

Notice of Market Rules Modification

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| Paper No.: | EMC/RCP/59/2012/309 |
| Rule Reference: | Market Rules/Chapter 3 Section 1.1, 7.3 |
| Proposer: | Energy Market Company |
| Date Received by EMC: | 1 December 2011 |
| Category Allocated: | 1 |
| Status: | Approved By EMA |
| Effective Date: | 29 February 2012 |

This paper assesses the proposal to extend the duration for the suspension order hearing conducted by the Market Surveillance and Compliance Panel (MSCP), and to modify other suspension-related clauses in Chapter 3, section 7.3 of the market rules.

Firstly, the MSCP proposed extending the time allocated to conduct and conclude a suspension order hearing (i.e. the suspension order hearing process), from the current 2 business days (BD) to 8BD, with provisions to extend further as required. This increases trading exposure, which translates into significant costs to the market through higher collateral requirements and bank charges. As such, EMC do not support MSCP's proposal completely.

Instead, to lengthen the duration for suspension order hearing without increasing the amount of collateral required, EMC counter-proposes to shorten the default remediation process (from event of default to start of suspension order hearing process) from 4BD to between 2–2.5BD. This will balance the need for a fair judicial process by increasing the duration for suspension order hearing from 2BD to 4BD, without incurring additional costs to the market (since the total duration for default remediation/ suspension order hearing will remain between 6–6.5BD).

Secondly, this paper also examines the proposition that sections 7.3.13 and 7.3.14 impose conflicting obligations on the MSCP when suspending a generation, transmission or market support services licensee. While EMC concludes that there is no apparent conflict, the current drafting of the rules may not be clear as it requires a circular reading of the relevant sections to derive the intended interpretation. Thus, we support refining the rules to clarify that the intent is for the MSCP, under such circumstances, to seek the Authority's approval first, before issuing the said suspension.

Finally, EMC also supports the proposed modification to section 7.3.12, to give the MSCP the discretion to issue other orders in lieu of, or in addition to, a suspension order.

At the 58th RCP Meeting, the RCP by majority vote supported EMC's counterproposal A, unanimously supported proposals B and C, and tasked EMC to draft the relevant rule changes required to implement the proposals.

The proposed rule modifications to implement the RCP's decisions, as set out in Annex 2, were presented at the 59th RCP Meeting. The RCP by majority vote supported the proposed rule modifications to implement Counterproposal A, unanimously supported that for Proposals B and C, and recommends that the EMC Board **adopt** the changes to the Market Rules as set out in **Annex 2**.

Date considered by Rules Change Panel: 09 January 2012

Date considered by EMC Board: 02 February 2012

Date considered by Energy Market Authority: 23 February 2012

Proposed rule modification:

See attached paper.

Reasons for rejection/referral back to Rules Change Panel (if applicable):

PAPER NO. : **EMC/BD/XX/2012/XX**

RCP PAPER NO. : **EMC/RCP/59/2012/RC309**

SUBJECT : **REVIEW OF SUSPENSION ORDER HEARING PROCESS**

FOR : **DECISION**

PREPARED BY : **LOH LUCIA
ECONOMIST, MARKET ADMINISTRATION**

REVIEWED BY : **PAUL POH LEE KONG
SVP, MARKET ADMINISTRATION**

DATE OF MEETING : **2 FEBRUARY 2012**

Executive Summary

This paper assesses the proposal to extend the duration for the suspension order hearing conducted by the Market Surveillance and Compliance Panel (MSCP), and to modify other suspension-related clauses in Chapter 3, section 7.3 of the market rules.

Firstly, the MSCP proposed extending the time allocated to conduct and conclude a suspension order hearing (i.e. the suspension order hearing process), from the current 2 business days (BD) to 8BD, with provisions to extend further as required. This increases trading exposure, which translates into significant costs to the market through higher collateral requirements and bank charges. As such, EMC do not support MSCP's proposal completely.

Instead, to lengthen the duration for suspension order hearing without increasing the amount of collateral required, EMC counter-proposes to shorten the default remediation process (from event of default to start of suspension order hearing process) from 4BD to between 2–2.5BD. This will balance the need for a fair judicial process by increasing the duration for suspension order hearing from 2BD to 4BD, without incurring additional costs to the market (since the total duration for default remediation/ suspension order hearing will remain between 6–6.5BD).

Secondly, this paper also examines the proposition that sections 7.3.13 and 7.3.14 impose conflicting obligations on the MSCP when suspending a generation, transmission or market support services licensee. While EMC concludes that there is no apparent conflict, the current drafting of the rules may not be clear as it requires a

circular reading of the relevant sections to derive the intended interpretation. Thus, we support refining the rules to clarify that the intent is for the MSCP, under such circumstances, to seek the Authority's approval first, before issuing the said suspension.

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The proposed rule modifications to implement the RCP's decisions, as set out in Annex 2, were presented at the 59th RCP Meeting. The RCP by majority vote supported the proposed rule modifications to implement Counterproposal A, unanimously supported that for Proposals B and C, and recommends that the EMC Board **adopt** the changes to the Market Rules as set out in **Annex 2**.

1. Introduction

This paper assesses the proposal to extend the duration for the suspension order hearing conducted by the Market Surveillance and Compliance Panel (MSCP), and to modify other suspension-related clauses in Chapter 3, section 7.3 of the market rules.

2. Background

Following an event of default (as defined in Chapter 3, section 7.3.1), EMC can issue a default notice requiring the market participant to remedy the default within a maximum of 2 business days, failing which EMC would submit a request to the MSCP to suspend the defaulting market participant. Following the receipt of such requests, the MSCP shall conduct and conclude a suspension order hearing within 2 business days. This hearing provides the market participant with an opportunity to show cause as to why a suspension order should not be issued against it.

However, the MSCP considers 2 business days inadequate to conduct and conclude a hearing, and may not do justice to the market participant in view of potentially complex issues and serious consequences.

This issue first surfaced during the 2008 Rules Change Work Plan prioritization exercise. With the recent suspension of a market participant and the prioritisation of this issue in the FY2011/2012 Work Plan, the MSCP has put forth a rules change proposal to finetune the suspension hearing process.

