FACTS AND CIRCUMSTANCES


2. Due to a technical fault, SNKCCP6 was unable to start on 22 May 2016 morning; Senoko Energy had therefore intended to submit an offer variation to change its offered quantities for SNKCCP6 to zero.

3. However, instead of submitting the zero offer variation for SNKCCP6, Senoko Energy unintentionally submitted the zero offer variation for SNKCCP7.

APPLICABLE MARKET RULES

4. Section 10.4.1 of Chapter 6 provides that

10.4.1 Notwithstanding sections 5.1.5, 5.1.6 and 5.1.7, no offer variation or revised standing offer shall be submitted by or for a market participant within 65 minutes immediately prior to the dispatch period to which the offer variation or revised standing offer applies, except:
10.4.1.1 where it is intended:

a. for a generation registered facility, to reflect its expected ramp-up and ramp-down profiles during periods following synchronisation or preceding desynchronisation; or

b. for a generation registered facility, to reflect its revised capability during a forced outage; or

c. to contribute positively to the resolution of an energy surplus situation pertaining to which the EMC has issued an advisory notice under section 9.3.1, by allowing for decreased supply of energy; or

d. to contribute positively to the resolution of energy, reserve or regulation shortfall situations pertaining to which the EMC has issued advisory notices under section 9.3.1, by allowing for increased supply of energy, reserve or regulation; or

e. to contribute positively to the resolution of energy, reserve or regulation shortfall situations in that dispatch period, where:

(i) the shortfall situations were indicated in a system status advisory notice issued by the EMC in respect of an emergency operating state declared by the PSO; and

(ii) at the time of submission of such offer variation or revised standing offer, the EMC has not yet withdrawn, in respect of that dispatch period, such system status advisory notice,

by allowing for increased supply of energy, reserve or regulation; and

10.4.1.2 where the price so offered, other than for additional quantities of energy, reserve or regulation, is the same as that previously offered for that dispatch period.

NOTICE OF NON-COMPLIANCE

5. On 1 August 2016, the Market Surveillance and Compliance Panel (“MSCP”) gave formal written notice to Senoko Energy to inform them that based on the information that had been provided, it would appear that the reason provided by Senoko Energy for the offer variations for SNKCCP7 on 22 May 2016, periods 15 and 16, was not valid under section 10.4.1 of Chapter 6 of the Singapore Electricity Market Rules (“Market Rules”). The MSCP thus invited Senoko Energy to make written representations to the MSCP before it makes its determination including, if thought fit, enforcement action against them. The written representations were to include any mitigating circumstances that Senoko Energy would like the MSCP to consider should the MSCP find that Senoko Energy had breached the Market Rules in question.
6. Senoko Energy responded to the said notice on 12 August 2016. It did not request for a hearing before the MSCP but submitted a summary of the events on 22 May 2016 and mitigating factors.

7. The relevant parts of Senoko Energy’s explanations and points presented may be summarised in these terms:

An offer variation was submitted at 06:37hrs but instead of SNKCCP6, the zero offer variation was incorrectly submitted for SNKCCP7 for periods 15 and 16.

Senoko Energy takes compliance with the Market Rules very seriously. The current incident is Senoko Energy's first mistake vis-à-vis the gate closure rules since market start. There was no deliberate intent to breach the Market Rules. Unfortunately, an inadvertent error occurred when preparing the offer variation, with the revision being made for SNKCCP7 instead of SNKCCP6.

Since the incident, Senoko Energy has reminded its duty trader of the importance of compliance with the Market Rules. Senoko Energy is also implementing changes to its offer validation process to reduce the likelihood of errors of this nature reoccurring.

DETERMINATION

8. The MSCP determined on the basis of the facts referred to above that Senoko Energy had breached section 10.4.1 of Chapter 6 of the Market Rules in its offer variations after gate closure for SNKCCP7 for periods 15 and 16 on 22 May 2016.

9. This incident was due to carelessness, was self-reported and did not have a significant impact on the wholesale electricity market. Nonetheless, a breach of this nature could potentially distort an efficient market outcome.

10. The MSCP hereby imposes a financial penalty of $5,000 on Senoko Energy and directs Senoko Energy to pay costs, fixed at $1,500.

T P B Menon
Chair, Market Surveillance and Compliance Panel