

**Proposal for Rules Modification**
**S/No. 292**

Rule modification title	Exemption of Contestable Consumers from licensing to Trade in the Wholesale Electricity Markets
Submitted By : Company: Date: Telephone No.	Market Administration Energy Market Company 8 December 2009 6779 3000
Rules Version/Chapter/Section	Market Rules (Version 1 July 2009)/Chapter 2/Section 1.2.2  Market Manual: Market Administration - Registration and Authorisation (Part 1) (Version 20 June 2007)
Description of Market Rules	Please refer to Annex 1 for the modifications to the market rules and Annex 2 for the modifications to the market manual.
Reasons for amendment	<p>EMA had informed EMC of its policy decision to exempt all contestable consumers from the requirement to hold a license to trade in the wholesale electricity markets, and had requested EMC to modify the market rules to give effect to this policy decision.</p> <p>Pursuant to Section 46 (2)(b) of the Electricity Act, EMC is required to modify the market rules and make consequential amendments to the market manual to give effect to EMA's policy decision.</p> <p>The modifications have been approved by the EMA and will come into effect on 1 January 2010.</p>
Impact of proposed amendment on MP, MO, PSO and general public	Any contestable consumer who wishes to be registered as a Market Participant, to trade in the wholesale electricity markets for the sole purpose of purchasing electricity wholly for its own consumption, would no longer be required to hold a license to trade in the wholesale electricity markets.
EMC's Comments	The modifications to the market rules and the market manual, as set out in Annex 1 and Annex 2, reflect the intent of EMA's policy decision.

Annex 1 Proposed Rule Changes

Existing Market Rules	Proposed Rules Changes (Deletions represented by strikethrough text and additions represented by double underlined text)	Remarks on Rule Changes
<b>Chapter 2 Participation</b>	<b>Chapter 2 Participation</b>	
<b>1 INTRODUCTION</b>	<b>1 INTRODUCTION</b>	
<p>1.2.2 No person shall be registered by the <i>EMC</i> as a <i>market participant</i> unless the <i>EMC</i> is satisfied:</p> <p>1.2.2.1 that the person:</p> <p>a. if it engages in an activity for which an <i>electricity licence</i> is required under section 6 of the <i>Electricity Act</i>, holds an <i>electricity licence</i> permitting it to engage in such activity or has been exempt by an order made pursuant to section 8 of the <i>Electricity Act</i> from the obligation to hold such an <i>electricity licence</i>; and</p> <p>b. holds an electricity licence permitting the person to trade in the <i>wholesale electricity</i> markets.</p>	<p>1.2.2 No person shall be registered by the <i>EMC</i> as a <i>market participant</i> unless the <i>EMC</i> is satisfied:</p> <p>1.2.2.1 that the person:</p> <p>a. if it engages in an activity for which an <i>electricity licence</i> is required under section 6 of the <i>Electricity Act</i>, holds an <i>electricity licence</i> permitting it to engage in such activity or <del>has been</del> <u>is</u> exempt by an order made pursuant to section 8 of the <i>Electricity Act</i> from the obligation to hold such an <i>electricity licence</i>; and</p> <p>b. holds an <i>electricity licence</i> permitting <del>the person</del> <u>it</u> to trade in the <i>wholesale electricity</i> markets <u>or is exempt by an order made pursuant to section 8 of the <i>Electricity Act</i> from the</u></p>	<p>To allow persons -who are exempt from the obligation to hold an electricity license to trade in the wholesale electricity markets-to be</p>

Existing Market Rules	Proposed Rules Changes (Deletions represented by strikethrough text and additions represented by double underlined text)	Remarks on Rule Changes
	<del>obligation to hold such an</del> <u><i>electricity licence.</i></u>	registered as a market participant.

**Annex 2      Proposed Modification to Market Manual: Market Administration – Registration and Authorisation (Part 1)**



Energy  
Market  
Company

Based on the  
**Singapore Electricity Market Rules**

# Application form for Market Participant Registration

including explanatory notes.

**Please read this important information before completing this form.**

### **Why do I need to complete this form?**

Energy Market Company Pte Limited (“EMC”) is licensed by the Energy Market Authority (“Authority”) to operate the *wholesale electricity market* in Singapore. One of the EMC’s responsibilities is to manage the registration of *market participants* in the *wholesale electricity market*. You must complete and submit this form to apply to be registered as a *market participant* if you wish to:

- participate in the *wholesale electricity market* and/or
- convey any *physical services* through the market’s facilities.

If you hold more than one *electricity licence* and intend to perform different functions pursuant to those licences in the *wholesale electricity market*, you must submit **separate** application forms for each function.

