

RCP PAPER NO. : **EMC/RCP/83/2015/CP59**

SUBJECT : **ATTENDANCE AT MEETINGS BY RULES CHANGE  
PANEL MEMBERS**

FOR : **DECISION**

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### **Executive Summary**

Currently, each (type of) service provider is allocated one seat on the Rules Changes Panel (RCP). As each service provider has its unique role in the Singapore Wholesale Electricity Market, it is important for these service providers' views to be represented at RCP meetings so as to facilitate the RCP in decision making. There was concern raised that the absence of RCP members, especially those representing service providers, could hinder the RCP's decision making process.

It is therefore proposed that the following measures to be taken when such situation arises

- a) The RCP Chair, on behalf of the RCP, writes to that RCP member to remind that member of the importance of attending the RCP meetings;
- b) If a) does not address the issue, the RCP Chair writes to the organisation nominating that RCP member;
- c) If both a) and b) failed to address the issue, the RCP Chair can write to the Energy Market Authority if the RCP member concerned is representing a service provider.

The proposed measures should be sufficient to ensure adequate attendance at RCP meetings.

At its 83<sup>rd</sup> meeting, the RCP by majority vote decided not to support the proposed measures. The RCP will continue monitoring the attendance rate of RCP members and reconsider these measures in future should this issue resurface.

## **1. Introduction**

This paper assesses the proposal raised by the Rules Change Panel (RCP) to allow for alternative representatives to attend RCP meetings on behalf of the RCP members nominated by services providers, namely the Power System Operator (PSO), the Market Support Services Licensee (MSSL), the Transmission Licensee and the EMC.

## **2. Background**

### **2.1 Composition and Role of the RCP**

The RCP adopts the industry representation model and consists of up to 15 representatives as follows:

- Chief Executive Officer of EMC (Chair of RCP);
- one other representative of EMC;
- one representative of the PSO;
- three generation licensee class representatives;
- one transmission licensee class representative;
- three retailer licensee class representatives;
- one representative of the MSSL;
- one representative of the wholesale traders;
- one representative experienced in financial matters in Singapore; and
- two representatives of electricity consumers in Singapore.

Each service provider is allocated one dedicated seat on the RCP.

The main role of the RCP is to make recommendations on changes to the Market Rules, whose objectives are as follows:

- to establish and govern efficient, competitive and reliable markets for the wholesale sale and purchase of electricity and ancillary services in Singapore;
- to provide market participants and market support services licensees with non-discriminatory access to the transmission system;
- to facilitate competition in the generation of electricity; and
- to protect the interests of consumers with respect to prices and the reliability and quality of electricity service.

### **2.2 Concerns Raised at the 76<sup>th</sup> RCP meeting**

At the 76<sup>th</sup> RCP meeting, some RCP members raised the concern that as there is currently no provision for an alternative to represent an RCP member (who is unable to attend an RCP meeting), the absence of RCP members, particularly those representing service providers (i.e. the PSO, EMC, MSSL and Transmission Licensee), could hinder the progress of discussions.

They suggested that service providers, in the event that their appointed RCP members cannot be present for an RCP meeting, be required to send another representative to attend the meeting in their stead, so as to assist in clarifications. Such representatives, however, would not be accorded voting rights.

### 3. Analysis

#### 3.1 Roles of Service Providers

As each service provider has a unique function in the wholesale electricity market, their views would be critical when the RCP makes decisions on issues related to the function of these service providers, as detailed in the Table 1 below.