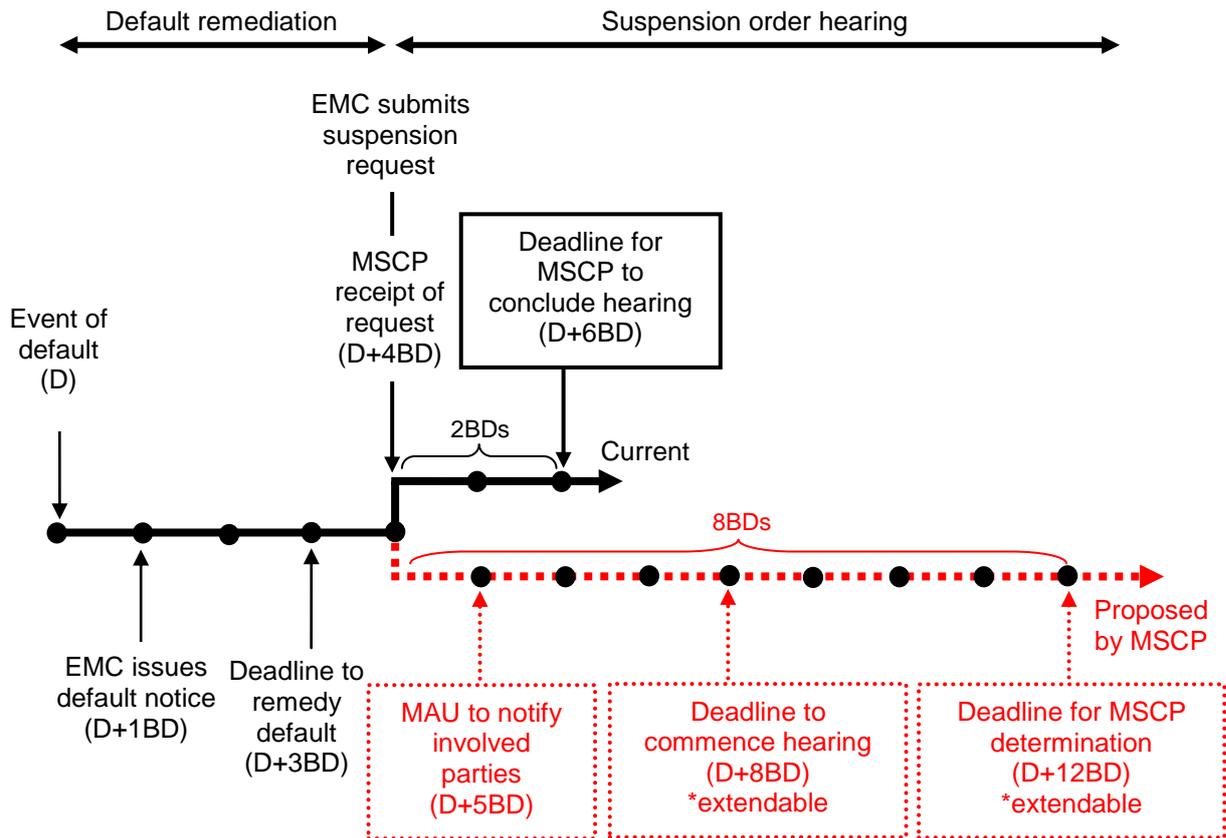
3. Proposal Received

MSCP's rules change request proposes three areas of modification, with their draft rule changes and rationale shown in Annex 1. This section describes the respective proposals.

3.1 MSCP's Proposal A: Extending the Processing Time for Suspension Order Requests

The proposer suggests giving the MSCP more time to conduct the suspension order hearing, with Figure 1 showing the current and proposed timelines.

Figure 1: Timeline for default remediation and suspension order hearing
(Current versus MSCP's Proposal A)



BD: Business days

Default remediation refers to the time from an event of default to the submission of a suspension request, while the suspension order hearing process refers to the duration from MSCP's receipt of such request to the conclusion of the suspension order hearing.

The MSCP proposed the following timelines:

- **1BD** – For the Market Assessment Unit (MAU) to notify involved parties
- **3BD** – For defaulting market participant to prepare its case on why it should not be suspended
- **4BD** – For MSCP to conduct and conclude the hearing

This effectively increases the suspension order hearing process (from request to determination) from 2 to 8 business days, with a further provision to extend the process even longer as required by the MSCP.

3.2 MSCP's Proposal B: Refinements to Sections 7.3.13 and 7.3.14

The MSCP also suggested that there is some conflict in the rules relating to suspension order issues.

They reasoned that Chapter 3, sections 7.3.13 and 7.3.14 of the market rules clearly want the MSCP, when it **intends** to issue a suspension order to a generation, transmission or market support services licensee, to seek the Authority's approval for said suspension.

The reference to section 7.3.12 in the same rules, however, appears to stipulate that this approval should be sought at the time at which the MSCP issues notice of the suspension order, rather than before.

The proposer thus suggests removing from sections 7.3.13 and 7.3.14 the reference to the notice issued in section 7.3.12, since the issuance of a suspension order should take place after the request for approval from the Authority, rather than at the same time.

3.3 MSCP's Proposal C: Refinements to Section 7.3.12

Under Chapter 3 section 7.3.12 of the market rules, upon the conclusion of a suspension order hearing, the MSCP can issue a suspension order **and** make other orders pertaining to the defaulting market participant as it deems appropriate. The proposer suggests modifying the connector "and" (at the end of section 7.3.12.1) to "and/or" to give the MSCP greater flexibility in their determinations.

4. Analysis

This section evaluates each of the three proposals above, together with EMC's recommendations.

4.1 MSCP's Proposal A: Extension of Suspension Order Hearing Process

EMC agrees in principle that a reasonable window for suspension order hearing is important to uphold procedural justice and ensure fairness within the Singapore Wholesale Electricity Market (SWEM). However, it should be balanced against the costs of longer suspension processes. The costs and benefits of MSCP's proposed extension are:

Benefits to the market

- Defaulting market participant is provided with a reasonable timeframe to prepare its case.
- The MSCP can make more informed decisions, leading to better and fairer judicial outcomes.

Costs to the market

- Higher credit support needed.

Prudential requirements in the market rules require net debtors of the wholesale market to provide credit support to cover their trading exposure over the duration of the payment cycle and any default remediation/ suspension processes. As such, credit support values are calculated as:

Credit support value = Average daily exposure (ADE) x 30 days, where 30 days is derived based on a 20-day lag between trading day and payment due date, and a 10-day default remediation/ suspension process¹

MSCP's proposal suggests extending the duration for suspension order hearing by at least 6 business days. The credit support of net debtors would correspondingly have to increase to cover the longer trading exposure during the extended suspension process, or the financial integrity of the wholesale market could be compromised.

Higher credit support adversely affects net debtors through higher bank charges to provide additional collateral (e.g. banker's guarantees). To quantify the impact of the proposal, Table 1 estimates the costs to all net debtors of the wholesale market (typically, retailers and the MSSL), for the corresponding increase in credit support.

Table 1: Costs of providing additional credit support per increase in business days

| Bank charges ² | Additional business day(s) | 1 | 2 | 3 | 4 | 5 | 6 |
|---------------------------|---|-----------|-----------|-----------|-----------|-----------|-----------|
| | Average additional calendar days ³ | 1.5 | 3 | 4.5 | 6 | 7.5 | 9 |
| 0.50% | Total costs to market | \$85,900 | \$171,800 | \$257,700 | \$343,600 | \$429,500 | \$515,400 |
| 0.60% | | \$103,100 | \$206,200 | \$309,200 | \$412,300 | \$515,400 | \$618,500 |
| 0.70% | | \$120,300 | \$240,500 | \$360,800 | \$481,100 | \$601,300 | \$721,600 |

Note: Figures calculated using the average ADE (\$\$11.45 million) of net debtors of the SWEM in July 2011, rounded to the nearest hundred.

Recommendation

Table 1 above shows the costs of extending the duration for suspension order hearing. MSCP's proposal to extend the suspension order hearing duration by 6 business days (or approximately 9 calendar days) translates into an additional \$515.4k-\$721.6k in bank charges.

In view of the significant costs to the market, EMC do not recommend lengthening the duration of trading exposure, from default to conclusion of hearing, beyond the 6 business days currently.

¹ The current default remediation and suspension order hearing process take 6 business days in total, which translates into 8 to 12 calendar days depending on weekends/public holidays. The credit support calculation thus assumes an average of 10 calendar days.

