National Electricity Market of Singapore

MSCP Market Watch

First Quarter (Jan-Mar) 2011 **Issue 19**

Table 1: Indicators of Market Performance

	2010 Q1	2010 Q4	2011 Q1
Price Indicators			
Energy ($/MWh)			
- USEP	191.44	169.88	169.22
- WEP	192.35	171.30	170.63
- VCHP	171.05	165.56	172.36
Ancillary Services ($/MWh)			
- Primary Reserve	2.02	0.27	0.17
- Secondary Reserve	12.41	2.97	0.90
- Contingency Reserve	21.10	12.95	7.13
- Regulation	63.28	90.75	54.60
HSFO Spot (US$/barrel)	74.95	76.02	84.24
Demand Indicators			
Forecast Demand (MW)			
- Average	4,863	5,048	4,891
- Peak	6,106	6,191	6,012
Metered Energy (MW)			
- Average	4,729	4,891	4,773
- Peak	5,963	6,019	5,945
Supply Indicators			
Capacity Ratio (%)			
- CCGT	71.28	74.44	74.07
- OCGT	0.27	0.24	0.02
- OT	42.06	40.00	43.96
- ST	30.36	32.11	27.28
Supply Cushion (%)	22.64	22.09	22.75
Total Outages (MWh Cumulative)			
- Planned	1,639,256	2,467,186	1,706,256
- Unplanned	30,498	189,090	434,021
- Forced	41,302	22,719	59,199
Offers made at and below $100/MWh (%)	57.81	56.72	56.87

Market Performance

The average Uniform Singapore Energy Price (USEP) and Wholesale Electricity Price (WEP) in Q1 2011 saw little movement over Q4 2010. Both USEP and WEP declined less than 1 percent to $169.22/MWh and $170.63/MWh in Q1 2011 from $169.88MWh and $171.30MWh in Q4 2010 respectively. Meanwhile, the Vesting Contract Hedge price (VCHP) rose 4.1 percent from $165.56/MWh in Q4 2010 to $172.36/MWh in Q1 2011.

Prices for ancillary services fell across the board. Regulation price saw a steep decline of 40 percent to $54.60/MWh in Q1 2011 from $90.75/MWh in Q4 2010.

The average High Sulphur Fuel Oil (HSFO) spot price advanced 11 percent to US$84.24/barrel from US$76.02/barrel while average forecast demand declined 3.1 percent to 4,891MW for the same period. As a result of lower average forecast demand, the supply cushion rose 0.7 percentage points.

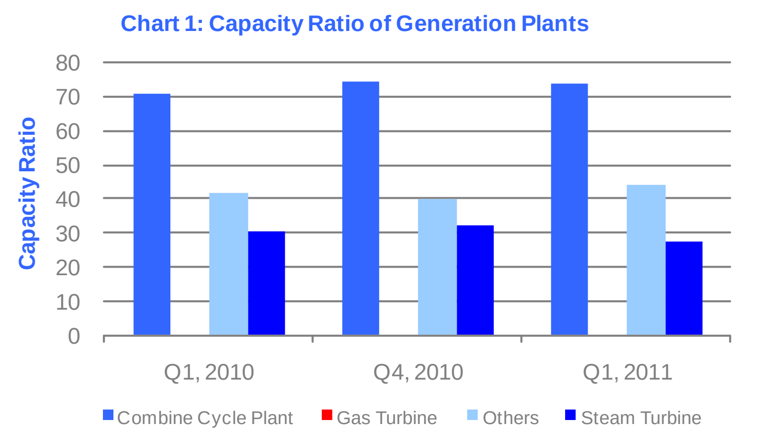
Lower average forecast demand and higher supply cushion helped to offset the increase in HSFO spot price, resulting in a lower average USEP in Q1 2011.

