FACTS AND CIRCUMSTANCES


2. At 20:40hrs on 7 December 2018, ExxonMobil submitted offer variations for EXON GA and EXON GB for 8 December 2018. ExxonMobil submitted all offers for the following day before 22:00hrs each day.

3. When the staff logged in to the offer submission page to submit offer variations, the fields "Period From" and "Period To" were previously set to period 45. The staff then changed the selection for "Period From" to period 1 but inadvertently missed out changing the selection for "Period To" to period 48.

4. The offer variations were then only applicable for periods 1 to 45. The remaining periods, namely periods 46 to 48, were set at ExxonMobil's default standing offer.

5. Around 22:00hrs on 8 December 2018, ExxonMobil noticed the error.

6. At 22:10hrs, ExxonMobil submitted offer variations after gate closure for EXON GA and EXON GB for periods 46 and 47 on 8 December 2018. The gate closure for offer submissions for periods 46 and 47 are 21:25hrs and 21:55hrs respectively.
7. ExxonMobil took the following remedial actions following the incident:

7.1. The staff was reminded to be more vigilant in future.

7.2. ExxonMobil implemented a nomination checklist to ensure that the staff follows the correct steps when submitting offers.

7.3. ExxonMobil implemented a system of counter checks on offer submission – the staff must download and verify the submitted offers against its daily action plan.

8. On 29 March 2019, the Market Surveillance and Compliance Panel ("MSCP") wrote to inform ExxonMobil that it considered ExxonMobil to be in prima facie breach of section 10.4.1 of Chapter 6 of the Market Rules for periods 46 and 47 on 8 December 2018. The MSCP invited ExxonMobil to make written representations by 12 April 2019 before the MSCP makes a determination.

9. On 15 April 2019, ExxonMobil submitted that it would not be making any representations as it did not have new information to add. All relevant information had been covered in its self-report and investigation replies. ExxonMobil did not indicate that it wished to appear and be heard by the MSCP although it was given an opportunity to do so.

**APPLICABLE MARKET RULES**

10. 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

11. The MSCP determined based on the facts referred to above that ExxonMobil had breached section 10.4.1 of Chapter 6 of the Market Rules on 8 December 2018.

12. The incident was self-reported and did not have an adverse impact on the wholesale electricity markets. This is the first time ExxonMobil is in breach of section 10.4.1 of Chapter 6 of the Market Rules and ExxonMobil had also taken remedial actions following the incident. Nonetheless, the incident was due to the carelessness of ExxonMobil and could have been avoided if ExxonMobil had exercised due diligence.

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

T P B Menon
Chair, Market Surveillance and Compliance Panel