FACTS AND CIRCUMSTANCES


2. At period 44 on 24 November 2019, SKRA G1’s steam turbine was shut down due to a steam turbine controller channel 2 fault. SKRA G1’s gas turbine was originally scheduled to shut down at period 47 on the same day.

3. At period 45, Sembcorp Cogen’s shift manager requested its trader to continue operating SKRA G1’s gas turbine instead, to provide steam which was critical in clearing the fault.

4. Sembcorp Cogen’s vendor technician’s assistance was only available in the morning of 25 November 2019, therefore, troubleshooting took longer than expected and SKRA G1’s gas turbine thus had to be shut down at period 5 on 25 November 2019, until the fault was cleared, and the system was tested successful.

5. Hence, Sembcorp Cogen submitted offer variations for SKRA G1 to allow its gas turbine to continue operating from period 47 on 24 November 2019 to period 4 on 25 November 2019.

6. Among those offer variations, the offer variations for period 47 on 24 November 2019 and periods 2 and 4 on 25 November 2019 were submitted after gate closure.
7. As a remedial measure to this incident, Sembcorp Cogen reminded its traders to refresh their understanding on offer submission guidelines, and undertook actions to improve interaction between traders and the Sembcorp Cogen’s Operations and Maintenance team.

8. On 10 February 2020, the Market Surveillance and Compliance Panel (“MSCP”) wrote to inform Sembcorp Cogen that it considered Sembcorp Cogen to be in prima facie breach of section 10.4.1 of Chapter 6 of the Market Rules for period 47 on 24 November 2019 and periods 2 and 4 on 25 November 2019. The MSCP invited Sembcorp Cogen to submit written representations by 24 February 2020 before the MSCP makes a determination.

9. On 24 February 2020, Sembcorp Cogen submitted its written representations to the MSCP, which were summarised as follows:

a. The incident occurred because troubleshooting the fault took longer than expected.

b. Sembcorp Cogen had since cautioned its Operations and Maintenance team to be more conservative in their time estimates for maintenance and other work performed on the facility.

c. Sembcorp Cogen does not require a hearing.

APPLICABLE MARKET RULES

10. Section 10.4.1 of Chapter 6 provides that

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 for the three consecutive dispatch periods immediately following a forced outage or its failure to synchronise; 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 a high-risk
operating state or 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

f. for a load registered facility, to reflect its revised capability during a forced outage or following a decrease in energy withdrawal under sections 9.3.3 and/or 9.3.4 of Chapter 5; 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. Based on the facts referred to above, the MSCP determined that Sembcorp Cogen had breached section 10.4.1 of Chapter 6 of the Market Rules for period 47 on 24 November 2019 and periods 2 and 4 on 25 November 2019.

12. The incident was self-reported and did not have a significant impact on the National Electricity Market of Singapore. Sembcorp Cogen had also taken remedial actions following the incident.

13. Nonetheless, the incident could have been avoided if Sembcorp Cogen had performed its due diligence and carried out the maintenance of its equipment regularly.

14. The MSCP hereby imposes a financial penalty of $10,000 to Sembcorp Cogen and directs Sembcorp Cogen to pay costs fixed at $1,500.

[Signature]

T P B Menon
Chair, Market Surveillance and Compliance Panel