If you have a *generation facility* and intend to register it, then you must complete a separate form entitled ‘EMC Facility Registration Form’ where you are required by the Singapore Electricity Market Rules (the ‘*market rules*’) to register your facilities.

### **Why has EMC developed this form?**

The EMC has developed this form to facilitate the registration process described in the *market rules*. You should read the relevant sections of the *market rules* prior to completing the forms. Please also refer to the EMC disclaimer at the end of this form.

### **Am I eligible to apply as a market participant?**

Before we can fully register you as a *market participant*, you must show to EMC’s satisfaction that you:

- hold a valid *electricity licence* or [are exempt, by an order issued by the Authority, from the obligation to hold such a licence](#);
- fall within one of the classes of persons who may apply for registration as a *market participant* (see below); and
- have executed the *PSO/market participant* and *MSSL/market participant* agreements.

### **What ‘classes of persons’ may apply for registration?**

The classes of persons who may apply for registration as a *market participant* are:

- *generation licensees*;
- *retail electricity licensees*;
- persons, other than *generation licensees* or *retail electricity licensees*, that ~~hold have been granted~~ an *electricity licence* by the Authority permitting them to trade in the *wholesale electricity market* [or are exempt, by an order issued by the Authority, from the obligation to hold such a licence](#);
- *transmission licensees*; and
- any Government department that generate electricity before the *market rules* come into force.

### **What if EMC needs further information and clarification?**

The EMC will, within 10 *business days* of receipt of your completed *participant registration application* form, request in writing any further information or clarification required by the EMC to process your application. It is important that you respond promptly to the EMC’s requests in writing. If the EMC does not receive the requested information within 15 *business days* from the date of its request, then your **application will be deemed to have been withdrawn** and you will be required to submit a new application (unless you and the EMC have agreed a longer time for this process).

All communication between the EMC and *market participants* will be in writing.

### When will I know the outcome of my application?

The EMC will notify you in writing of the outcome within 20 *business days* of the receipt of your fully completed registration form or any further information or clarification requested by the EMC, whichever is the later (unless you and the EMC have agreed a longer time for this process). If your application is declined, the notification will identify why this was the case. A complete and accurate form will help the EMC to process your *participant registration application* within the above stated period.

### **Is there an application fee for market participant registration?**

There is no application fee for market participant registration.

### **Summary of the registration requirements**

The key requirements of the full *participant registration application* procedure are set out in the table below:

A	<b>Meet the EMC's prudential requirements</b>	You must provide prudential cover, if applicable, under the <i>market rules</i> , before you start trading in the <i>wholesale electricity market</i> and you must maintain this at the specified level at all times. Please read the 'prudential details' in section D of this form.
B	<b>Execute agreement with the PSO and MSSL</b>	You must have executed the: <ul style="list-style-type: none"><li>• <i>Power System Operator/market participant (PSO/MP) agreement</i>;</li><li><b>and</b></li><li>• <i>market support services licensees/market participant (MSSL/MP) agreement</i>, if applicable.</li></ul>
C	<b>Electricity licence</b>	You must <del>hold</del> <u>have</u> the relevant <i>electricity licence</i> from the Authority <u>or be exempt, by an order issued by the Authority, from the obligation to hold such a licence.</u>
D	<b>Meet the EMC's technical requirements</b>	You must satisfy all applicable technical requirements. The EMC may test and inspect your equipment to ensure compliance. Successful completion of these tests is a condition for full registration (see section F on technical requirements).
E	<b>Register your facilities</b>	Where applicable, you must register with the EMC as a <i>registered facility</i> or <i>generation settlement facility</i> for the facilities through which <i>physical services</i> will be conveyed in the <i>wholesale electricity market</i> . Please contact the EMC if you require an "EMC Facility Registration Form".
F	<b>Become a conditionally registered market participant</b>	You must satisfy steps A, B, C, and D to fully register as a <i>market participant</i> . If you can satisfy only steps A and B, you will be conditionally registered as a <i>market participant</i> .
G	<b>Meet outstanding requirements to overcome conditional registration</b>	The EMC will advise you of your conditional registration status and will give you a deadline for meeting your outstanding requirements. You must submit all necessary certified documents to the EMC by this deadline. The EMC will advise you whether you have met all the requirements within 5 <i>business days</i> after the deadline. If you do not meet the requirements by the deadline, <b>your conditional registration will lapse.</b>

H <b>Registration as a <i>market participant</i></b>	If the <i>EMC</i> is satisfied that you meet the requirements of a <i>market participant</i> , the <i>EMC</i> will register you as one. <i>EMC</i> will advise you of the terms and conditions of the registration in an official notice. If your application is declined, the <i>EMC</i> will write to you stating the reasons.
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### How can I find more information?