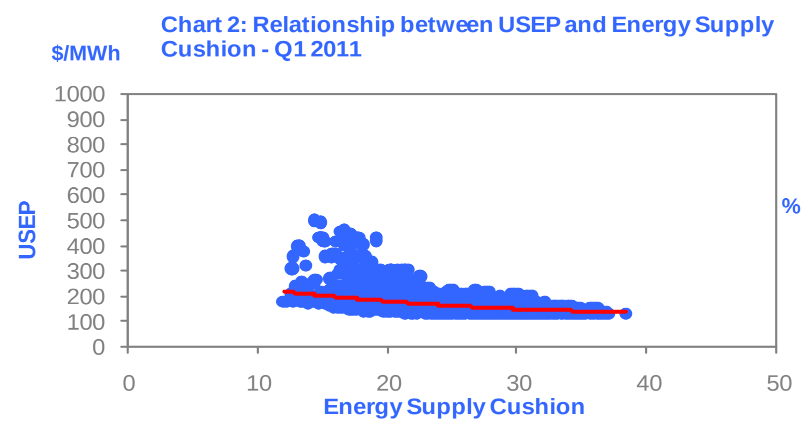
Planned outage volume in Q1 2011 declined 31 percent compared to Q4 2011 while unplanned outage volume increased 2.3 times to 434,021MWh in Q1 2011. At the same time, forced outage volume also increased 2.6 times to 59,199MWh. In all, total outage volume decreased 18% in Q1 2011. The effect of lower total outage volume can be seen in an increase in the percentage of lower priced offers made at and below $100/MWh.

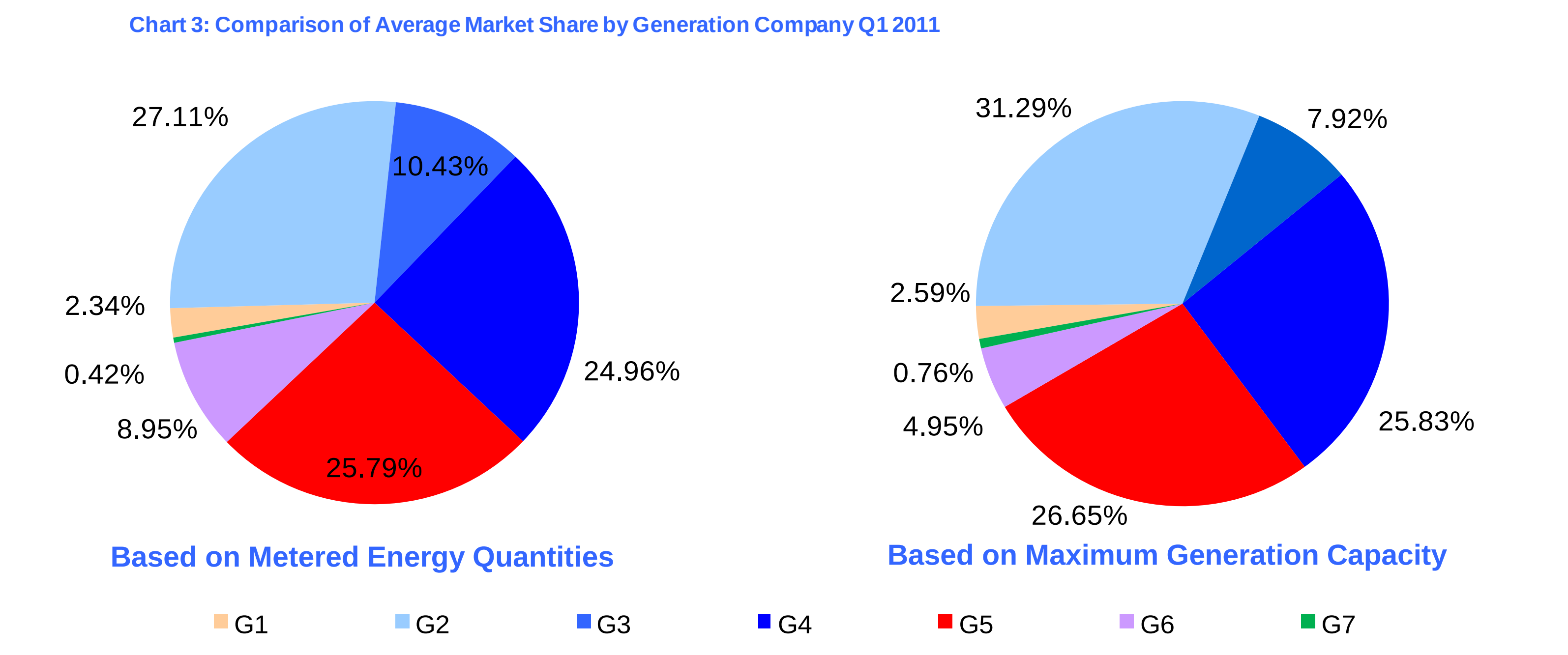
No price spike above $1,000/MWh was observed in Q1 2011.

