

MSCP Market Watch

Second Quarter (Apr - Jun) 2011

Issue 20

Table 1: Indicators of Market Performance			
	2010	2011	
	Q2	Q1	Q2
Price Indicators			
<i>Energy (\$/MWh)</i>			
- USEP	173.55	169.22	243.36
- WEP	175.10	170.63	244.15
- VCHP	175.83	172.36	193.11
<i>Ancillary Services (\$/MWh)</i>			
- Primary Reserve	0.61	0.17	0.59
- Secondary Reserve	4.10	0.90	3.62
- Contingency Reserve	4.80	7.13	17.98
- Regulation	62.91	54.60	65.51
<i>HSFO Spot (US\$/barrel)</i>	73.56	93.34	103.22
Demand Indicators			
<i>Forecast Demand (MW)</i>			
- Average	5,100	4,891	5,129
- Peak	6,294	6,012	6,312
<i>Metered Energy (MW)</i>			
- Average	4,959	4,773	5,065
- Peak	6,147	5,945	6,289
Supply Indicators			
<i>Capacity Ratio (%)</i>			
- CCGT	74.23	74.07	74.64
- OCGT	0.13	0.02	0.17
- OT	44.48	43.96	41.34
- ST	31.63	27.28	35.34
<i>Supply Cushion (%)</i>	23.82	22.82	24.29
<i>Total Outages (MWh Cumulative)</i>			
- Planned	1,454,224	1,706,256	1,294,044
- Unplanned	37,148	434,021	398,904
- Forced	142,963	59,199	35,994
<i>Offers made at and below \$100/MWh (%)</i>	58.60	56.87	54.75

Market Performance

The Uniform Singapore Energy Price (USEP) increased 43.82 percent from \$169.22/MWh in Q1 2011 to \$243.36/MWh in Q2 2011. This increase was also observed in the Wholesale Electricity Price (WEP), which went up from \$170.63/MWh to \$244.15/MWh. The Vesting Contract Hedge price (VCHP) also rose, albeit at a smaller margin of 12.04 percent, from \$172.36/MWh to \$193.11/MWh.

Prices for ancillary services increased across the board, with the biggest increase observed in Secondary Reserve, which rose from \$0.90/MWh in Q1 2011 to \$3.62/MWh in Q2 2011.

The High Sulphur Fuel Oil (HSFO) spot price rose by 10.58 percent from US\$93.43/barrel to US\$103.22/barrel.

The forecast demand increased 4.87 percent from 4,891MW to 5,129MW while metered demand increased 6.11 percent from 4,773MW to 5,065MW. Despite the rise in demand, there was a matching 6.87 percent increase in supply, which resulted in the supply cushion rising by 1.47 percent to reach 24.29 percent.

While outages fell across the board in general, it was worth noting that two co-generation units were on maintenance (1 May 2011 – 14 May 2011, 18 Jun 2011 – 22 Jun 2011), which significantly reduced the proportion of lower priced offers in the market. This decline was matched by an increase in offers from the Steam Turbine (ST) units. Offers from ST units made up 17.80 percent of the market share, up from 14.76 percent in Q1 2011. Another noteworthy event was the shutdown of the SembGas Onshore Receiving Facility from 24 June 2011 to 26 June 2011, which resulted in the supply cushion falling below 15 percent for 23 periods.

There were no price spikes above \$1,000/MWh observed in Q2 2011.