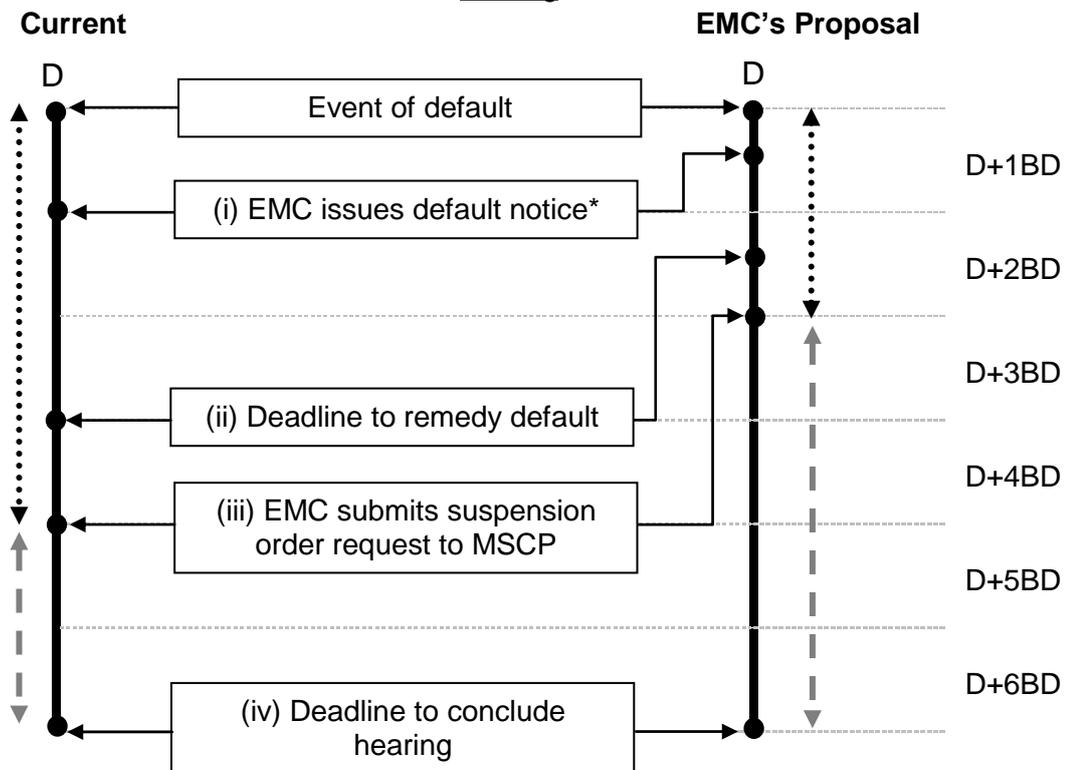
² A previous survey of market participants (reported in RCP paper no. EMC/RCP/44/2009/CP18: Shortening of settlement cycle) found that retailers faced bank charges of between 0.48% and 0.75% for banker's guarantee charges. Hence, this analysis assumes bank charges of 0.5% to 0.7%. Source: http://www.emcsg.com/f316,9631/CP18_RCP_TLC_Settlement_Shortening.pdf

³ An increase of 6 business days typically corresponds to 8-10calendar days (CD) (in the absence of public holidays). Hence, extending the suspension process by 6BDs requires an average of 9 extra CDs of trading exposure coverage. This works out to 1.5CDs per BD.

4.1.1 EMC’s Counterproposal to Proposal A

However, there is scope to grant the MSCP more time to conduct the suspension order hearing while ringfencing the amount of collateral required, by shortening the default remediation process. Thus, EMC suggests a counterproposal as graphically depicted in Figure 2. The corresponding changes in time allocation for default remediation/ suspension order hearing is also summarised in Table 2, together with the affected rules arising from EMC’s proposal.

Figure 2: EMC’s proposed change in timeline for default remediation/ suspension order hearing



Note: Dotted double arrows represent the default remediation process
 Dashed double arrows represent the suspension order hearing process
 * For the best case scenario of a straightforward default case. For more complex cases, EMC may take up to 1BD to issue the suspension notice, in which case the whole suspension hearing process is extended to 6.5BD.

Table 2: Summary of EMC's proposed changes and affected rules

| Process | Event | Original time allocated | Revised time allocated (EMC's Proposal) | Affected rules |
|---------------------|--|-------------------------|---|-------------------------------|
| Default remediation | (i) Issuance of default notice (by EMC)* | 1 BD (at D+1BD) | 0.5–1 BD [^] (at D+0.5/1BD) | |
| | (ii) Deadline to remedy default (by defaulting market participant) | 2 BD (at D+3BD) | 1 BD (at D+1.5/2BD) | MR, Chapter 3 section 7.3.3.1 |
| | (iii) Request for suspension order (by EMC)* | 1 BD (at D+4BD) | 0.5 BD (at D+2/2.5BD) | |
| Suspension hearing | (iv) Conduct and conclude hearing (by MSCP) | 2 BD (at D+6BD) | 4 BD (at D+6/6.5BD) | MR, Chapter 3 section 7.3.11 |

* The timelines for events (i) and (iii) are not explicitly spelt out in the Market Rules.

[^] A buffer is proposed as default cases can vary in complexity. Default notices for straightforward default cases could reasonably be issued by 0.5BD, while for complex cases EMC has up to 1BD to verify the facts before issuing a default notice.

Analysis of EMC's Proposal

Reducing the time allocated for event (iii) of Table 2 imposes stricter time obligations on EMC to submit suspension order requests.

Meanwhile, reducing the time allocated for event (ii) requires defaulting market participants to remedy their default within a shorter window. To assess if this reduction is reasonable, we analyse the 16 different events of default (specified in Chapter 3, section 7.3.1), which can be broadly categorized into the four clusters in Table 3.

Table 3: Categorisation of events of default

| Default type | Description | Market Rules (Chapter 3) |
|----------------------------|--|--|
| Financial | Failure or inability to make payment or provide additional credit support when due | Sections 7.3.1.1, 7.3.1.2, 7.3.1.3, 7.3.1.5 |
| | Bankruptcy, liquidation or insolvency of market participant or credit support provider | Sections 7.3.1.7, 7.3.1.8, 7.3.1.9, 7.3.1.10, 7.3.1.11, 7.3.1.12, 7.3.1.13, 7.3.1.14 |
| Legal | Compliance with obligations become unlawful | Section 7.3.1.4 |
| Licensing and Registration | Suspension or revocation of license, permit or other authorisation required | Section 7.3.1.6 |
| | Cessation to satisfy market participation registration requirements | Section 7.3.1.15 |
| Compliance | Failure to comply with enforcement instructions following a rule breach | Section 7.3.1.16 |

The default events above pertain to situations which could either be duly resolved within 1 business day (e.g. certain financial defaults) or are of such gravity that it would not be resolved in 2 business days in any case (e.g. Legal, Licensing and Registration, Compliance). Thus, EMC recommends requiring defaulting market participants to remedy their default within 1 business day instead of 2 business days. Moreover, since defaulting market participants could still have a chance to remedy their default during the suspension order hearing process, the adverse impact of this reduction is attenuated.