In addition to this form and the *market rules*, you can find more information by contacting the *EMC* Market Administration Team by telephone +65 6779 3000. Alternatively, you may visit *EMC*'s website at <http://www.emcsg.com>.

Please print clearly. Illegible writing or incomplete forms may delay the processing of your application.

### A. REGULATORY DETAILS

1. **What electricity licence(s) do you currently hold?**

**Note:** You may only tick in one of the following boxes indicating the type of *electricity licence* you currently hold or the fact that you ~~are have been~~ exempted from the obligation requirement to holdobtain an *electricity licence* with regards to your current activities, as the case may be. Should you intend to perform more than one function in the *wholesale electricity market* and currently hold more than one type of *electricity licence*, you must complete a separate form for each of the intended functions.

- Generator *electricity licence*
- Retailer *electricity licence*
- Transmission *electricity licence*
- An *electricity licence* other than a generator or retailer licence permitting the holder to trade in the *wholesale electricity market*
- ~~I/We have am exempt, by an order issued been exempted~~ by the Authority, from the obligation the need to hold an *electricity licence*

*Electricity licence number* \_\_\_\_\_

2. **Will you be registering any facility?**     Yes             No

### B. BUSINESS DETAILS

3. **Organisation name (in full)** \_\_\_\_\_

4. **Business Registration Number** \_\_\_\_\_

**GST Registration Number** \_\_\_\_\_

5. **Mailing address** \_\_\_\_\_

6. **Telephone:** \_\_\_\_\_

7. **Facsimile:** \_\_\_\_\_

8. **Website:** \_\_\_\_\_

## C. ORGANISATIONAL CONTACTS

### 9. Market Operations Manager

	<b>Manager</b>	<b>Alternate contact</b>
Full Name		
Tel/Mob		
Email Address		
Fax		

### 10. Market Trading Manager

	<b>Manager</b>	<b>Alternate contact</b>
Full Name		
Tel/Mob		
Email Address		
Fax		

### 11. Finance/ Accounts Manager

	<b>Manager</b>	<b>Alternate contact</b>
Full Name		
Tel/Mob		
Email Address		
Fax		

### 12. Settlements Manager

	<b>Manager</b>	<b>Alternate contact</b>
Full Name		
Tel/Mob		
Email Address		
Fax		

### 13. IT Systems Manager

	<b>Manager</b>	<b>Alternate contact</b>
Full Name		
Tel/Mob		
Email Address		
Fax		

## D. PRUDENTIAL DETAILS

### Current credit types as described in market rules

**Banker's Guarantee or Letter of Guarantee:** This must be provided by an acceptable banking institution (Appendix 1), must be an obligation in writing and governed by Singapore law as referred to in section 7.6.2.1 and 7.6.3.1 of Chapter 2 of the *market rules*. The guarantee must be executed as a deed and per the format set out in Appendix 3 and should be valid for at least one year (or provide for automatic renewal). The guarantee should name the *EMC* as beneficiary without restrictions and should also allow partial drawings and claim on demand by the *EMC* up to the amount required as credit support under the *market rules*.

**Cash deposits:** For cash deposits, they must be in the form of cash deposits made with *EMC* by or on behalf of the market participant as referred to section 7.6.2.3 of Chapter 2 of the *market rules*.

**Singapore Government T-bills:** As referred to section 7.6.2.4 of Chapter 2 of the *market rules*, they must be made with the *EMC* by or on behalf of the market participant. *Market participants* should permit drawings and claims by the *EMC* in full. Such Government T-bills shall be valued as cash at their current market value less 2% to take into account the potential eroding effects of interest rate increases.

**14. Are you a participant in the existing Singapore Electricity Pool (SEP)?**

- Yes (go to 15 below)                       No (go to 16 below)

**15. If yes, please provide the following:**

15.1 Settlement Account Name/Code: \_\_\_\_\_

15.2 Total months of operation to date in the SEP: \_\_\_\_\_

15.3 Average monthly settlement amount for this period: \$ \_\_\_\_\_

15.4 Highest settled amount during this period: \$ \_\_\_\_\_

## E. CREDIT SUPPORT

**16. What is your intended type of credit support?**

- Banker's Guarantee
- Cash deposits

- Singapore Government Treasury bills

**17. Computation of Initial credit support requirement**

Please provide us a computation of your credit support requirement which should be no less than your credit support value. Your credit support value should be equal to your Estimated Average Daily Exposure X 30 days. Your Estimated Average Daily Exposure should be determined in accordance with the *EMC market manual* on Prudential requirements (Chapter 2 Participation)

**F. TECHNICAL REQUIREMENTS**

**Important notes for this section:**

As a *market participant* you must satisfy the following conditions before you can be fully registered:

- a) Certify to the *EMC* that you meet the technical requirements as set out in the *market rules*, in this section and in Appendix 2; and
- b) Ensure your facilities (if applicable) meet technical requirements for connection (as specified in any applicable connection agreement and the Transmission Code).

