FACTS AND CIRCUMSTANCES


2. At 11:13hrs on 23 January 2017, Senoko Energy submitted offer variations before gate closure to adjust its offer pairs for SNKCCP5 for periods 26 and 27. However, Senoko Energy selected the wrong offer template in its offer management system which changed all offer pairs for SNKCCP5 to zero.

3. At 12:24hrs on 23 January 2017, Senoko Energy submitted offer variations after gate closure for SNKCCP5 for periods 26 and 27 to remedy the error. Senoko Energy said it only had time to submit one offer pair for SNKCCP5 at 12:24hrs as computation of the real-time dispatch schedule for period 26 would start at 12:25hrs. Senoko Energy believed this would reduce disruption to the system, compared to a situation where SNKCCP5 had to shut down.

4. To avoid recurrence of the incident, Senoko Energy has reminded all its traders to be extra vigilant during offer submission and implemented changes to its offer management system.

5. On 4 April 2017, the MSCP wrote to inform Senoko Energy that it considered Senoko Energy to be in prima facie breach of section 10.4.1 of Chapter 6 of the Market Rules on 23 January 2017, periods 26 and 27, and invited Senoko Energy to make written representations, before the MSCP made a determination.
6. On 18 April 2017, Senoko Energy informed the MSCP that it would not be making written representation.

APPLICABLE MARKET RULES

7. 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.
ENFORCEMENT

8. The MSCP determined on the basis of the facts referred to above that Senoko Energy breached section 10.4.1 of Chapter 6 of the Market Rules for offer variations made after gate closure for SNKCCP5 for periods 26 and 27 on 23 January 2017.

9. The incident was self-reported and did not have significant impact on the wholesale electricity market. Senoko Energy has also taken remedial actions to prevent the incident from recurring. Nonetheless, it was due to carelessness of Senoko Energy and could have been avoided if Senoko Energy had exercised due diligence. The MSCP takes a stern view on rule breaches relating to market offers due to their potential impact on dispatch and market pricing.

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