FACTS AND CIRCUMSTANCES


2. At period 29 on 24 May 2020, the gas turbine generator (“GTG”) experienced two de-loadings due to the activation of the exhaust temperature disparity alarm. Following the de-loadings, the trader attempted to remove all offers for EXON GA from period 30 as the GTG was anticipated to experience a forced outage.

3. The trader, however, experienced severe lag on the offer submission system and was only able to remove the offers from period 31. The trader, therefore, attempted to increase the GTG loading level and managed to maintain it at a higher loading level without activating any alarm.

4. The trader subsequently submitted offer variations after gate closure for periods 31 and 32 to increase EXON GA’s offer quantity to reflect the GTG’s revised loading condition. These offer changes involving an increase in offer quantity are not acceptable under the Market Rules.

5. As a remedial measure to this incident, ExxonMobil indicated that it would communicate the response plan for a de-loading scenario.
6. On 4 August 2020, 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 31 and 32 on 24 May 2020. The MSCP invited ExxonMobil to submit written representations by 17 August 2020 before the MSCP makes a determination.

7. On 17 August 2020, ExxonMobil submitted its written representations to the MSCP, providing the additional information below:

a. EXON GA was commissioned in 2018 and this was ExxonMobil’s first experience for a de-loading event;

b. ExxonMobil had to respond quickly to the GTG de-loading event as it caused a drop in steam production which might escalate to a process safety incident. At that time, ExxonMobil rationalised that the GTG was about to trip and acted according to the protocol for forced outage. Subsequently, the GTG stabilised and ExxonMobil submitted a revised offer variation;

c. ExxonMobil identified opportunities in its trader’s response and offer submission protocol and increased its training to ensure that its team is familiar with, and can respond effectively to, future potential scenarios;

d. ExxonMobil expects to improve its market rule compliance with the measures in place; and

e. ExxonMobil does not require a hearing.

APPLICABLE MARKET RULES

8. 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

9. Based on the facts referred to above, the MSCP determined that ExxonMobil had breached section 10.4.1 of Chapter 6 of the Market Rules for periods 31 and 32 on 24 May 2020.

10. The incident was self-reported and did not have a significant impact on the NEMS. ExxonMobil had also taken remedial actions following the incident. Nonetheless, the incident was reported by ExxonMobil as a conscious breach made by the trader.

11. In view of the above, the MSCP hereby imposes a financial penalty of $6,500 on ExxonMobil and directs ExxonMobil to pay costs fixed at $2,000.

T P B Menon
Chair, Market Surveillance and Compliance Panel