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| **MODIFICATION PROPOSAL FORM** |
| **Proposer***(Company)* | **Date of receipt***(assigned by Secretariat)* | **Type of Proposal***(delete as appropriate)* | **Modification Proposal ID***(assigned by Secretariat)* |
| **SEMO** | **11 January 2018** | **Standard** | **Mod\_01\_18** |
| **Contact Details for Modification Proposal Originator** |
| **Name** | **Telephone number** | **Email address** |
| **Christopher Goodman** |  | **Christopher.Goodman@sem-o.com** |
| **Modification Proposal Title** |
| **Notification of Suspension to SEM NEMOs** |
| **Documents affected***(delete as appropriate)* | **Section(s) Affected** | **Version number of T&SC or AP used in Drafting** |
| **Agreed Procedures Part B** | **AP 18 Suspension and Termination****Section 3.3 – Issuing a Suspension Order** | **Version 20** |
| **Explanation of Proposed Change***(mandatory by originator)* |
| This proposal seeks to introduce a step within the procedure for Issuing a Suspension Order that requires SEMO to inform SEM NEMOs whenever a Suspension Order has been issued. During committee discussions on Mod\_13\_17 ‘Deferral of SEM NEMO Credit Reports and Non Acceptance of Contracted Quantities’ it was noted that SEMO will inform SEM NEMOs whenever a Suspension Notice is issued. The Committee requested that SEMO take an action to ensure that this process is explicitly covered in the associated Agreed Procedure. On review it is clear that the step to notify SEM NEMOs is not explicitly detailed within the Agreed Procedure so this proposal seeks to introduce such a provision. |
| **Legal Drafting Change***(Clearly show proposed code change using* ***tracked*** *changes, if proposer fails to identify changes, please indicate best estimate of potential changes)* |
| 1. 1. Issuing a Suspension Order
		1. Issue of a Suspension Order in accordance with paragraph B.18.3.1 of the Code

| Step | Step Description | Timing | Method | From / By | To |
| --- | --- | --- | --- | --- | --- |
|  | In the circumstances set out in paragraph B.18.3.1, issue Default Notice in accordance with paragraph B.18.2.3 of the Code | (i) Immediately on becoming aware of a Default in relation to a Party; or (ii) if a Participant fails to comply with a Credit Cover Increase Notice, within 2 WD of its issue (or as agreed by the Regulatory Authorities in accordance with paragraph G.12.1.5 of the Code) | Registered post and a copy by email | Market Operator | Defaulting Party |
|  | Remedy the Default in compliance with the terms of the Default Notice | In accordance with the timelines set out in the Default Notice | - | Defaulting Party | Market Operator |
|  | 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 as set out in the Default Notice | - | Market Operator | - |
|  | The Market Operator may seek approval from Regulatory Authorities to issue Suspension Order in accordance with paragraph B.18.3.1 of the Code  | As required | - | Market Operator | Regulatory Authorities with a copy to the Defaulting Party |
|  | 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 | Market Operator |
|  | Issue Suspension Order  | On receipt of approval in step 4 | Registered post  | Market Operator | Defaulting Party  |
|  | Send a copy of the Suspension Order | With step 6 | Facsimile / Email | Market Operator | Regulatory Authorities, System Operators, relevant Distribution System Operators,relevant SEM NEMO(s) |
|  | Publish Suspension Order | With step 6 | Market Operator website | Market Operator | Market Operator website |
|  | In the circumstances set out at paragraph B.18.4.7 of the Code, lift the Suspension Order by written notice to the Defaulting Party. If the Suspension Order is amended or lifted continue to step 10, otherwise **end process** | In the circumstances set out at paragraph B.18.4.7 of the Code | Registered post and email  | Market Operator | Defaulting Party |
|  | Issue notification that the Suspension Order has been lifted or amended | As soon as practicable after Suspension Order is lifted | Email / Facsimile | Market Operator | Defaulting Party, Regulatory Authorities, System Operators, relevant Distribution System Operators,relevant SEM NEMO(s) |
|  | Publish notification that the Suspension Order has been lifted or amended | As soon as practicable after Suspension Order is lifted | Market Operator website | Market Operator | Market Operator website |

Note associated swimlane diagram to be updated also* + 1. *Issue of a Suspension Order pursuant to paragraph B.18.3.2 of the Code*

| Step | Step Description | Timing | Method | From / By | To |
| --- | --- | --- | --- | --- | --- |
|  | In the circumstances set out in paragraph B.18.3.2 of the Code, issue a Default Notice in accordance with paragraph B.18.2.3 of the Code | (i) Immediately on becoming aware of a Default in relation to a Party; or (ii) if a Participant fails to comply with a Credit Cover Increase Notice, within 2 WD of its issue (or as agreed by the Regulatory Authorities in accordance with paragraph G.12.1.5 of the Code) | Registered post and a copy by email | Market Operator | Defaulting Party  |
|  | Remedy the Default in compliance with the terms of the Default Notice or Credit Cover Increase Notice | In accordance with the timeline set out in the Default Notice | - | Defaulting Party | Market Operator |
|  | Issue Suspension Order  | At the same time or any time following the issue of the relevant Default Notice  | Registered post | Market Operator | Defaulting Party |
|  | Send a copy of the Suspension Order | Together with step 3 | Email | Market Operator | Regulatory Authorities, System Operators, relevant Distribution System Operators,relevant SEM NEMO(s) |
|  | Publish Suspension Order | Together with step 6 | Market Operator website | Market Operator | Market Operator website |
|  | In the circumstances set out at paragraph B.18.4.7 of the Code, lift the Suspension Order by written notice to the Defaulting Party. If the Suspension Order is amended or lifted continue to step 7, otherwise **end process** | As required | Registered post and Email | Market Operator | Defaulting Party |
|  | Issue notification that the Suspension Order has been lifted or amended | As soon as practicable after Suspension Order is lifted or amended | Email / Facsimile | Market Operator | Defaulting Party, Regulatory Authorities, System Operators, relevant Distribution System Operators,relevant SEM NEMO(s) |
|  | Publish notification that the Suspension Order has been lifted or amended | As soon as practicable after Suspension Order is lifted or amended | Market Operator website | Market Operator | Market Operator website |