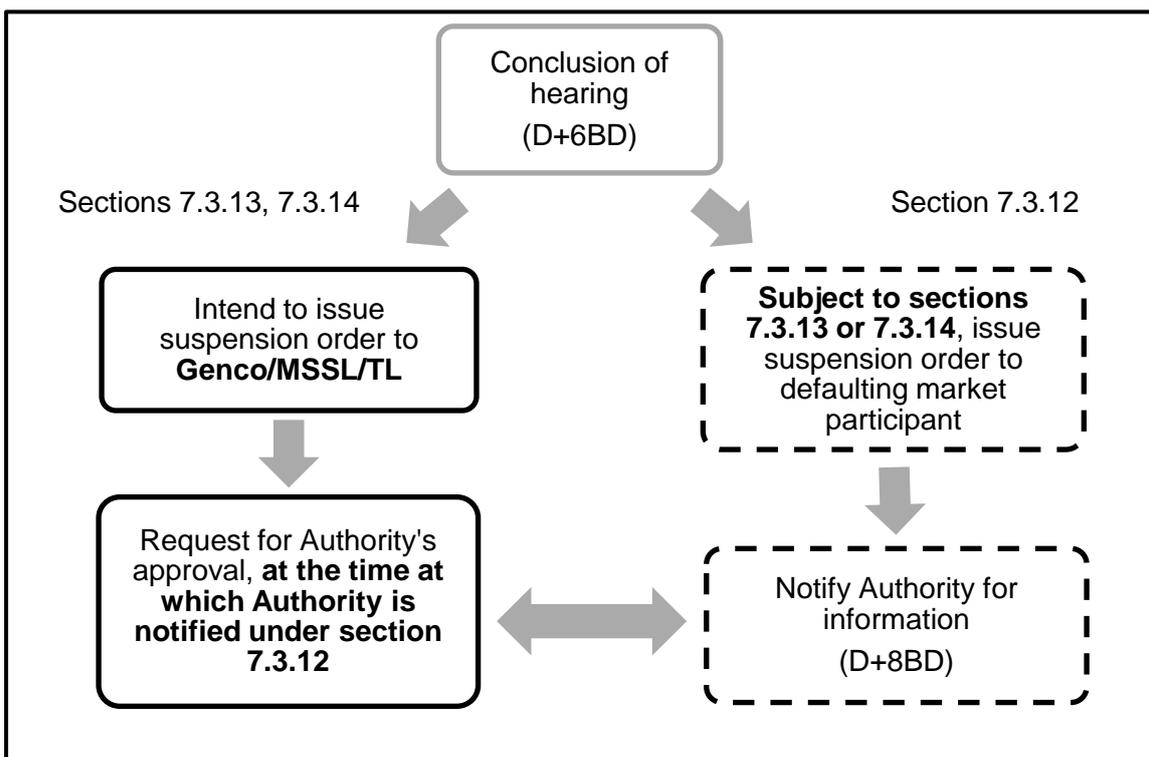
Additionally, we do not support MSCP’s recommendation to specify the time allocated for each stage of the suspension order hearing process. This is to accord the MSCP with maximum flexibility in apportioning the time as they deem fit for each suspension order hearing.

Overall, the merit of EMC’s proposal lies in balancing the needs for a fair judicial process (increasing the duration which MSCP has for suspension order hearing from 2 to 4 business days) without incurring additional costs to the market. Though the total duration for default remediation/ suspension order hearing would now range between 6 to 6.5 business days, EMC recommends that credit support values (computed assuming a 6BD suspension order hearing process) remain unchanged.

4.2 MSCP’s Proposal B: Refinement to Chapter 3, Section 7.3.13 and 7.3.14

The rules relating to the issue of suspension orders can be illustrated using Figure 3.

Figure 3: Market rules (Chapter 3) regarding issuance of suspension order



At the conclusion of a suspension order hearing at D+6BD, if the MSCP intends to suspend a genco, MSSL or TL, it has to first seek the Authority's approval at, say, D+7BD. It is only with the approval of the Authority that the MSCP can proceed with issuing the suspension order say, at D+8BD.

The current phrasing of the rules appear to require the MSCP to seek the Authority's approval (at D+7BD) at the same time that it notifies the Authority that it has issued a suspension order (i.e., at D+8BD). However, since **section 7.3.12 is subject to sections 7.3.13 or 7.3.14**, there is no conflict and together, the rules should be interpreted as allowing the MSCP to issue the suspension order **only after** receiving the Authority's approval.

EMC agrees that the current drafting of the rules could be clearer as it requires a circular reading of the relevant sections to derive the intended interpretation. Thus, we support refining these sections to clarify the meaning of the rules.

4.3 MSCP's Proposal C: Refinement to Chapter 3, Section 7.3.12

Noting the use of the permissive form ("may") in section 7.3.12 of Chapter 3 to provide the MSCP with autonomy in its determinations, the proposed modification is in line with such intention. The change to "and/or" will clarify that the panel has the discretion to issue other orders as it considers appropriate, whether in lieu of a suspension order or in addition to one. Given this congruency, EMC supports the change.

5. Conclusion

The issues examined in this paper are summarised in Table 4 below.

Table 4: Summary of issues examined in this paper

| Market rules | Issue | MSCP's Proposal | EMC's views and recommendations |
|---------------------------------------|---|---|---|
| Chapter 3, Section 7.3.11 | 2 business days for suspension order hearing is insufficient | Extend duration for suspension order hearing to 8 business days, and can be extended by MSCP if required | Proposal may impose significant costs in bank charges, or otherwise, threaten the financial integrity of the market Recommends to shorten default remediation process by 1.5–2BD, while lengthening the time allocated for suspension order hearing from 2BD to 4BD |
| Chapter 3, Sections 7.3.13 and 7.3.14 | Rules present conflicting obligations as the MSCP is required to seek the Authority's approval at the same time that it issues the suspension order | Remove the reference to section 7.3.12, so that it becomes clearer that MSCP will issue suspension order after seeking Authority's approval. | No conflict, but current drafting of rules require circular reading to derive the intended interpretation Supports MSCP's proposal as it clarifies the obligations of the MSCP |
| Chapter 3, Section 7.3.12 | The connector "and" at the end of section 7.3.12.1 may prevent the issuing of other orders in lieu of a suspension order | Replace "and" with "and/or" | Supports MSCP's proposal as it will give the MSCP greater flexibility in determination |

6. Consultation (Concept paper)

We published the concept paper for consultation on 20 September 2011, and received the following feedback from the MSCP and SP Services:

Comments from the MSCP

While appreciating EMC's rationale and analysis, the MSCP nevertheless maintains its original proposal. The level of trade-off between cost and benefit arising from this proposal is a matter for the market to collectively decide. In the MSCP's view, EMC's recommendation of a 4 business day provision to initiate and conclude a suspension order hearing may be insufficient for default cases that involve complex questions of law and fact. Drawing from its experience of carrying out the suspension process for the first time in Feb-Mar 2011, the MSCP concludes that such complex questions cannot be ruled out. The MSCP would like to register this view with the Rules Change Panel and stakeholders in the wholesale electricity market.

EMC's response

We note the MSCP's comments. While there are always possibilities that any given deadline is inadequate, additional costs should not be imposed on the market without sufficient justification of such possibilities. Thus EMC do not recommend extending the suspension order hearing process beyond 4 business days.

Comments from SP Services

On MSCP's proposal of extending the total time to conclude a suspension order hearing process of 6BD, based on MSSL's daily average exposure of \$9.7M⁴, the corresponding increase in cost of credit support for MSSL will increase by between \$72K and \$609K per annum⁵, depending on the length of extension. Therefore, MSSL does not support this extension in view of the significant cost impact.

MSSL also does not support EMC's proposal to shorten the deadline for market participants to remedy a default from 2 business days to 1 business day. In order to be able to provide a remedy for financial defaults within 1 business day instead of the current 2 business days as MSSL will need to incur higher interest expenses to keep a higher level of standby credit lines.

In addition, as stated by EMC, the current allocated 2 business days is already not sufficient to remedy a default of a more complex nature, such as legal, licensing and registration, compliance etc. In reducing this timeline further, it further exacerbates the already tight deadline.

EMC's response

Since payment from net debtors is due only 20 calendar days after a trading day, market participants should already have more than enough time to source for credit to meet their financial obligations without incurring a default in the first place. Moreover, if defaulting market participants are unable to meet the deadline of 1 business day, they could still

⁴ Based on daily trading exposure between 1 September 2011 to 28 September 2011

⁵ Based on bank charges ranging from 0.5% to 0.7% P.A. for banker's guarantees

remedy the default during the suspension order hearing process. Thus, EMC is of the view that 1 business day for default remediation is adequate.