Table 1: Functions of Service Providers

Service Provider	Function	Rules change issues related to its function
PSO	<ul style="list-style-type: none"> <li>maintains the <u>reliability of the PSO controlled system</u>.</li> <li>controls the <u>dispatch of facilities</u></li> <li>co-ordinates <u>outage and emergency planning</u></li> <li>directs the <u>operation of the transmission system</u></li> </ul>	e.g. participation of facilities, system operation and price discovery/dispatch mechanism
MSSL	<ul style="list-style-type: none"> <li><u>meter reading and meter data management</u>;</li> <li><u>facilitates access to the wholesale market for contestable consumers and retail licensees</u></li> <li>provides <u>customer transfer service</u> for retailers and customers</li> <li>supplies electricity to all <u>non-contestable consumers</u></li> </ul>	e.g. participation of facilities, retailers and consumers. Settlement and cost allocation to loads
Transmission License	<ul style="list-style-type: none"> <li>owns and is responsible for the <u>operation and maintenance of the transmission system</u></li> </ul>	e.g. participation of facilities, modeling of transmission system for price discovery/dispatch mechanism
EMC	<ul style="list-style-type: none"> <li><u>operates and administers the wholesale markets</u></li> <li><u>schedules generating units, loads and PSO controlled grid</u></li> <li><u>provides information to facilitate decisions for investment and use of resource in electricity industry</u></li> </ul>	e.g. participation, enforcement, market operation/price discovery mechanism, settlement/cost allocation

#### 3.2 Importance of the Presence of Services Providers' Representatives

As part of the rules change process required under the Market Rules, EMC shall publish all rules change proposals on EMC's website and invite comments from the industry. Anyone, including service providers, may submit his comments on the rules change proposals before EMC makes its recommendation to the RCP. If any of the comments require inputs from the service providers, EMC will consult these service providers and incorporate their responses in the proposal as well. Therefore, the RCP will be able to learn about the views and responses of these service providers even if the service providers do not attend the meeting.

Nevertheless, further clarifications from service providers may be raised by RCP members during an RCP meeting, as have happened in the past. Without the presence of the service providers, the RCP would be unable to cast their votes at that meeting based on an informed decision. The meeting would have to be postponed till clarification is provided by these service providers subsequently, either through email circulation post-meeting, or in person at the next RCP meeting attended by the service provider. Therefore, having service providers' representatives present at each RCP meeting would allow for a more efficient process with the RCP being able to make an informed decision on the proposal at hand.

### **3.3 Historical RCP members' Attendance**

Based on the attendance statistics of the RCP members appointed for the 3-year term from 2012 to 2014 (presented in Annex 1), the service providers' representatives, on average, attended fewer meetings than the representatives nominated by the Market Participants.

It is also noticed that some RCP members failed to attend more than half of the RCP meetings.

Therefore, we are of the view that measures should be in place to encourage RCP members representing service providers, as well as other RCP members, to make more effort to attend RCP meetings such that each class of market players is adequately presented at RCP meetings.

## **4 Proposed Measures**

While it is not practical to expect RCP members to attend every meeting, RCP members should make efforts to attend RCP meetings to ensure an adequate representation of all stakeholders and an efficient decision making process. This is particular so for those members representing service providers.

We recommend the following measures to be taken in the event that any RCP member's absence has hindered the decision making of the RCP.

- a) The RCP Chair, on behalf of the RCP, writes to that RCP member to remind that member of the importance of attending the RCP meetings;
- b) If a) does not address the issue, the RCP Chair writes to the organisation nominating that RCP member;
- c) If both a) and b) failed to address the issue, the RCP Chair can write to the EMA if the RCP member concerned is representing a service provider.

We do not recommend the provision for an alternative to attend the RCP meetings on behalf of a RCP member. The RCP members are selected from a list of eligible nominees based on their knowledge and experience in the industry. The alternative representative, however, may not have the same knowledge level or authority to provide the information required for the RCP to make a decision.

## **5. Consultation**

We have published the concept paper on the EMC website for comments. The comments received and EMC's responses are detailed in Table 2 below.