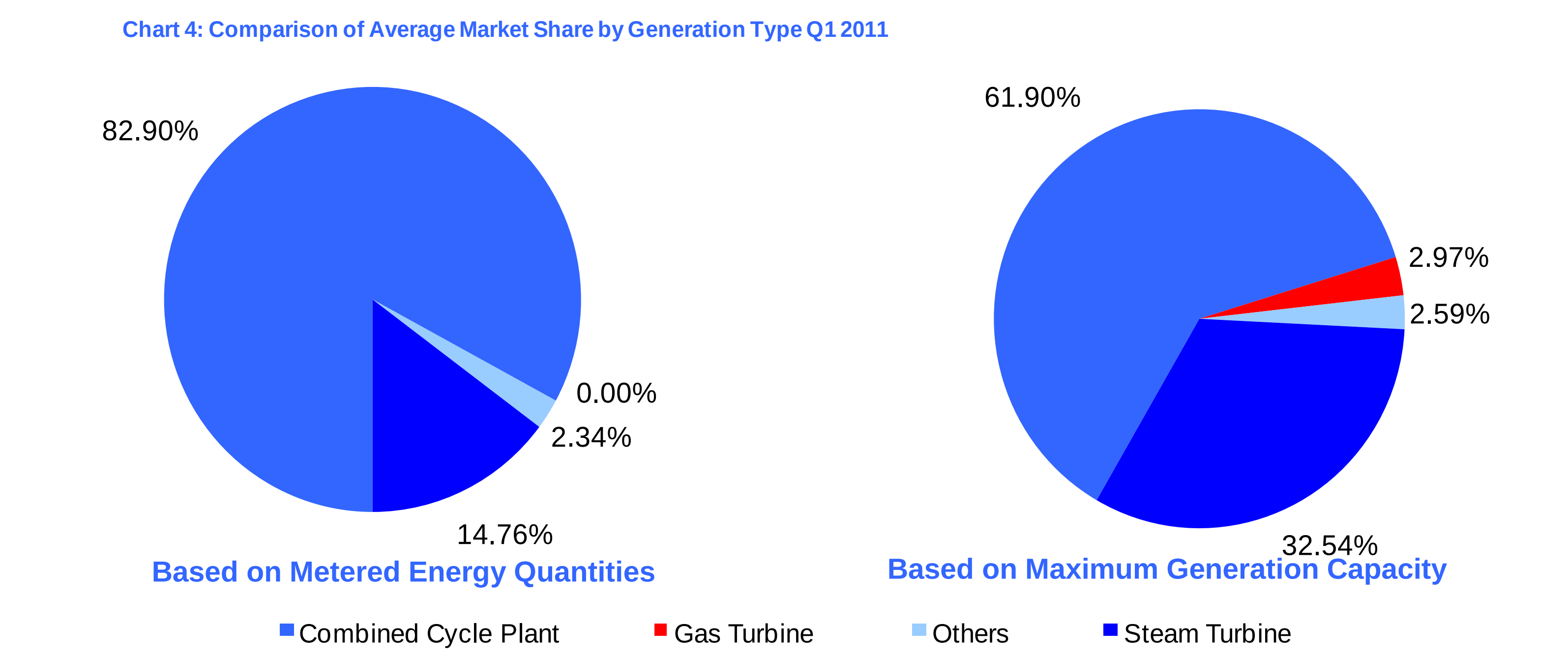
A User Guide on terms used in this publication is available for download from the Energy Market Company website at www.emcsg.com.