The *EMC* may conduct tests and inspections of your equipment to ensure it complies. Additionally, the *Power System Operator* and the *transmission licensee*, may test your equipment for compliance with their requirements.

**A person who is participating through a *registered facility* must ensure that:**

- a) One personal computer is configured to run MPS software provided by the *EMC*.
- b) One personal computer is configured to interface with the *EMC's electronic communication system*.
- c) At least one telephone line dedicated to communication with the *PSO's* control centre.

(For the *EMC's* testing and certification requirements, please see Appendix 2)

**A person who is NOT participating through a *registered facility* (wholesale traders) must ensure that:**

- a) One personal computer is equipped with Microsoft Windows 2000 software.
- b) One personal computer is equipped with Microsoft Internet Explorer version 5.0 or higher.
- c) One personal computer is connected to the Internet.

**18. Do you confirm that you meet all these technical requirements?**

- Yes                       No (go to Q19)

**19. If you don't meet all/or some of the technical requirements at date of your application, please specify which requirements are not met, and when you expect to meet them.**

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## G. SUPPORTING DOCUMENTS REQUIRED

You must provide certified true copies of the following documents with your application form before they can be processed:

- Business profile report of the Company issued by the Accounting and Corporate Regulatory Authority of Singapore.
- Your Company's directors' resolution to participate in the *wholesale electricity market* and authorization of person to sign application on behalf of Company.
- Relevant *electricity licence* from the EMA
- PSO / MP agreement*
- Relevant agreement with *transmission licensee*
- Audited financial statements for the last 3 years
- Computation of initial credit support requirement

**The following need not be submitted together with this application but must be provided before you can be registered.**

- Banker's Guarantee or Letter of Guarantee from a bank listed in 'Acceptable Banks' in Appendix 1
- Singapore Government Treasury bills

## H. COVENANT AND DECLARATION

I/We, the undersigned applicant(s), having read and fully understood the Singapore Electricity Market Rules (the 'Rules'), the Companies Act (Chapter 50) (the "CA"), and any other applicable laws, codes, rules, procedures or policies that are relevant to or regulate the Singapore Electricity Market or the electricity industry (the 'Laws'), and/or having had the benefit of relevant independent legal advice, hereby apply to become registered as a *market participant* under the Electricity Act 2001 of Singapore (the 'Act') and covenant to comply with and be legally bound by the Act, the Rules, the CA and the Laws (as the same may be amended from time to time).

I/We, the undersigned applicant(s), further hereby declare that the information provided by me/us in this form is both true and accurate to the best of my/our knowledge, information and belief and hereby covenant to be subject to any sanctions, penalties or orders as may be imposed by the relevant authorities under the Act, the Rules, the CA, or the Laws, in the event that such information is found to be untrue, misleading or inaccurate by the relevant authorities.

I/We, the undersigned applicant(s), further hereby covenant to be legally bound by the relevant dispute resolution provisions under the Rules, in the event that this application for registration is denied and a dispute arises from such unsuccessful application.

Signed for and on behalf of the Applicant by:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

## I. EMC'S DISCLAIMER

Energy Market Company Pte Limited ("*EMC*") has produced this publication for use in connection with the Singapore Electricity Market. This publication is not a substitute for and should not be read in lieu of the Singapore Electricity Market Rules or any other applicable laws, codes, rules, procedures, manuals or policies that are relevant to or regulate the Singapore Electricity Market or the electricity industry. The contents of this publication do not constitute legal or business advice and should not be relied upon as a substitute for obtaining such advice.

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Any modifications or amendments to this publication shall be made in accordance with the relevant provisions of the Singapore Electricity Market Rules.

## APPENDIX 1

### List of acceptable banks:

- Local or foreign banks rated “A” or better by Standard & Poor’s (S&P)  
(S& P Website: [www.standardpoor.com/RatingsActions/Ratingslists/Financial Institutions/Index.html](http://www.standardpoor.com/RatingsActions/Ratingslists/Financial%20Institutions/Index.html))

## APPENDIX 2

### EMC’s testing and certification of technical requirements

The following tests must be carried out successfully for the *EMC* to certify a *market participant's* system. These tests will be carried out in conjunction with the *EMC*.