Comments from SP Services

MSSL suggests that should EMC wish to lengthen the time allocated to the MCSP to conduct and conclude a suspension order hearing, EMC could consider extending the timeframe allocated to event (iv), of Table 2, without the shortening of deadline to issue a remedy for default. In order to mitigate the wholesale market credit risk, EMC could consider imposing a higher credit support level to the defaulting market participant in question the moment a notice of default is issued. Therefore, a higher credit support level need not be imposed on the entire market.

EMC's response

The current credit support requirement takes into account the market participant's trading exposure over a 20-day settlement cycle and a 10-day default remediation/suspension order hearing process period. To preserve the financial integrity of the market, net debtors of SWEM are required to provide adequate collateral to cover their potential exposure over 30 days.

EMC disagrees with the proposal to require more credit support from a market participant only after it had defaulted. This is because by the time the market participant has defaulted, it would likely have insufficient financial resources to put up additional credit support. This, if coupled with a lengthy suspension order hearing process, would expose the market to unnecessary settlement risks.

Comments from SP Services

With regard to the proposed modification of the Market Rules to improve clarity, MSSL agrees that the market rules should be interpreted that Energy Market Authority's approval needs to be given before a Genco, MSSL or TL is suspended. Therefore, MSSL supports the proposal to clarify the market rules as such.

EMC's response

We note SP Services' concurrence with our recommendation for Proposal B.

7. Consultation (Proposed rule changes)

The proposed rule changes as set out in Annex 2 were published for consultation on 2 December 2011, and no feedback was received.

8. Decisions at RCP Meetings

At the **58th RCP meeting**, the RCP supported the three aforementioned proposals, and tasked EMC to draft the relevant rule changes.

The details of the decisions are as follows:

Proposal A/ Counterproposal A

Those who voted not to support both Proposal A and Counterproposal A:

1. Mr. Lawrence Lee Representative of Market Support Services Licensee

Those who voted in support of Counterproposal A:

1. Mr. Daniel Lee Representative of Generation Licensee
2. Mr. Luke Peacocke Representative of Generation Licensee
3. Mr. Philip Tan Representative of Generation Licensee
4. Mr. Sean Chan Representative of Retail Electricity Licensee
5. Mr. Dallon Kay Representative of the Wholesale Electricity Market Trader
6. Dr Goh Bee Hua Representative of Consumers of Electricity in Singapore
7. Mr. Robin Langdale Person experienced in Financial Matters in Singapore

Those who abstained:

1. Mr. Chan Hung Kwan Representative of Transmission Licensee
2. Mr. Michael Lee Representative of Consumers of Electricity in Singapore

Thus, the RCP by majority vote **supported** extending the suspension order hearing process to 4BD, while reducing the deadline to remedy default after the issue of a default notice to 1BD.

Proposals B and C

The RCP unanimously **supported** Proposals B and C.

At the **59th RCP Meeting**, the proposed rule modifications reflecting the RCP's decisions above (in support of Counterproposal A, Proposals B and C) were presented and put to a vote. The details of the votes are as follow:

Those who voted to support all three proposals:

1. Mr. Toh Seong Wah Representative of EMC
2. Mr. Luke Peacocke Representatives of Generation Licensee
3. Mr. Sean Chan Representatives of Retail Electricity Licensee
4. Mr. Michael Wong Representatives of Retail Electricity Licensee
5. Mr. Dallon Kay Representative of Wholesale Electricity Trader
6. Mr. Philip Tan Person experienced in Financial Matters in Singapore
7. Dr. Toh Mun Heng Representative of Consumers of Electricity in Singapore
8. Mr. Low Cheong Kee Representative of Consumers of Electricity in Singapore

Those who voted not to support Counterproposal A, but support Proposals B and C:

1. Mr. Lawrence Lee Representative of the market support services licensees

Those who abstained:

1. Mr. Koe Pak-Juan Representatives of Generation Licensee
2. Mr. Chan Hung Kwan Representative of Transmission Licensee

Hence, the RCP **by majority vote supported** the proposed rule modifications to implement Counterproposal A, and **unanimously supported** the proposed rule modifications to implement Proposals B and C, as set out in Annex 2.

9. Impact on market systems

There is no impact on market systems.

10. Legal sign-off

The text of the rule modifications has been vetted by EMC's external legal counsel, whose opinion is that the modifications reflect the intent of the rule modification proposal as expressed in the third column of the table in Annex 2.

11. Recommendations

The RCP recommends that the EMC Board:

- a) **adopt** the rule modification proposal as set out in **Annex 2**;
- b) **seek** EMA's approval of the rule modification proposal as set out in Annex 2; and
- c) **recommend** that the rule modifications come into force **one business day** after the date of which the approval of the Authority is published by the EMC.

Annex 1 – Rules change proposal submitted by the MSCP

| Existing Market Rules | MSCP's Proposed Rule Changes (Deletions represented by strikethrough text and additions represented by double-underlined text) | MSCP's rationale |
|--|---|---|
| <u>CHAPTER 3</u> | <u>CHAPTER 3</u> | |
| <p>7.3.11 The <i>market surveillance and compliance panel</i> shall, within 2 <i>business days</i> of the date of receipt of the request for a <i>suspension order</i>, conduct and conclude a hearing providing the <i>market participant</i> with a reasonable opportunity to show cause as to why a <i>suspension order</i> should not be issued against it. In such case, the <i>market surveillance and compliance panel</i> shall not issue the <i>suspension order</i> until such reasonable opportunity has been provided.</p> | <p><u>7.3.11</u> <u>The <i>market surveillance and compliance panel</i> shall,</u></p> <p>7.3.11.1 The <i>market surveillance and compliance panel</i> shall, within <u>2</u> <u>1</u> <i>business days</i> of the date of receipt of the request for a <i>suspension order</i>, <u>issue a notice requesting the EMC and the market participant, to attend conduct and conclude a hearing, such notice to provide</u> providing the <i>market participant</i> with a reasonable opportunity to show cause as to why a <i>suspension order</i> should not be issued against it. In such case, the market surveillance and compliance panel shall not issue the suspension order until such reasonable opportunity has been provided.</p> | <p>While preserving the financial integrity of the wholesale electricity market by swiftly concluding a suspension hearing is important, it should be balanced against making an informed decision that is fair and equitable to the DMP.</p> <p>The 2 BD deadline provided in section 7.3.11 may not provide reasonable opportunity for DMP to prepare its case to show cause as to why a suspension order should not be issued against it.</p> <p>In addition, the MSCP may require time to deliberate the submissions made by the EMC and the DMP during the suspension hearing. Time is also required to write its determination.</p> |
| New section | <p><u>7.3.11.2</u> <u>within 3 <i>business days</i> of the date of the above notice or within such extended period as the market surveillance and compliance panel may determine,</u></p> | <p>Proposed Changes:</p> <p>One business day is provided for</p> |

