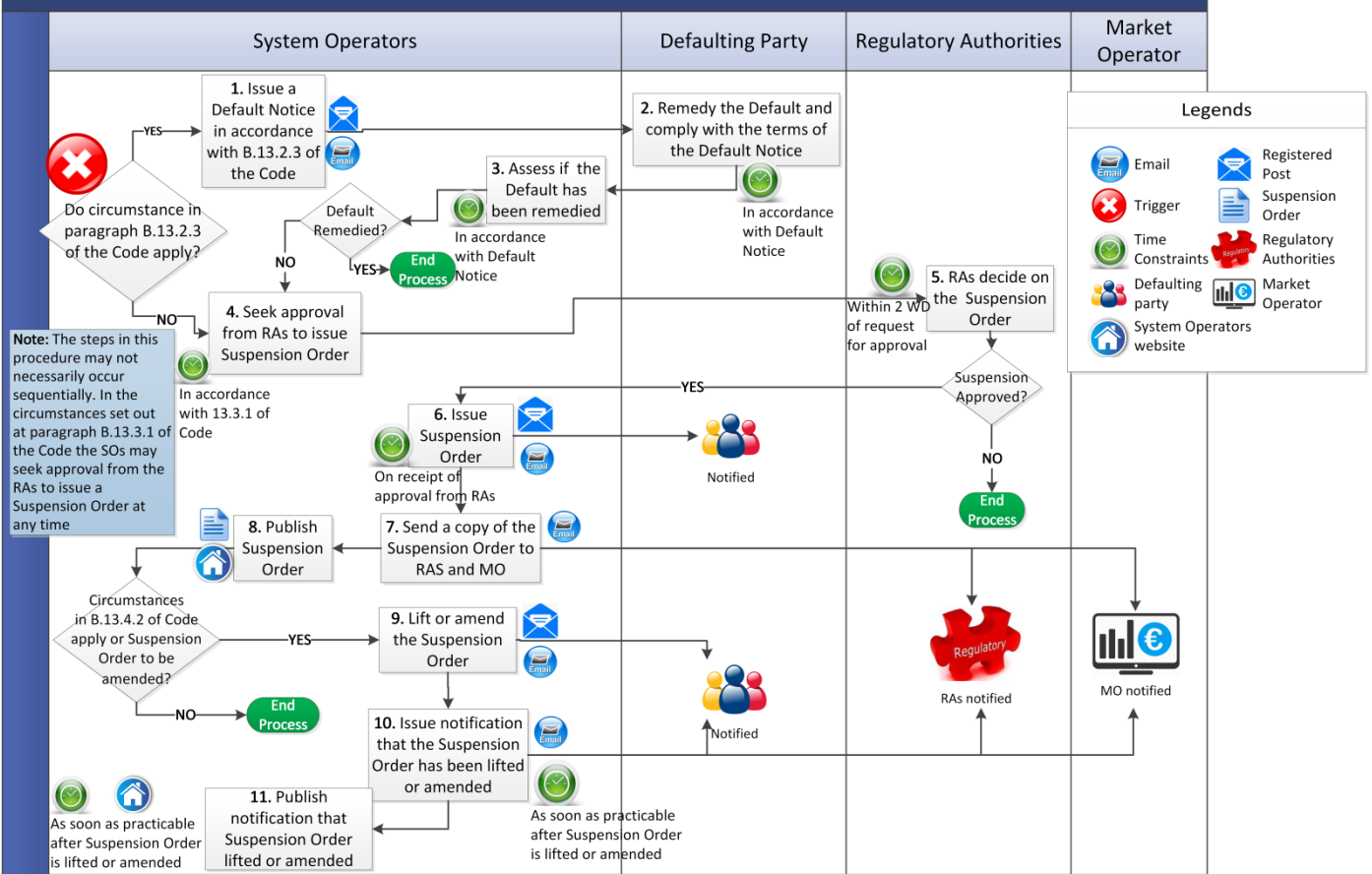
3.1.1 Suspension pursuant to a Suspension Order issued in accordance with paragraph B.13.3.1 of the Code