Supply Indicators

Chart 1: Capacity Ratio of Generation Plants

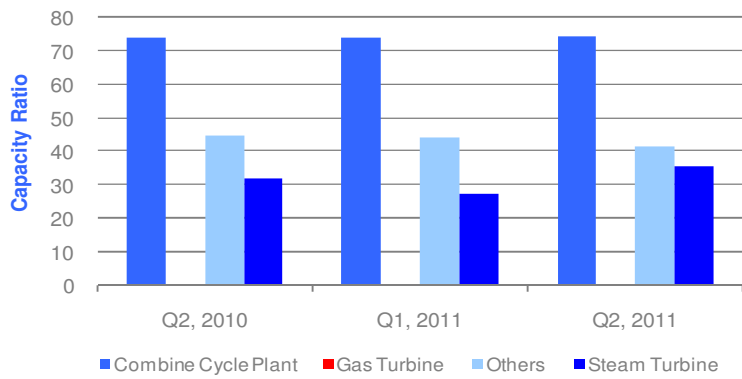


Chart 2: Relationship between USEP and Energy Supply Cushion - Q2 2011

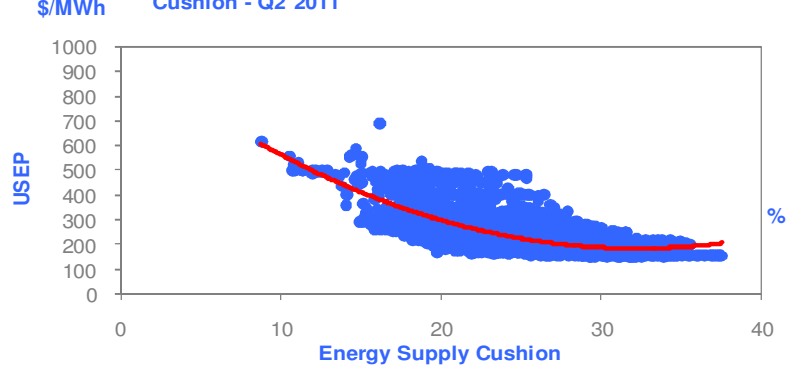
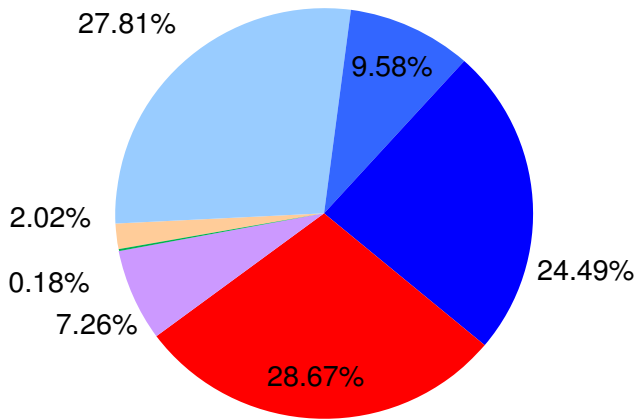
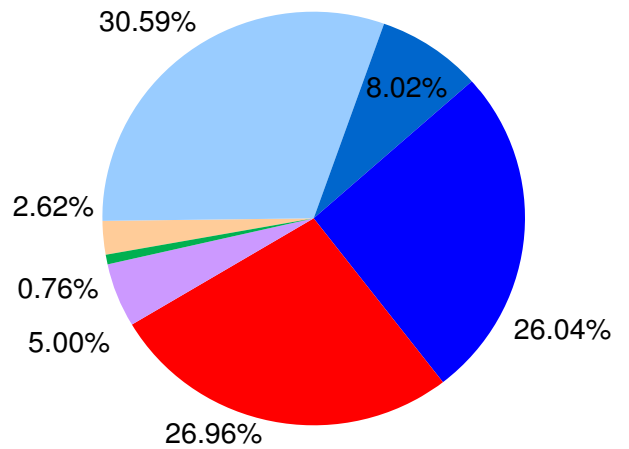