| Existing Market Rules | MSCP's Proposed Rule Changes (Deletions represented by strikethrough text and additions represented by double-underlined text) | MSCP's rationale |
|--|--|--|
| | <p><u>commence the hearing and provide a reasonable opportunity to the market participant to show cause against a suspension order, and conclude it within 4 business days or such extended period as the market surveillance and compliance panel may determine.</u></p> | <p>MAU to give notice to all parties involved.</p> <p>Three business days to give reasonable time for the DMP to prepare its case before the conduct of the hearing. The MSCP may extend this period if required.</p> <p>Up to four business days are given to the MSCP to conclude the hearing.</p> |
| <p>7.3.13 Where the <i>market surveillance and compliance panel</i> intends to issue a <i>suspension order</i> to a <i>market participant</i> that is a <i>generation licensee</i>, the <i>market surveillance and compliance panel</i> shall, at the time at which it provides the notice to the <i>Authority</i> referred to in section 7.3.12, request that the <i>Authority</i> take action, which may include applying to the Minister responsible for the <i>Electricity Act</i> for the issuance of a special administration order under section 29(1)(a) of the <i>Electricity Act</i> in relation to the <i>market participant</i>, to ensure that all outstanding and future financial and other obligations and liabilities of the <i>market participant</i> under the <i>market rules, market manuals</i> and the <i>system operation manual</i> will be met.</p> <p>...</p> | <p>7.3.13 Where the <i>market surveillance and compliance panel</i> intends, <u>at the conclusion of a hearing,</u> to issue a <i>suspension order</i> to a <i>market participant</i> that is a <i>generation licensee</i>, the <i>market surveillance and compliance panel</i> shall, at the time at which it provides the notice to the Authority referred to in section 7.3.12, request that the <i>Authority</i> take action, which may include applying to the Minister responsible for the <i>Electricity Act</i> for the issuance of a special administration order under section 29(1)(a) of the <i>Electricity Act</i> in relation to the <i>market participant</i>, to ensure that all outstanding and future financial and other obligations and liabilities of the <i>market participant</i> under the <i>market rules, market manuals</i> and the <i>system operation manual</i> will be met.</p> <p>...</p> | <p>The “notice” found in the statement “at the time at which it provides the notice to the Authority referred to in section 7.3.12” in section 7.3.13 apparently refers to the notice given by the MSCP that it has issued a suspension order to a Market Participant.</p> <p>However, Section 7.3.13 clearly intended for the MSCP to first seek the approval of the Authority before issuing any suspension order to a market participant that is a Generation Licensee. Therein lies the conflict.</p> <p>The proposed change is to delete the conflicting statement.</p> |

| Existing Market Rules | MSCP's Proposed Rule Changes (Deletions represented by strikethrough text and additions represented by double-underlined text) | MSCP's rationale |
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| <p>7.3.14 Where the <i>market surveillance and compliance panel</i> intends to issue a <i>suspension order</i> to the <i>transmission licensee</i> or a <i>market support services licensee</i>, the <i>market surveillance and compliance panel</i> shall, at the time at which it provides the notice to the <i>Authority</i> referred to in section 7.3.12, request that the <i>Authority</i> take action, which may include applying to the Minister responsible for the <i>Electricity Act</i> for the issuance of a special administration order under section 29(1)(a) of the <i>Electricity Act</i> in relation to the <i>transmission licensee</i> or the <i>market support services licensee</i>, as the case may be, to ensure that all outstanding and future financial and other obligations of the <i>transmission licensee</i> or the <i>market support services licensee</i> under the <i>market rules</i>, <i>market manuals</i> and the <i>system operation manual</i> will be met.</p> <p>...</p> | <p>7.3.14 Where the <i>market surveillance and compliance panel</i> intends, <u>at the conclusion of a hearing</u>, to issue a <i>suspension order</i> to the <i>transmission licensee</i> or a <i>market support services licensee</i>, the <i>market surveillance and compliance panel</i> shall, at the time at which it provides the notice to the Authority referred to in section 7.3.12, request that the <i>Authority</i> take action, which may include applying to the Minister responsible for the <i>Electricity Act</i> for the issuance of a special administration order under section 29(1)(a) of the <i>Electricity Act</i> in relation to the <i>transmission licensee</i> or the <i>market support services licensee</i>, as the case may be, to ensure that all outstanding and future financial and other obligations of the <i>transmission licensee</i> or the <i>market support services licensee</i> under the <i>market rules</i>, <i>market manuals</i> and the <i>system operation manual</i> will be met.</p> <p>...</p> | <p>Same as above</p> |
| <p>7.3.12 Upon conclusion of the hearing referred to in section 7.3.11, the <i>market surveillance and compliance panel</i> may:</p> <p>7.3.12.1 subject to section 7.3.13 or 7.3.14, issue a <i>suspension order</i> to the <i>market participant</i> suspending or restricting all or any of the <i>market participant's</i> rights to participate in the <i>wholesale electricity markets</i> or to cause or permit a <i>physical service</i> to be conveyed into,</p> | <p>7.3.12 Upon conclusion of the hearing referred to in section 7.3.11, the <i>market surveillance and compliance panel</i> may, <u>subject to section 7.3.13 or 7.3.14:</u></p> <p>7.3.12.1 subject to section 7.3.13 or 7.3.14, issue a <i>suspension order</i> to the <i>market participant</i> suspending or restricting all or any of the <i>market participant's</i> rights to participate in the <i>wholesale electricity markets</i> or</p> | <p>The term “and” at the end of section 7.3.12.1 prevents the MSCP from issuing other orders in lieu of a suspension order. We believe the intent of the rules is for the MSCP to, if it deems appropriate, issue any other such order without issuing a suspension order.</p> <p>The proposed change gives the MSCP other options in lieu of a</p> |

| Existing Market Rules | MSCP's Proposed Rule Changes (Deletions represented by strikethrough text and additions represented by double-underlined text) | MSCP's rationale |
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| <p>through or out of the <i>transmission system</i>; and</p> <p>7.3.12.2 make such other order as the <i>market surveillance and compliance panel</i> considers appropriate in order to preserve the financial integrity of the <i>wholesale electricity markets</i> in the event that the <i>market participant's</i> rights to participate in the <i>wholesale electricity markets</i> or to cause or permit a <i>physical service</i> to be conveyed into, through or out of the <i>transmission system</i> are not suspended or restricted,</p> <p>...</p> | <p>to cause or permit a <i>physical service</i> to be conveyed into, through or out of the <i>transmission system</i>; and <u>or</u></p> <p>7.3.12.2 make such other order as the <i>market surveillance and compliance panel</i> considers appropriate in order to preserve the financial integrity of the <i>wholesale electricity markets</i> in the event that the <i>market participant's</i> rights to participate in the <i>wholesale electricity markets</i> or to cause or permit a <i>physical service</i> to be conveyed into, through or out of the <i>transmission system</i> are not suspended or restricted,</p> <p>...</p> | <p>suspension order.</p> |

Annex 2 – Proposed rule modifications

| Existing Market Rules (1 January 2011) | Proposed Rule Changes (Deletions represented by strikethrough text and additions represented by double-underlined text) | Reasons for Rule Change |
|---|---|--|
| <u>CHAPTER 3</u> | <u>CHAPTER 3</u> | |
| <p>1.1 SCOPE OF CHAPTER AND INTERPRETATION</p> <p>1.1.1 This Chapter sets forth: ... 1.1.1.8 the circumstances that are considered to be events of default and warrant the imposition of a <i>suspension, termination or revocation order</i> by the <i>market surveillance and compliance panel</i>.</p> | <p>1.1 SCOPE OF CHAPTER AND INTERPRETATION</p> <p>1.1.1 This Chapter sets forth: ... 1.1.1.8 the circumstances that are considered to be events of default <u>events of default</u> and warrant the imposition of a <i>suspension, termination or revocation order</i> by the <i>market surveillance and compliance panel</i>.</p> | <p>To italicise the phrase “events of default”.</p> |
| <p>7.3 SUSPENSION ORDERS</p> <p>7.3.3 Where an <i>event of default</i> has occurred in relation to a <i>market participant</i>, the <i>EMC</i> shall take one or more of the following actions:</p> <p>7.3.3.1 issue to the <i>market participant</i> a <i>default notice</i> specifying the alleged <i>event of default</i> and requiring the <i>market participant</i> to remedy the default within such time as may be specified in the <i>default notice</i>, which time shall not be more than <i>2 business days</i>; or ...</p> | <p>7.3 SUSPENSION ORDERS</p> <p>7.3.3 Where an <i>event of default</i> has occurred in relation to a <i>market participant</i>, the <i>EMC</i> shall take one or more of the following actions:</p> <p>7.3.3.1 issue to the <i>market participant</i> a <i>default notice</i> specifying the alleged <i>event of default</i> and requiring the <i>market participant</i> to remedy the default <u>event of default</u> within such time as may be specified in the <i>default notice</i>, which time shall not be more than <u>1</u>2 <i>business days</i>; or ...</p> | <p>To reduce the maximum time for the market participant to remedy an event of default from 2 business days to 1 business day after the issuance of a default notice by the EMC.</p> <p>To change the reference to “default” to the “event of default” for consistency with the rest of section 7.3.</p> |