Supply Indicators

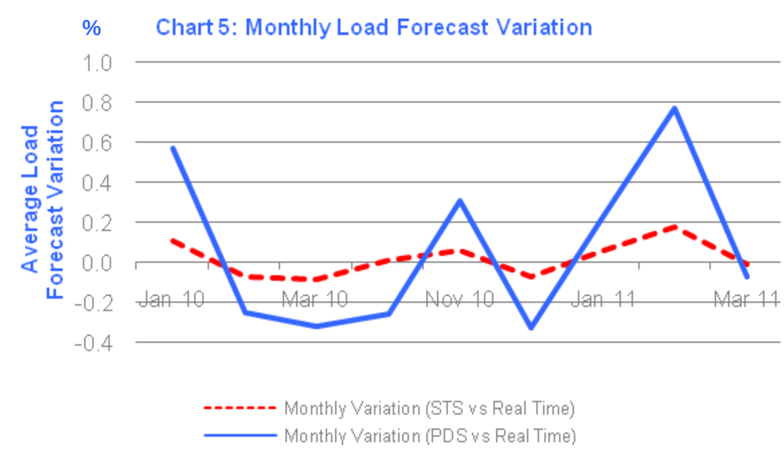


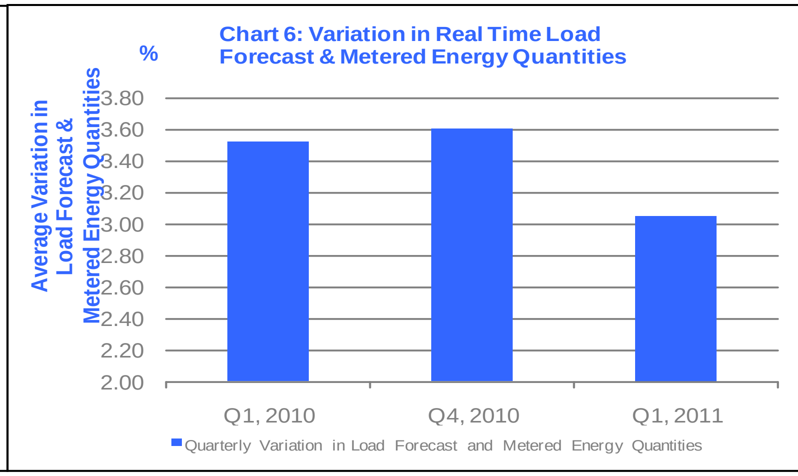




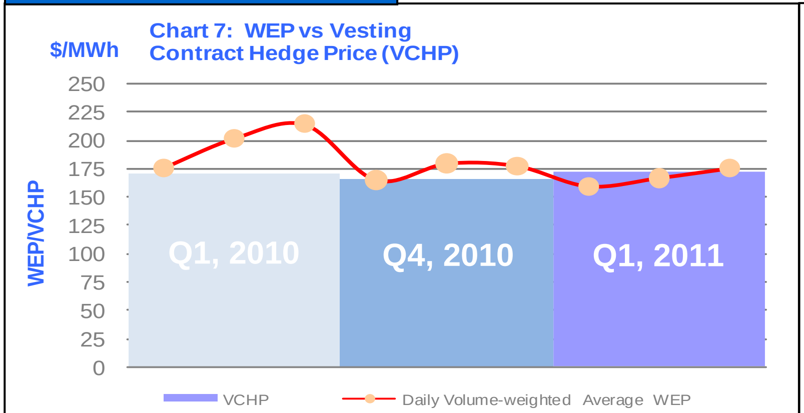


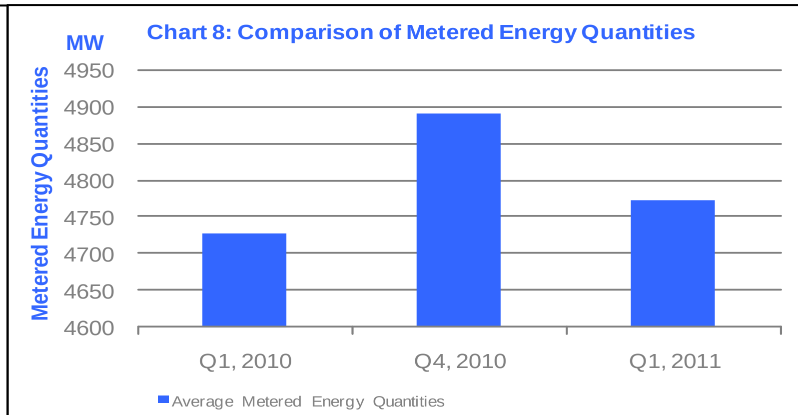
Demand Indicators

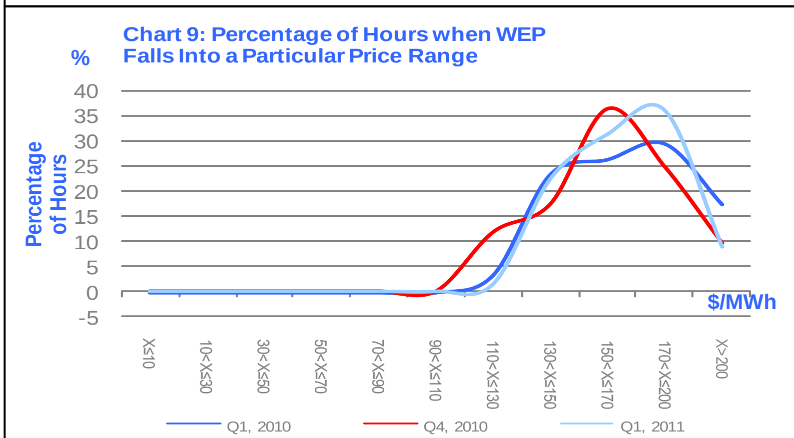


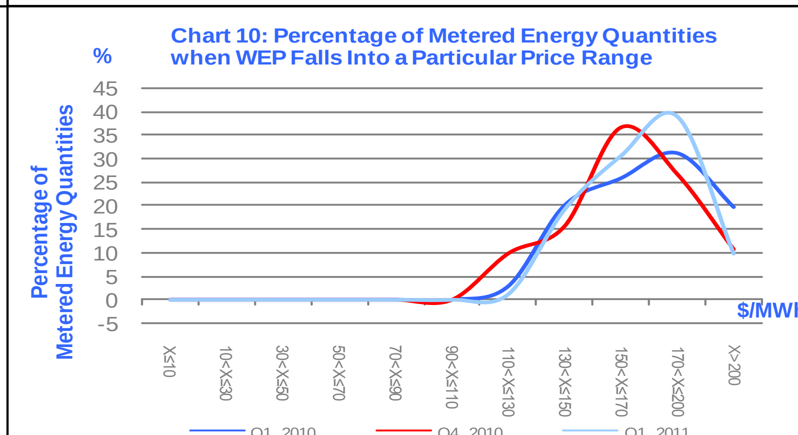


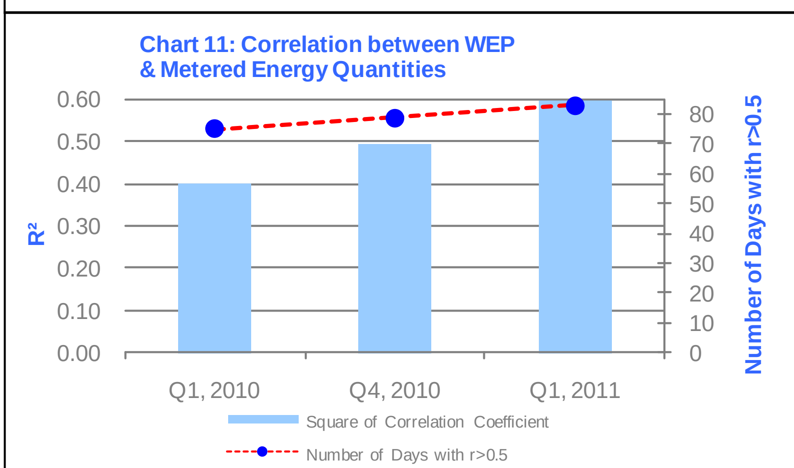
Energy Prices

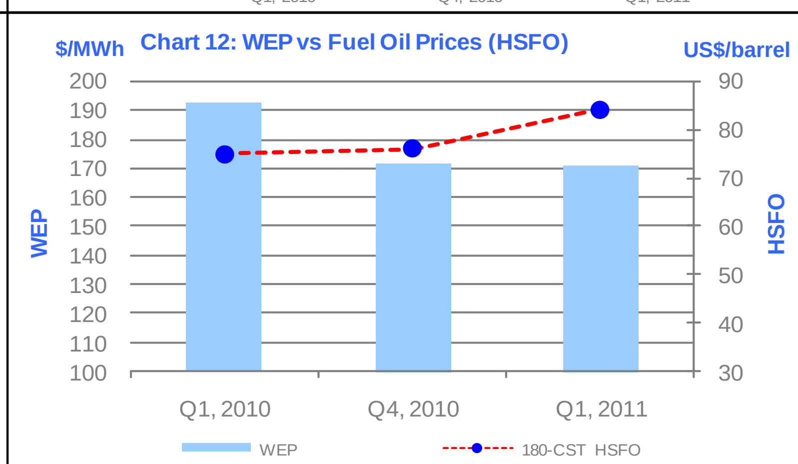