Note associated swimlane diagram to be updated also |
| **Modification Proposal Justification***(Clearly state the reason for the Modification)* |
| Proposal raised at the request of the Modifications Committee. Introducing a provision for SEMO to notify SEM NEMOs when a Suspension Order is issued ensures that this process is clear and transparent and also that the appropriate obligation for SEMO is in place so that SEM NEMOs are aware of a Suspension Order having been issued and can take appropriate action within the Ex Ante Markets. |
| **Code Objectives Furthered***(State the Code Objectives the Proposal furthers, see Section 1.3 of T&SC for Code Objectives)* |
| 1. to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;

Placing an obligation on SEMO to notify SEM NEMOs where a Suspension Order has been issued ensures that SEM NEMOs can take the appropriate steps within the Ex Ante Markets to stop further trading when a Suspension Order has been issued and therefore aids financially secure operation of the Single Electricity Market.1. to provide transparency in the operation of the Single Electricity Market;

Implementation of this modification ensures that the operational process followed is reflected in the associated Agreed Procedure. |
| **Implication of not implementing the Modification Proposal***(State the possible outcomes should the Modification Proposal not be implemented)* |
| If this proposal is not implemented then the associated process will be reflected in SEMOs internal processes only and not within the Agreed Procedure. This will result in a lack of transparency and the absence of a codified obligation requiring SEMO to notify SEM NEMOs when a Suspension Order has been issued. |
| **Working Group***(State if Working Group considered necessary to develop proposal)* | **Impacts***(Indicate the impacts on systems, resources, processes and/or procedures; also indicate impacts on any other Market Code such as Capacity Marker Code, Grid Code, Exchange Rules etc.)* |
| No | n/a |
| ***Please return this form to Secretariat by email to*** ***modifications@sem-o.com*** |

**Notes on completing Modification Proposal Form:**

1. **If a person submits a Modification Proposal on behalf of another person, that person who proposes the material of the change should be identified on the Modification Proposal Form as the Modification Proposal Originator.**
2. **Any person raising a Modification Proposal shall ensure that their proposal is clear and substantiated with the appropriate detail including the way in which it furthers the Code Objectives to enable it to be fully considered by the Modifications Committee.**
3. **Each Modification Proposal will include a draft text of the proposed Modification to the Code unless, if raising a Provisional Modification Proposal whereby legal drafting text is not imperative.**
4. **For the purposes of this Modification Proposal Form, the following terms shall have the following meanings:**

**Agreed Procedure(s): means the detailed procedures to be followed by Parties in performing their obligations and functions under the Code as listed in either Part A or Part B Appendix D “List of Agreed Procedures”. The Proposer will need to specify whether the Agreed Procedure to modify refers to Part A, Part B or both.**

**T&SC / Code: means the Trading and Settlement Code for the Single Electricity Market. The Proposer will also need to specify whether all Part A, Part B, Part C of the Code or a subset of these, are affected by the proposed Modification;**

**Modification Proposal: means the proposal to modify the Code as set out in the attached form**

**Derivative Work: means any text or work which incorporates or contains all or part of the Modification Proposal or any adaptation, abridgement, expansion or other modification of the Modification Proposal**

**The terms “Market Operator”, “Modifications Committee” and “Regulatory Authorities” shall have the meanings assigned to those terms in the Code.**

**In consideration for the right to submit, and have the Modification Proposal assessed in accordance with the terms of Section 2 of Part A or Chapter B of Part B of the Code (and Part A Agreed Procedure 12 or Part B Agreed Procedure 12) , which I have read and understand, I agree as follows:**

**1. I hereby grant a worldwide, perpetual, royalty-free, non-exclusive licence:**

* 1. **to the Market Operator and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;**
	2. **to the Regulatory Authorities, the Modifications Committee and each member of the Modifications Committee to amend, adapt, combine, abridge, expand or otherwise modify the Modification Proposal at their sole discretion for the purpose of developing the Modification Proposal in accordance with the Code;**
	3. **to the Market Operator and the Regulatory Authorities to incorporate the Modification Proposal into the Code;**

**1.4 to all Parties to the Code and the Regulatory Authorities to use, reproduce and distribute the Modification Proposal, whether as part of the Code or otherwise, for any purpose arising out of or in connection with the Code.**

**2. The licences set out in clause 1 shall equally apply to any Derivative Works.**

**3. I hereby waive in favour of the Parties to the Code and the Regulatory Authorities any and all moral rights I may have arising out of or in connection with the Modification Proposal or any Derivative Works.**

**4. I hereby warrant that, except where expressly indicated otherwise, I am the owner of the copyright and any other intellectual property and proprietary rights in the Modification Proposal and, where not the owner, I have the requisite permissions to grant the rights set out in this form.**

**5. I hereby acknowledge that the Modification Proposal may be rejected by the Modifications Committee and/or the Regulatory Authorities and that there is no guarantee that my Modification Proposal will be incorporated into the Code.**