Chart 3: Comparison of Average Market Share by Generation Company Q2 2011



Based on Metered Energy Quantities

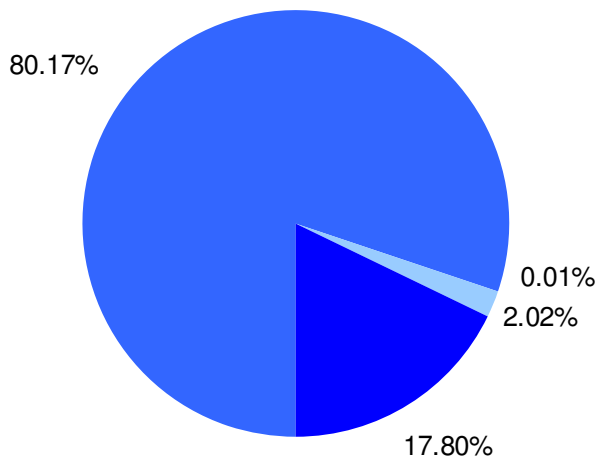
G1 G2 G3 G4



Based on Maximum Generation Capacity

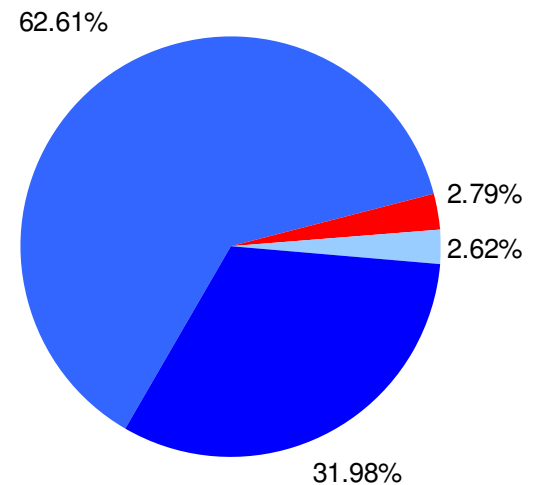
G5 G6 G7

Chart 4: Comparison of Average Market Share by Generation Type Q2 2011



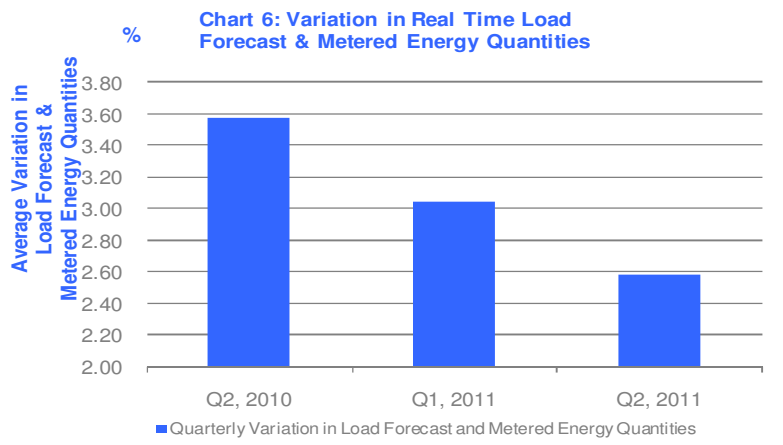
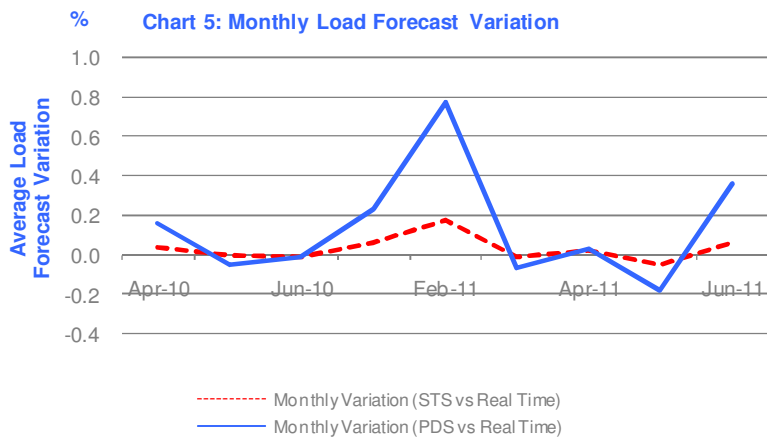
Based on Metered Energy Quantities

