FACTS AND CIRCUMSTANCES


2. At 23:56 hours (period 48) on 12 August 2020, EXON G3 facility experienced a failure in the network system and speed probe.

3. Due to a lag experienced in the offer submission system, the trader submitted the offers manually using the WebOffer Application to reflect the revised capability of the facility. The trader, however, incorrectly selected “standing offer” instead of “variation offer” for periods 2 to 48. The offers for periods 2 and 3 were submitted after gate closure.

4. Upon realising that the standing offers were not reflected in the market clearing run, the trader made a second offer submission for periods 5 to 48 under the “variation offer” category. The offers for periods 5 and 6 were submitted after gate closure.

5. As a remedial action, ExxonMobil replaced its analog module and the speed probe on 14 August 2020 to resolve its technical issues. ExxonMobil also simplified its nomination guide as a one-page print out made available for the trader’s reference.

6. On 29 October 2020, the Market Surveillance and Compliance Panel (“MSCP”) wrote to inform ExxonMobil that it considered ExxonMobil to be in *prima facie* breach of section 5.1.6 of Chapter 6 of Market Rules for periods 2 and 3 and section 10.4.1 of Chapter 6 of the Market Rules for periods 5 and 6 on 13 August 2020. The MSCP invited ExxonMobil to submit written representations by 17 November 2020 before the MSCP makes a determination.
7. On 17 November 2020, ExxonMobil submitted its written representations to the MSCP, providing the additional information below:

a. EXON G3 experienced a turbine trip on 13 August which required ExxonMobil to quickly manage the steam generation to avoid a manufacturing facility upset;

b. At all times, ExxonMobil sought to adhere to section 5.1.6 of Chapter 6 of the Market Rules for periods 2 and 3 but, due to an administrative error, submitted the offer under the wrong category of “standing offer” instead of “variation offer”;

c. Since the incident, ExxonMobil had identified opportunities to improve in its trader’s response and a simple offer submission guide to ensure that the 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 5.1.6 of Chapter 6 provides that

Subject to section 10.4.1, for each dispatch period that a registered facility is not synchronised and until the earliest dispatch period in which it would be possible for that registered facility to be synchronised, its dispatch coordinator shall:

5.1.6.1 submit offer variations where there are existing offer variations; or

5.1.6.2 submit revised standing offers where there are no offer variations,

so that all the offered quantities are zero.

9. 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

10. Based on the facts referred to above, the MSCP determined that ExxonMobil had breached section 5.1.6 of Chapter 6 of the Market Rules for periods 2 and 3 as well as section 10.4.1 of Chapter 6 of the Market Rules for periods 5 and 6 on 13 August 2020.

11. The incident was self-reported and did not have a significant impact on the National Electricity Market of Singapore (“NEMS”). ExxonMobil had also taken remedial actions following the incident. Nonetheless, the incident could have been avoided if the traders were clear on the procedures of the submission system.

12. In view of the repeated nature of rule breaches committed, the MSCP hereby imposes a financial penalty of $10,000 on ExxonMobil and directs ExxonMobil to pay costs fixed at $2,000.

13. The MSCP reiterates that it takes a serious view on any behaviour which undermines the effective functioning of the NEMS and sternly reminds ExxonMobil to observe the Market Rules at all times.

TPB Menon
Chair, Market Surveillance and Compliance Panel