DETERMINATION OF THE MARKET SURVEILLANCE AND COMPLIANCE PANEL
MSCP/2019/D9

Market Surveillance and Compliance Panel
Mr. T P B Menon, Chair
Mr. Lee Keh Sai
Mr. Philip Chua
Professor Euston Quah

Date of Determination
4 December 2019

Party
TP Utilities Pte. Ltd.

Subject
The associated load of the embedded generation facility (“EGF”) group failed to consume at least half of the generation of that EGF group in a successive 12-month period

FACTS AND CIRCUMSTANCES

1. TP Utilities Pte. Ltd. (“TP Utilities”) submitted a non-compliance report on 17 July 2019 to the Market Surveillance and Compliance Panel (“MSCP”), as the associated load of its embedded generation facility (“EGF”) group1 AGCTMUC : TEMBUSU : TMUC G2 (“TMUC G2”) was not at least half of the generation of its EGF group in a successive 12-month period, between 13 March 2018 and 12 March 2019, as required by section 5.5.9 of Chapter 2 of the Singapore Electricity Market Rules (“Market Rules”).

2. The meter reading for TP Utilities’ TMUC G2, for the monitoring period between 13 March 2018 and 12 March 2019, was provided by the Market Support Services Licensee (“MSSL”)2 to the Market Assessment Unit (“MAU”) on 10 May 2019. Based on the meter reading, TP Utilities consumed only 48.7% of its total generation in the monitoring period. Therefore, it failed to consume at least half of the generation of its EGF group in the 12-month period as required in accordance with the Market Rules (section 5.5.9 of Chapter 2).

3. On 17 July 2019, TP Utilities explained in its self-report to the MSCP that TMUC G2 is an EGF which co-generates steam and power. The power generated by TMUC G2 is supplied primarily to its load facilities. However, the load is not fully captured when calculating the

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1 A generation facility principally for generating and supplying electricity to its load facilities, classified by the Energy Market Company Pte Ltd (“EMC”) as an EGF and assigned to an EGF group.
2 The MSSL is SP Services Ltd; it assists to provide the meter reading as part of the MAU’s monitoring on EGF which is subject to section 5.5.9 of Chapter 2 of the Market Rules.
associated load of TMUC G2. According to TP Utilities, the total associated load of TMUC G2 would have been more than 50% of its total generation if the additional load (referred herein as the “Load 1”) had been included.

4. On 8 August 2019, TP Utilities submitted an update to the MAU regarding a meeting held with the MSSL in July 2019. TP Utilities indicated that it was able to provide TMUC G2’s gross generation data to the MSSL to include Load 1 as part of the associated load of its EGF group and gross generation as the generation under section 5.5.9 of Chapter 2 of the Market Rules.

5. On 17 October 2019, the MSCP wrote to inform TP Utilities that it considered TP Utilities to be in *prima facie* breach of section 5.5.9 of Chapter 2 of the Market Rules for the monitoring period between 13 March 2018 and 12 March 2019 and invited TP Utilities to submit written representations by 31 October 2019 before the MSCP makes a determination. The MSCP also requested for further information from TP Utilities in the letter.

6. On 31 October 2019 at 6:52 pm, TP Utilities requested for an extension of time on the submission of the written representations and responses to the MSCP’s further information request to 8 November 2019. On 1 November 2019, the MAU agreed to allow TP Utilities to delay some of its responses to the MSCP’s further information request to 8 November 2019 and to submit its written representations as soon as possible.

7. On 6 November 2019, TP Utilities submitted its written representations and responses to the MSCP’s further information request with the following points:

   a. TMUC G2’s Load 1 was declared as an auxiliary load in the Power System Operator Facility Registration Form and should not be subject to market charges.

   b. TP Utilities approached the MSSL in July 2019 and proposed to provide TMUC G2’s gross generation meter data to the MSSL to include Load 1 as part of the associated load of its EGF group and gross generation as the generation under section 5.5.9 of Chapter 2 of the Market Rules.

   c. TP Utilities is aiming to clarify with the EMA whether the relevant load of the EGF group can incorporate auxiliary load and based on gross generation.

   d. TP Utilities has updated its monitoring system since July 2019 to monitor the associated load over the generation percentage of the TMUC G2 EGF group, according to section 5.5.9 of Chapter 2 of the Market Rules.

   e. TP Utilities did not require a hearing before the MSCP.

**APPLICABLE MARKET RULES**

8. **Section 5.5.9 of Chapter 2 provides that**

   A *market participant* shall, as long as its *generation facility* is classified by the *EMC* as an *embedded generation facility* and assigned to an *EGF group*, ensure that the associated *load* of that *EGF group* in each successive 12-month period (the first of such 12-month periods shall commence from the day that the first *embedded generation facility* in that *EGF group* is classified by the *EMC* as an *embedded generation facility* and assigned to that *EGF group*) is at least half of the *generation* of that *EGF group* in the same 12-month period.
ENFORCEMENT

9. Based on the facts referred to above, the MSCP determined that TP Utilities had breached section 5.5.9 of Chapter 2 of the Market Rules for the monitoring period between 13 March 2018 and 12 March 2019.

10. The incident did not have a significant impact on the wholesale electricity markets. TP Utilities had also taken remedial actions following the incident.

11. However, this is a breach by TP Utilities arising from the same meter configuration issue that has resulted in other TP Utilities’ past breaches of the Market Rules. In one of TP Utilities' previous breach of sections 5.2.5B and 5.2.5C of Chapter 6 of the Market Rules on 22 April 2019, the MSCP also determined that the breach was partially attributed to the same issue. The breach, this time, could have been avoided if TP Utilities had exercised due diligence since its first breach.

12. The MSCP hereby imposes a financial penalty of $10,000 on TP Utilities and directs TP Utilities to pay costs fixed at $1,500.

T P B Menon
Chair, Market Surveillance and Compliance Panel