Combined Cycle Plant Gas Turbine Others Steam Turbine

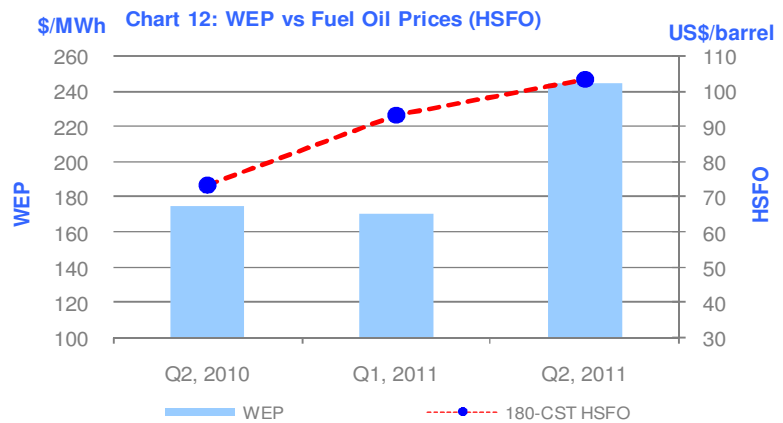
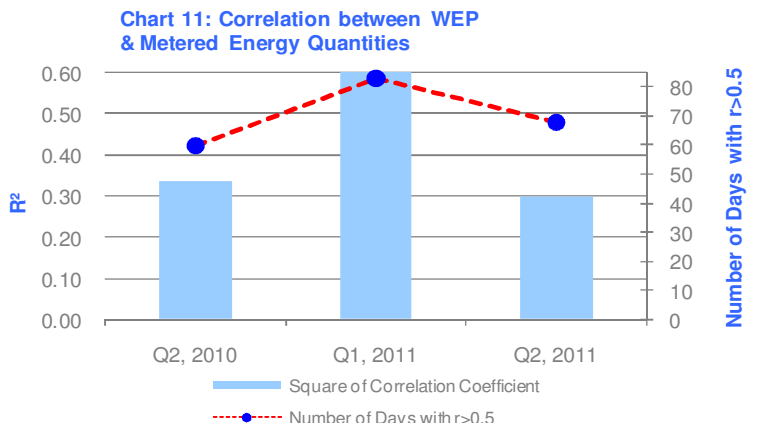
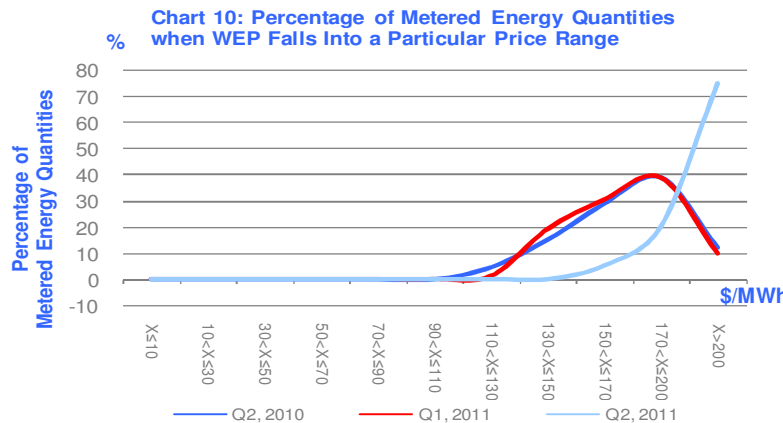
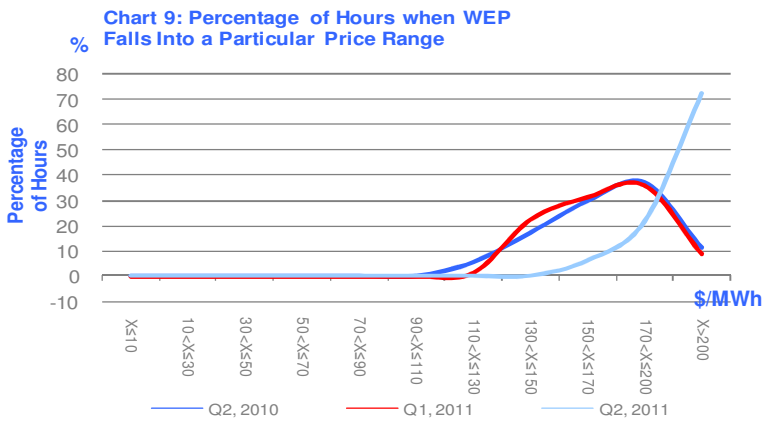
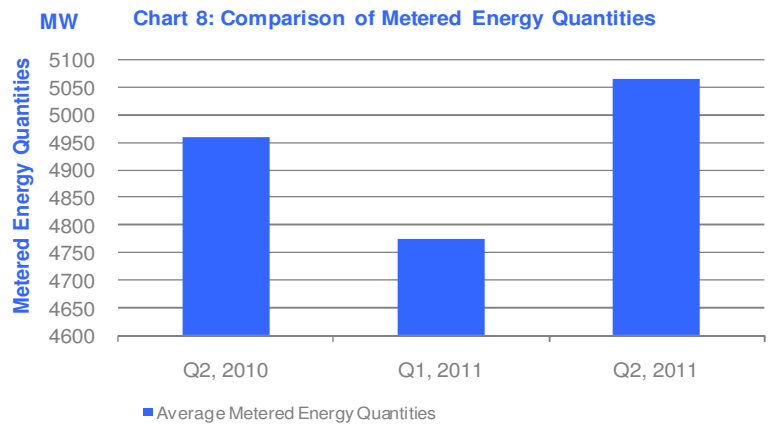
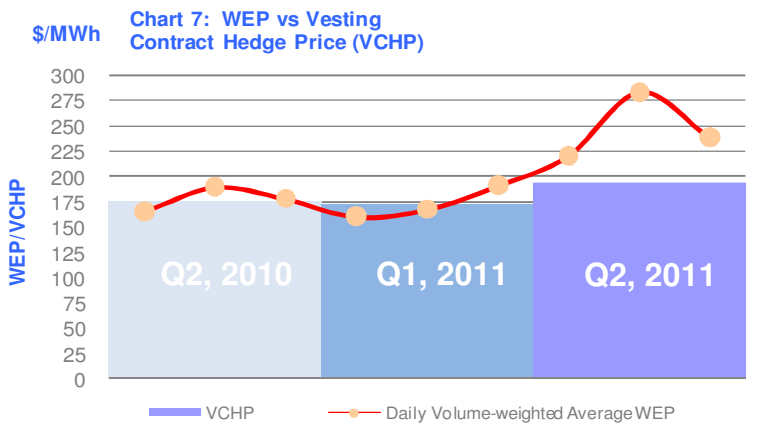