| Existing Market Rules (1 January 2011) | Proposed Rule Changes (Deletions represented by strikethrough text and additions represented by double-underlined text) | Reasons for Rule Change |
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| <p>7.3.4 ...</p> <p>7.3.4.2 of the time within which the <i>market participant</i> may remedy the default as specified in the <i>default notice</i>;</p> <p>7.3.4.3 where the default specified in the <i>default notice</i> has been remedied by the <i>market participant</i>, of the fact and outcome of such remedy.</p> | <p>7.3.4 ...</p> <p>7.3.4.2 of the time within which the <i>market participant</i> may remedy the default <u>event of default</u> as specified in the <i>default notice</i>;</p> <p>7.3.4.3 where the default <u>event of default</u> specified in the <i>default notice</i> has been remedied by the <i>market participant</i>, of the fact and outcome of such remedy.</p> | <p>To change the reference to “default” to the “event of default” for consistency with the rest of section 7.3.</p> |
| <p>7.3.6 ...</p> <p>7.3.6.1 paying all monies due for payment by it under the <i>market rules</i>, together with any <i>default interest</i> calculated in accordance with Chapter 7 and any costs and expenses determined by the <i>EMC</i> to have been incurred by it by reason of the default; and</p> <p>...</p> | <p>7.3.6 ...</p> <p>7.3.6.1 paying all monies due for payment by it under the <i>market rules</i>, together with any <i>default interest</i> calculated in accordance with Chapter 7 and any costs and expenses determined by the <i>EMC</i> to have been incurred by it by reason of the default <u>event of default</u>; and</p> <p>...</p> | <p>To change the reference to “default” to the “event of default” for consistency with the rest of section 7.3.</p> |
| <p>7.3.10 ...</p> <p>If an <i>event of default</i> is not remedied within the time specified in the <i>default notice</i> or within such longer period as may be agreed to in writing by the <i>EMC</i>, the <i>EMC</i> shall:</p> | <p>7.3.10 ...</p> <p>If an <i>event of default</i> is not remedied within the time specified in the <i>default notice</i> or within such longer period as may be agreed to in writing by the <i>EMC</i>, the <i>EMC</i> shall:</p> | <p>To remove the phrase in section 7.3.10 providing that a longer period may be agreed to in writing by the <i>EMC</i> for the remedy of an</p> |

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| 7.3.10.1 if it has not already done so, make claim upon all <i>credit support</i> held in respect of the defaulting <i>market participant</i> ; and ... | 7.3.10.1 if it has not already done so, make claim upon all <i>credit support</i> held in respect of the defaulting <i>market participant</i> ; and ... | event of default. To delete the word “defaulting” for consistency with the rest of section 7.3. |
| 7.3.11 The <i>market surveillance and compliance panel</i> shall, within 2 <i>business days</i> of the date of receipt of the request for a <i>suspension order</i> , conduct and conclude a hearing providing the <i>market participant</i> with a reasonable opportunity to show cause as to why a <i>suspension order</i> should not be issued against it. ... | 7.3.11 The <i>market surveillance and compliance panel</i> shall, within 2 <u>4</u> <i>business days</i> of the date of receipt of the request for a <i>suspension order</i> <u>to be issued to a <i>market participant</i></u> , conduct and conclude a hearing providing the <i>market participant</i> with a reasonable opportunity to show cause as to why a <u>the</u> <i>suspension order</i> should not be issued against it. ... | To lengthen the time allowed for the market surveillance and compliance panel (“MSCP”) to conduct and conclude the hearing under this section 7.3.11 from 2 business days to 4 business days of date of receipt of the request for a suspension order. To make clear that the request for issuance of the suspension order is specific to the market participant to whom a reasonable opportunity to show cause is to be provided. |
| 7.3.12 Upon conclusion of the hearing referred to in section 7.3.11, the <i>market surveillance and compliance panel</i> may: | 7.3.12 Upon conclusion of the hearing referred to in section 7.3.11, the <i>market surveillance and compliance panel</i> may: | |

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| <p>7.3.12.1 subject to section 7.3.13 or 7.3.14, issue a <i>suspension order</i> to the <i>market participant</i> suspending or restricting all or any of the <i>market participant's</i> rights to participate in the <i>wholesale electricity markets</i> or to cause or permit a <i>physical service</i> to be conveyed into, through or out of the <i>transmission system</i>; and</p> <p>7.3.12.2 make such other order as the <i>market surveillance and compliance panel</i> considers appropriate in order to preserve the financial integrity of the <i>wholesale electricity markets</i> in the event that the <i>market participant's</i> rights to participate in the <i>wholesale electricity markets</i> or to cause or permit a <i>physical service</i> to be conveyed into, through or out of the <i>transmission system</i> are not suspended or restricted,</p> <p>and shall notify the <i>market participant</i>, the <i>EMC</i>, the <i>PSO</i>, the <i>transmission licensee</i>, the <i>Authority</i> and, where the <i>market participant</i> is a contestable <i>consumer</i> or <i>retail electricity licensee</i>, the applicable <i>market support services licensee</i> accordingly.</p> | <p>7.3.12.1 subject to section 7.3.13 or 7.3.14, issue a <i>suspension order</i> to the <i>market participant</i> suspending or restricting all or any of the <i>market participant's</i> rights to participate in the <i>wholesale electricity markets</i> or to cause or permit a <i>physical service</i> to be conveyed into, through or out of the <i>transmission system</i>; and</p> <p>7.3.12.2 make such other order as the <i>market surveillance and compliance panel</i> considers appropriate in order to preserve the financial integrity of the <i>wholesale electricity markets</i> in the event that the <i>market participant's</i> rights to participate in the <i>wholesale electricity markets</i> or to cause or permit a <i>physical service</i> to be conveyed into, through or out of the <i>transmission system</i> are not suspended or restricted; or</p> <p><u>7.3.12.3 issue a <i>suspension order</i> under section 7.3.12.1 and make such other order as the <i>market surveillance and compliance panel</i> considers appropriate under section 7.3.12.2.</u></p> <p>and shall notify the <i>market participant</i>, the <i>EMC</i>, the <i>PSO</i>, the <i>transmission licensee</i>, the <i>Authority</i> and, where the <i>market participant</i> is a contestable</p> | <p>To reflect the intent for the MSCP to, upon conclusion of the hearing referred to in section 7.3.11 of Chapter 3, have the autonomy to (a) issue a suspension order under section 7.3.12.1, (b) make such other order as the MSCP considers appropriate under section 7.3.12.2 or (c) issue a suspension order under section 7.3.12.1 and make such other order as the MSCP considers appropriate under section 7.3.12.2.</p> |