Step	Step Description	Timing	Method	From / By	To
1	In the circumstances set out in paragraph B.13.2.3 of the Code, issue a Default Notice, otherwise go to step 4. <i>Note:</i> the steps in this procedure may not necessarily occur sequentially. In the circumstances set out at paragraph B.13.3.1 of the Code the System Operators may seek approval from the Regulatory Authorities to issue a Suspension Order at any time.	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 and comply with the terms of the Default Notice.	In accordance with the timelines set out in the 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.	In accordance with the timelines set out in the Default Notice	-	System Operators	-
4	The System Operators may seek approval from Regulatory Authorities to issue a Suspension Order in the circumstances set out in paragraph B.13.3.1 of the Code.	In accordance with paragraph B.13.3.1 of Code	-	System Operators	Regulatory Authorities with a copy to the Defaulting Party
5	Confirm whether the issue of a Suspension	Within 2 WD of	-	Regulatory	System Operators

Step	Step Description	Timing	Method	From / By	To
	Order is approved. If issue of a Suspension Order is not approved, end process , otherwise continue to step 6.	request for approval		Authorities	
6	Issue Suspension Order (including information specified in section 2.1.2 above).	On receipt of approval from Regulatory Authorities	Registered Post and a copy by email	System Operators	Defaulting Party
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	In the circumstances set out in paragraph B.13.4.2 of the Code the Suspension Order shall be lifted. The System Operators may amend the Suspension Order at any time by written notice to the Party in accordance with paragraph B.14.4.3 of the Code. If the Suspension Order has been amended or lifted, continue to step 10, otherwise end process .	-	Registered post and copy by email	System Operators	Defaulting Party
10	Issue notification that the Suspension Order has been lifted or amended.	As soon as practicable after Suspension Order is lifted or amended	Email	System Operators	Defaulting Party, Regulatory Authorities, Market Operator
11	Publish notification that the Suspension Order	As soon as	System	System	System Operators'

Step	Step Description	Timing	Method	From / By	To
	has been lifted or amended.	reasonably practicable after Suspension Order is lifted or amended	Operators' website	Operators	website