These tests will certify that:

- The *market participant* can access private and public market information provided by the *EMC*. Where private information is specific to the *market participant* alone, it will not be available to other *market participants*.
- The *market participant* is able to communicate securely with the *EMC*.
- If the *market participant* will be offering *energy, regulation or reserve* in the *wholesale electricity market*. The *market participant* is able to submit offers:
  - a) to the *EMC* via the *electronic communications system*
  - b) to the *EMC* via the backup communication mechanism identified in the associated *market manual*.
- The *market participant* is able to receive confirmation of receipt and validation of delivered offers from the *EMC*.

## APPENDIX 3

### SAMPLE BANKERS' GUARANTEE APPROVED BY EMC

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[On the letterhead of the guarantor financial institution]

DATE: []

ENERGY MARKET COMPANY PTE LTD  
9 Raffles Place  
#22-01 Republic Plaza  
Singapore 048619

Dear Sirs,

**BANKER'S GUARANTEE NO.[*number*] FOR S\$[*state amount in numbers*]**

1. Pursuant to your obtaining an electricity licence authorising you to operate any wholesale electricity market in Singapore and your entering into the Market Rules under the Electricity Act 2001 of Singapore (the "Rules") which set out and govern the trading of electricity in Singapore, we, [*name of guarantor financial institution*], having our registered office at [*address*], hereby guarantee and undertake unconditionally and irrevocably to you the due payment of any and all sum or sums payable under the Rules by [*name of market participant*] (the "Principal") and will pay to you immediately on your first written demand or respective written first demands in respect of each such sum demanded provided that our total liability under this Guarantee shall not exceed in aggregate SINGAPORE DOLLARS [*state amount in words*] (the "Maximum Sum").

2. Every such of your written demand shall be accompanied by your signed statement reading as follows:-

"WE, ENERGY MARKET COMPANY PTE LTD, hereby certify to you that the amount of S\$ [*state amount in numbers*] represents and covers the current outstanding obligations due and payable to us by [*name of market participant*] pursuant to the Rules."

This Guarantee shall not be affected by any time, arrangement or other indulgence which you may grant to the Principal, or with any other person which might operate to diminish or discharge the liability of or otherwise provide a defence to a surety.

3. You shall have the right to demand payment at any time under this Guarantee to be made in SINGAPORE DOLLARS subject to the Maximum Sum. This Guarantee shall remain in full force and effect until all sums whatsoever payable by the Principal under the Rules are fully paid.

4. Without prejudice to the provisions in clauses 1 to 3 above, upon your written demand for payment as aforementioned, we shall:-

- a. in respect of any demand made before 12.00 noon local time at our office on any banking day, accept and honour your demand on or before 3.00 pm, local time of the same day;
- b. in respect of any demand made after 12.00 noon local time at our office but on or before 5.00 pm local time at our office, accept and honour your demand on or before 11.00 am local time of the next banking day following presentation of your demand;

by paying you in funds immediately available the full amount of your demand.

5. We agree that any written demand furnished by you to us under clause 2 shall be conclusive evidence that the said sum or sums referred to therein is/are due and payable to you by the Principal. We further agree that this Guarantee shall be effective from [date] to [date] (hereinafter called the "expiry date"). Demands, if any, must be made in writing and received by us at our [Banker's Guarantee Section] at [address]

on or before the expiry date. Thereafter this Guarantee shall automatically cease to have any effect whatsoever, whether or not it is returned to us for cancellation.

6. You may make more than one claim under this Guarantee so long as the claims are made in accordance with the terms set out herein and the total amount of the claims does not exceed the Maximum Sum.

7. This Guarantee is non-assignable.

8. This Guarantee shall be governed by and construed in all respects in accordance with the laws of the Republic of Singapore and all parties hereby agree to submit to the exclusive jurisdiction of the Courts of Singapore.

**SIGNED, SEALED AND DELIVERED for and on behalf of the GUARANTOR**  
**[name of guarantor financial institution in capital letters]**

by its Attorney(s):

\_\_\_\_\_  
[name]  
[designation]

\_\_\_\_\_  
[name]  
[designation]

acting under a Power of Attorney dated [date] (a copy of which was deposited in the Registry, Supreme Court, Singapore on the [ ] day of [ ] [2002] and registered as No.[registration number] of [2002])

in the presence of:

\_\_\_\_\_  
[name of witness]