Based on Maximum Generation Capacity

Demand Indicators



Energy Prices



Ancillary Prices

Chart 13: Reserve and Regulation Prices

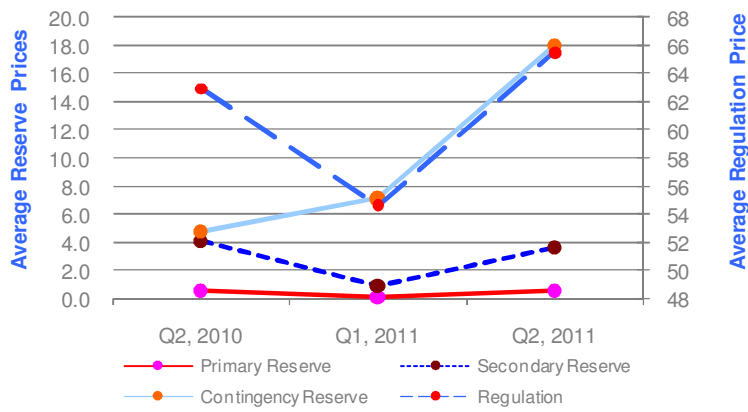


Table 2: Compliance Statistics for Q2 2011

No. of cases of potential rule breaches	284
Self-reports	3
Referrals/Complaints	281
MSCP initiatives	0
No. of determinations	268
Rule breach	1
No rule breach	256
No further action	11
Enforcement	1
No. of cases with enforcement action	
-Financial penalty	0
-Letter of non-compliance	1
Total amount of financial penalties	\$0
Total amount of costs	\$1,300

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.