

**DETERMINATION OF THE MARKET SURVEILLANCE AND COMPLIANCE PANEL
MSCP/2005/D9**

Market Surveillance and Compliance Panel ("MSCP")

Mr Joseph Grimberg, Chair
Professor Lim Chin
Mr Lee Keh Sai
Mr TPB Menon

Date of Determination

11 April 2005

Party

Energy Market Company Pte Ltd ("EMC")

Subject

Failure to release short-term schedule to the PSO for period 27 on 15 May 2004

Applicable Rule(s) in the Singapore Electricity Market Rules

1. Section 7.7.2A of Chapter 6 provides that:

"Not later than 25 minutes prior to the commencement of the first dispatch period of the short-term schedule referred to in section 7.4A, the EMC shall, for each dispatch period included in the short-term schedule:

7.7.2A.1 release to the dispatch coordinator for each registered facility the projected schedules for energy, regulation and reserve, by reserve class, for that registered facility;

7.7.2A.2 publish the information described in section 7.7.3; and

7.7.2A.3 communicate to the PSO the projected schedules for energy, regulation and reserve, by reserve class, for each registered facility, together with the information described in section 7.7.3, in accordance with the system operation manual and any applicable market manual."

Facts and Circumstances

2. According to the EMC, the short-term schedule for period 27 was determined and published on the trading website but was not sent to the PSO due to an IT problem.
3. Inquiries carried out by the EMC showed that the primary firewall ("Firewall 01") in the EMC IT system stopped functioning at around 1235hrs during period 26 on 15.May 2004. In such situations, the secondary firewall ("Firewall 02") would be automatically activated within the IT system to act as the primary firewall. However, Firewall 02 required a transition period of 5 minutes before it was able to take over the functions of Firewall 01 and during the transition period, the network connectivity in the IT system could be unavailable. In this incident, the network connectivity was unavailable during period 27 and the EMC was unable to send the short-term schedule for period 27 to the PSO.
4. Upon the occurrence of the incident, the EMC took action to stabilize the IT system and ensure the proper functioning of Firewall 02. The EMC confirmed with the PSO that it was able to receive the short-term schedule for period 28. The EMC also monitored the situation closely to ensure that dispatch processing for the subsequent 2 hours was successful.
5. This incident did not have a significant impact to the wholesale electricity markets.

Determination

6. On 25 November 2004, the MCSP issued a letter informing the EMC that it considered that the EMC had prima facie breached section 7.7.2A.3 of Chapter 6 of the Singapore Electricity Market Rules (the "market rules") and invited the EMC to make written representations. No written representations were received by the deadline stipulated.
7. The MSCP determined on the basis of the facts referred to above that the EMC breached section 7.7.2A.3 of Chapter 6 of the market rules.
8. However, the breach was self-reported, rectified quickly and without significant impact on the markets.
9. Therefore, the MSCP determined that the appropriate enforcement action to be taken was to issue a letter of non-compliance to the EMC and to direct the EMC to pay costs, fixed at \$1,000.



Joseph Grimberg
Chair
Market Surveillance and Compliance Panel