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

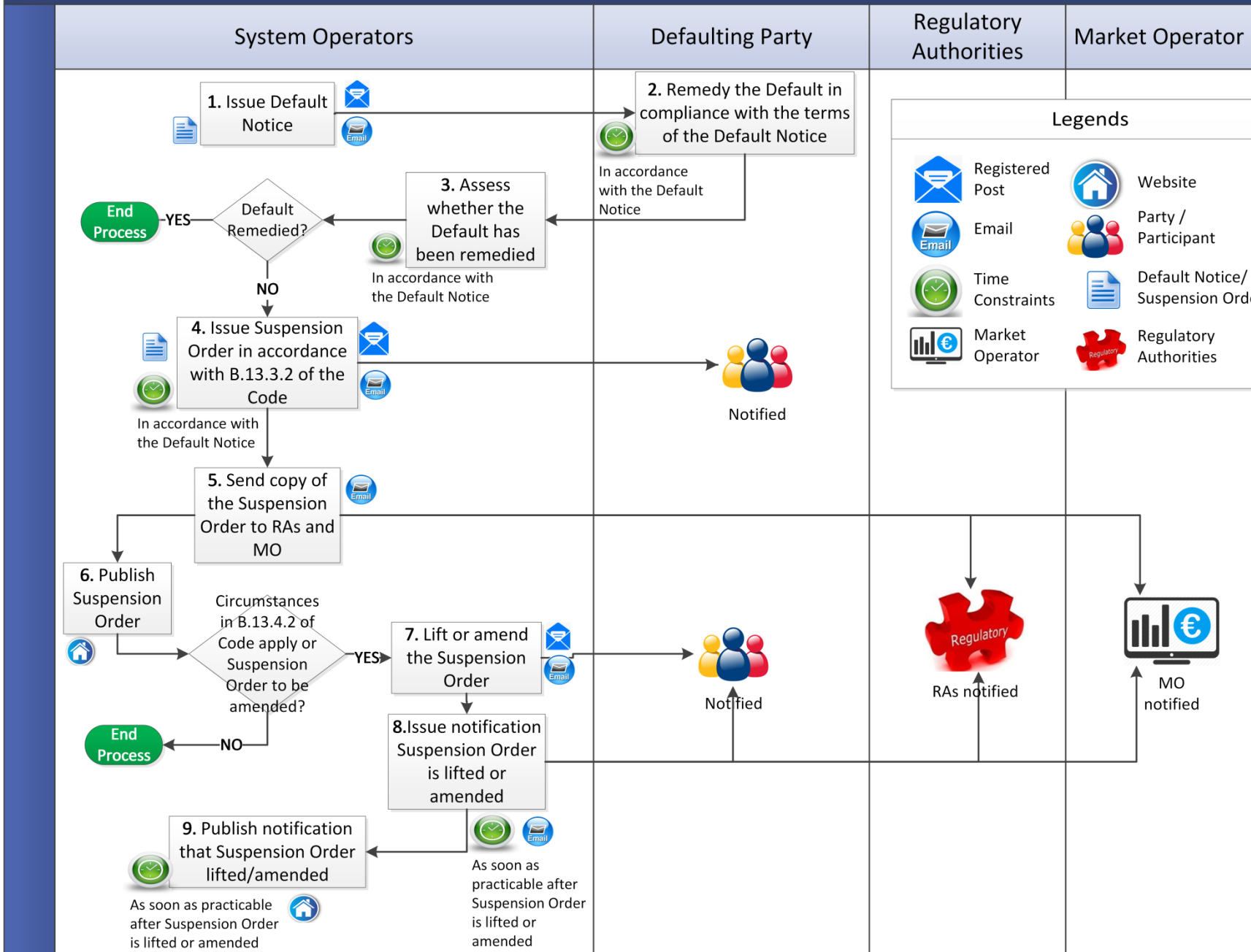


3.1.2 Suspension pursuant to a Suspension Order issued in accordance with paragraph B.13.3.2 of the Code

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 section B.13.2.3 of the Code.	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 and / or comply with the terms of the Default Notice.	In accordance with the timeline set out in the 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 and a copy by email	System Operators	Defaulting Party
5	Send a copy of the Suspension Order.	With step 4	Email	System Operators	Regulatory Authorities, Market Operator
6	Publish Suspension Order.	With step 4	System Operators' website	System Operators	System Operators' website
7	In the circumstances set out in paragraph B.13.4.2 of the Code the Suspension Order shall be lifted. The System Operators may amend the	-	Registered post and a copy by email	System Operators	Defaulting Party

Step	Step Description	Timing	Method	From / By	To
	Suspension Order at any time by written notice to the Party in accordance with paragraph B.14.4.3 of the Code. If the Suspension Order is lifted or amended continue to step 8, otherwise end process.				
8	Issue notification that the Suspension Order has been lifted or amended.	As soon as reasonably practicable after Suspension Order is lifted or amended	Email	System Operators	Impacted Party, Regulatory Authorities, Market Operator
9	Publish notification that the Suspension Order has been lifted or amended.	As soon as practicable after Suspension Order is lifted or amended	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	(a) 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 a Termination Order, continue to step 2. (b) If the Regulatory Authorities instruct the System Operators to issue a Termination Order in accordance with paragraph B.13.6.2 of the Code go to step 3.	As required	Email	System Operators	Regulatory Authorities
2	Notify System Operators of decision in relation to of the issue of a Termination Order. If the issue of a Termination Order is approved go to step 3, otherwise end process .	As soon as reasonably practicable	Email	Regulatory Authorities	System Operators
3	Issue Termination Order.	On receipt of approval / instruction from Regulatory Authorities	Registered post and copy by email	System Operators	Party
4	Send copy of the Termination Order to Regulatory Authorities and Market Operator.	With step 3	Email	System Operators	Regulatory Authorities and Market Operator
5	Publish Termination Order.	With step 3	System Operators' website	System Operators	System Operators' website
6	Termination takes effect.	In accordance with the time and date specified in the Termination Order	-	System Operators	Party

Step	Step Description	Timing	Method	From / By	To
7	Deregister Capacity Market Units as applicable.	Following Termination	-	System Operators	-

Issuing of a Termination Order