Table 2: EMC’s Responses to Industry Comments

Comments Received	EMC’s Response
Comments Received from PSO	
<p>1. It is not fair to single out the attendance of the service providers when the attendance of the market participants and consumers were even lower.</p>	<p>The attendance of service providers is of particular importance because:</p> <ul style="list-style-type: none"> <li>• each service provider has a unique role in the electricity market and its feedback would be critical when the RCP makes decisions on issues that will affect the operation of service providers; and</li> <li>• there is only one seat for each (type of) service provider and therefore no other RCP member is able to provide the feedback required.</li> </ul>
<p>2. The proposal seems to imply that service providers rep intentionally skip the meeting with the purpose of disrupting the proceedings, which is not the case. This is uncalled for.</p> <p>3. It is inevitable that the rep is unable to attend the RCP meetings, from time to time, due to the need to handle more pertinent issues.</p> <p>4. In the past, even when PSO was unable to attend the RCP meeting, we would provide our comments beforehand, which would be adequate for the panel to make an informed decision under MR Chapter 3, 2.5.</p>	<p>The proposal has no such implication. It is understandable that a RCP member may not be able to attend RCP meetings at times, but RCP members need to place importance on attending RCP meetings as the RCP has an important role in evolving the market.</p> <p>The proposed measures will only take place <u>when the absence of a RCP member has hindered the decision of the RCP.</u></p> <p>If the RCP feels that the information provided in advance by service providers is adequate for them to make a decision and no further clarification is required, the RCP will not need to initiate these measures.</p>
<p>5. PSO reserves the right to withdraw representation on the RCP.</p>	<p>The Market Rules provide that the RCP includes a representative of the PSO.</p>

## 6 Conclusion and Recommendation

The proposed measures in section 4 should be sufficient to ensure adequate attendance at RCP meetings.

We recommend that the RCP support the proposed measure as stated in section 4 of the paper.

## 7 Decision at the 83<sup>rd</sup> RCP meeting

At its 83rd meeting, the RCP by majority vote decided not to support the proposed measures as described in section 4 of this paper. Instead, the RCP decided to continue monitoring the attendance rate of RCP members and reconsider these measures in future should this issue resurface.

The following Panel member voted to support the proposed measures in section 4 of the paper:

- Phillip Tan (Person experienced in financial matters in Singapore)

The following Panel members voted to maintain status quo and continue monitoring the attendance of RCP members:

- Henry Gan (Representative of the EMC)
- Marcus Tan (Representative of the Generation Licensee class of market participant)
- Priscilla Chua (Representative of the Generation Licensee class of market participant)
- Sean Chan (Representative of the Retail Electricity Licensee class of market participant)
- Luke Peacocke (Representative of the Retail Electricity Licensee class of market participant)
- Daniel Lee (Representative of the Retail Electricity Licensee class of market participant)
- Lim Han Kwang (Representative of the Transmission Licensee class of market participant)
- Dallon Kay (Representative of the wholesaler electricity market trader class of market participant)
- Frances Chang (Representative for the interests of consumers of electricity in Singapore)

The following Panel member abstained from voting:

- Soh Yap Choon (Representative of the PSO)

## Annex 1: RCP Members' Attendance (Term 2012-2014)

RCP Member	No. of Meetings Absent	% of meetings attended during the term appointed	Remark
Chair of the Panel	0	100%	
Employee of EMC	2	89%	Representative of Service Providers
Representative of the PSO	6	66%	
Representative of the Transmission Licensee	5	72%	
Representative of the Market Support Services Licensees	4	77%	
Representative of the Generation Licensee class of market participant	1	94%	
Representative of the Generation Licensee class of market participant	3	83%	
Representative of the Generation Licensee class of market participant	1	94%	
Representative of the Retail Electricity Licensee class of market participant	1	94%	
Representative of the Retail Electricity Licensee class of market participant	14	22%	
Representative of the Retail Electricity Licensee	1	94%	

RCP Member	No. of Meetings Absent	% of meetings attended during the term appointed	Remark
class of market participant			
Representative of the wholesaler electricity market trader class of market participant	2	89%	
Representative of consumers of electricity in Singapore	4	77%	Representatives of Consumers
Representative of consumers of electricity in Singapore <sup>1</sup>	9	44%	
Person experienced in financial matters in Singapore	0	100%	

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<sup>1</sup> Due to the resignation of a RCP member, there were two RCP meetings where this seat was vacant.