Ancillary Prices

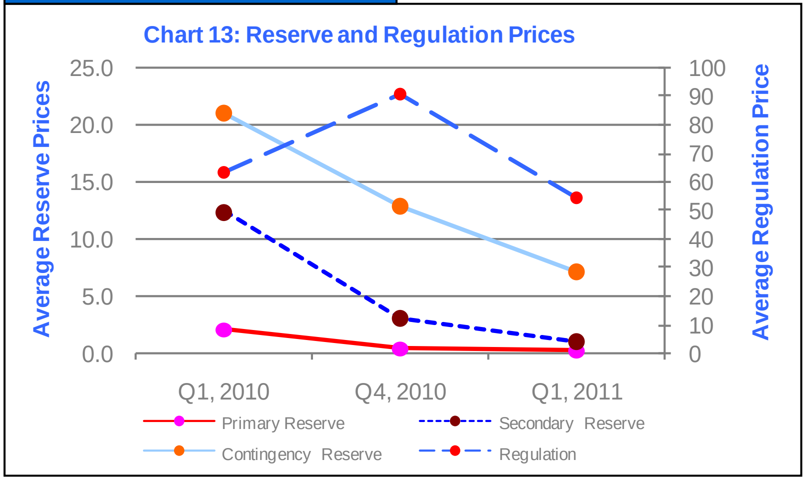


Table 2: Compliance Statistics for Q1 2011	
No. of cases of potential rule breaches	**239**
Self-reports	1
Referrals/Complaints	238
MSCP initiatives	0
No. of determinations	**320**
Rule breach	2
No rule breach	312
No further action	6
Enforcement	**2**
No. of cases with enforcement action	
-Financial penalty	0
-Letter of non-compliance	1
-Suspension Order	1
Total amount of financial penalties	$0
Total amount of costs	$6,300

The Market Surveillance and Compliance Panel is comprised of the following persons:

- ***Thean Lip Ping, Chair***
- ***Lee Keh Sai***
- ***Professor Lim Chin***
- ***TPB Menon***
- ***Philip Chua***

It is supported by the Market Assessment Unit of Energy Market Company.