**DETERMINATION OF THE MARKET SURVEILLANCE AND COMPLIANCE PANEL
MSCP/2016/D1**

Market Surveillance and Compliance Panel ("MSCP")
Mr TPB Menon, Chair
Mr Lee Keh Sai
Mr Philip Chua
Professor Euston Quah
Professor Walter Woon

Date of Determination
1 March 2016

Party
Energy Market Company Pte Ltd ("EMC")

Subject
Late validation of offer by Energy Market Company on 20 August 2015

FACTS AND CIRCUMSTANCES

1. Energy Market Company Pte Ltd ("EMC") submitted a self-report on 28 September 2015 that it did not validate and release information regarding the acceptance of one offer from a market participant ("MP") within five minutes of receipt on 20 August 2015, as required under the Singapore Electricity Market Rules ("market rules").

2. The offer management system ("OMS") application server (which processes offer submissions) is sharing the same server group with other application server. There are two types of logging configuration: "ERROR" and "DEBUG" in the aforementioned sever group. All the application servers residing in the same server group share the same logging "ERROR" configuration file.

3. EMC carried out Change Release ("CR") #17477 to change the logging configuration of the server group from "ERROR" to "DEBUG" to troubleshoot a production issue. CR #17477 was tested before it was deployed on the system. The OMS application server remained as "ERROR".

4. On 20 August 2015, a third party caching library used by the OMS application server, which should have remained at the log level "ERROR", became log level "DEBUG" instead. In addition, the third party caching library also unexpectedly did not write to the dedicated OMS application log. This resulted in excessive logging of "DEBUG" statements in the server log from the third party caching library.

5. There was no abnormality with the OMS applications as they had obeyed the application server logging configuration and written to the dedicated OMS application log.

6. In order to resolve the issue, EMC reverted the log level back to "ERROR". The OMS application servers were restarted from 20:08hrs for the setting to take effect. Due to the restarting of the OMS application server, the offer from the MP which was submitted at 20:00hrs was validated at 20:10hrs. This was five minutes later than as required under the market rules.

7. On 3 December 2015, the MSCP wrote to inform EMC that it is prima facie of the view that EMC has breached section 5.6.1.3 of Chapter 6 of the market rules and invited EMC to make written representations.

8. EMC replied on 17 December 2015 that it has nothing further to add in relation to the matter.

APPLICABLE MARKET RULES

9. Section 5.6.1 of Chapter 6 of the market rules states:

"When the EMC receives any offer, it shall:

5.6.1.1   stamp the offer with the time that it was received;

5.6.1.2   within five minutes, confirm receipt of the offer; and

5.6.1.3   within five minutes, validate the offer in accordance with section 5.7.1 and release information indicating that the offer has been:

a.   accepted as valid; or

b.   rejected, with reasons for the rejection."

ENFORCEMENT

10. The MSCP determined on the basis of the facts referred to above that EMC breached section 5.6.1.3 of Chapter 6 of the market rules.

11. This incident was self-reported and did not have any material impact on the wholesale electricity market.

12. The MSCP hereby issues a letter of non-compliance to EMC and directs EMC to pay costs, fixed at $1,500.

TPB Menon
Chair
Market Surveillance and Compliance Panel