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| | <i>consumer or retail electricity licensee, the applicable market support services licensee accordingly.</i> | |
| <p>7.3.13 Where the <i>market surveillance and compliance panel</i> intends to issue a <i>suspension order</i> to a <i>market participant</i> that is a <i>generation licensee</i>, the <i>market surveillance and compliance panel</i> shall, at the time at which it provides the notice to the <i>Authority</i> referred to in section 7.3.12, request that the <i>Authority</i> take action, which may include applying to the Minister responsible for the <i>Electricity Act</i> for the issuance of a special administration order under section 29(1)(a) of the <i>Electricity Act</i> in relation to the <i>market participant</i>, to ensure that all outstanding and future financial and other obligations and liabilities of the <i>market participant</i> under the <i>market rules, market manuals</i> and the <i>system operation manual</i> will be met. The <i>Authority</i> shall promptly following receipt of such request:</p> <p>7.3.13.1 notify the <i>market surveillance and compliance panel</i> of the action that the <i>Authority</i> proposes to take or to have taken in respect of the <i>market participant</i>, and issue to the <i>market surveillance and compliance panel</i> a direction prohibiting the <i>market surveillance and compliance panel</i> from issuing a <i>suspension order</i> to the <i>market participant</i>; or</p> <p>7.3.13.2 issue to the <i>market surveillance and</i></p> | <p>7.3.13 Where, <u>upon conclusion of the hearing referred to in section 7.3.11</u>, the <i>market surveillance and compliance panel</i> intends to issue a <i>suspension order</i> to a <i>market participant</i> that is a <i>generation licensee</i>, the <i>market surveillance and compliance panel</i> shall, at the time at which it provides the notice to the <i>Authority</i> referred to in section 7.3.12, request that the <i>Authority</i> take action, which may include applying to the Minister responsible for the <i>Electricity Act</i> for the issuance of a special administration order under section 29(1)(a) of the <i>Electricity Act</i> in relation to the <i>market participant</i>, to ensure that all outstanding and future financial and other obligations and liabilities of the <i>market participant</i> under the <i>market rules, market manuals</i> and the <i>system operation manual</i> will be met. The <i>Authority</i> shall promptly, following receipt of such request:</p> <p>7.3.13.1 <u>issue to the <i>market surveillance and compliance panel</i> a direction prohibiting the <i>market surveillance and compliance panel</i> from issuing a <i>suspension order</i> to the <i>market participant</i>, and</u> notify the <i>market surveillance and compliance panel</i> of the action that the <i>Authority</i> proposes to take or to have taken in respect of the <i>market participant</i>, and issue to the <i>market</i></p> | <p>To clarify that where, upon conclusion of the hearing referred to in section 7.3.11 of Chapter 3, the MSCP intends to issue a suspension order to a generation licensee, it shall request for the Authority to take action to ensure that all outstanding and future financial and other obligations and liabilities of the market participant under the market rules, market manuals and the system operation manual will be met.</p> <p>To amend section 7.3.13.1 by moving the phrase “issue to the market surveillance and compliance panel a direction prohibiting the market surveillance and compliance panel from issuing a suspension order</p> |

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| <p><i>compliance panel</i> a direction authorising the <i>market surveillance and compliance panel</i> to proceed with the issuance of a <i>suspension order</i> to the <i>market participant</i>.</p> | <p><i>surveillance and compliance panel</i> a direction prohibiting the <i>market surveillance and compliance panel</i> from issuing a <i>suspension order</i> to the <i>market participant</i>; or</p> <p>7.3.13.2 issue to the <i>market surveillance and compliance panel</i> a direction authorising the <i>market surveillance and compliance panel</i> to proceed with the issuance of a <i>suspension order</i> to the <i>market participant</i>.</p> | <p>to the market participant, and” to the beginning of section 7.3.13.1 for consistency with the format in section 7.3.13.2.</p> |
| <p>7.3.14 Where the <i>market surveillance and compliance panel</i> intends to issue a <i>suspension order</i> to the <i>transmission licensee</i> or a <i>market support services licensee</i>, the <i>market surveillance and compliance panel</i> shall, at the time at which it provides the notice to the <i>Authority</i> referred to in section 7.3.12, request that the <i>Authority</i> take action, which may include applying to the Minister responsible for the <i>Electricity Act</i> for the issuance of a special administration order under section 29(1)(a) of the <i>Electricity Act</i> in relation to the <i>transmission licensee</i> or the <i>market support services licensee</i>, as the case may be, to ensure that all outstanding and future financial and other obligations of the <i>transmission licensee</i> or the <i>market support services licensee</i> under the <i>market rules</i>, <i>market manuals</i> and the <i>system operation manual</i> will be met. The <i>Authority</i> shall promptly following receipt of such request:</p> | <p>7.3.14 Where, <u>upon conclusion of the hearing referred to in section 7.3.11</u>, the <i>market surveillance and compliance panel</i> intends to issue a <i>suspension order</i> to the <i>transmission licensee</i> or a <i>market support services licensee</i> <u>(as the case may be)</u>, the <i>market surveillance and compliance panel</i> shall, at the time at which it provides the notice to the <i>Authority</i> referred to in section 7.3.12, request that the <i>Authority</i> take action, which may include applying to the Minister responsible for the <i>Electricity Act</i> for the issuance of a special administration order under section 29(1)(a) of the <i>Electricity Act</i> in relation to the <i>transmission licensee</i> or the <i>market support services licensee</i>, as the case may be, to ensure that all outstanding and future financial and other obligations of the <i>transmission licensee</i> or the <i>market support services licensee</i> under the <i>market rules</i>, <i>market manuals</i> and the <i>system operation manual</i> will be met. The <i>Authority</i> shall promptly, following</p> | <p>To clarify that where, upon conclusion of the hearing referred to in section 7.3.11 of Chapter 3, the MSCP intends to issue a suspension order to a transmission licensee or a market support services licensee, as the case may be, it shall request for the Authority to take action to ensure that all outstanding and future financial and other obligations and liabilities of the market participant under the market rules, market manuals and the system operation manual will be</p> |

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| <p>7.3.14.1 notify the <i>market surveillance and compliance panel</i> of the action that it proposes to take or to have taken in respect of the <i>transmission licensee</i> or the <i>market support services licensee</i>, as the case may be, and issue to the <i>market surveillance and compliance panel</i> a direction prohibiting the <i>market surveillance and compliance panel</i> from issuing a <i>suspension order</i> to the <i>transmission licensee</i> or the <i>market support services licensee</i>; or</p> <p>7.3.14.2 issue to the <i>market surveillance and compliance panel</i> a direction authorising the <i>market surveillance and compliance panel</i> to proceed with the issuance of a <i>suspension order</i> to the <i>transmission licensee</i> or the <i>market support services licensee</i>, as the case may be.</p> | <p>receipt of such request:</p> <p>7.3.14.1 <u>issue to the <i>market surveillance and compliance panel</i> a direction prohibiting the <i>market surveillance and compliance panel</i> from issuing a <i>suspension order</i> to the <i>transmission licensee</i> or the <i>market support services licensee</i>, as the case may be, and</u> notify the <i>market surveillance and compliance panel</i> of the action that it proposes to take or to have taken in respect of the <i>transmission licensee</i> or the <i>market support services licensee</i>, as the case may be, and issue to the <i>market surveillance and compliance panel</i> a direction prohibiting the <i>market surveillance and compliance panel</i> from issuing a <i>suspension order</i> to the <i>transmission licensee</i> or the <i>market support services licensee</i>; or</p> <p>7.3.14.2 issue to the <i>market surveillance and compliance panel</i> a direction authorising the <i>market surveillance and compliance panel</i> to proceed with the issuance of a <i>suspension order</i> to the <i>transmission licensee</i> or the <i>market support services licensee</i>, as the case may be.</p> | <p>met.</p> <p>To amend section 7.3.14.1 by moving the phrase “issue to the market surveillance and compliance panel a direction prohibiting the market surveillance and compliance panel from issuing a suspension order to the transmission licensee or the market support services licensee, as the case may be, and” to the beginning of section 7.3.14.1 for consistency with the format in section 7.3.14.2.</p> |