FACTS AND CIRCUMSTANCES

1. TuasOne Pte. Ltd. ("TuasOne") submitted an appeal on 17 February 2022 to the Market Surveillance and Compliance Panel ("MSCP") for a refund of the financial penalty incurred under the automatic financial penalty scheme ("AFPS") due to a non-compliance event regarding its waste-to-energy ("WTE") incineration plant WTE STG1 on 26 January 2022, periods 37 to 48.

2. On 25 January 2022, TuasOne submitted incorrect offer variations for 26 January 2022, periods 37 to 48 for WTE STG1. On 26 January 2022, TuasOne tried to rectify the mistake by submitting the offer variations to reflect the required loadings as per dispatch instructions from the Power System Operator ("PSO").

3. When TuasOne’s shift in charge realised that the EMC Disaster Recovery Preparedness Exercise ("DRP exercise") was in progress and offer variations could not be submitted, they contacted EMC’s helpdesk. They were informed that during the DRP exercise switchover maintenance period, there is a service disruption to the NEMS’s systems, and therefore no submission of offer variations is allowed.

4. The deviations between PSO’s dispatch instruction and the actual output of WTE STG1 for periods 37 to 48 on 26 January 2022 were above the margin of 10 MW established under the AFPS in accordance with the Singapore Electricity Market Rules ("Market Rules"). Therefore, a financial penalty was automatically imposed on TuasOne for such deviations.
5. TuasOne indicated in its appeal for refund that it did not comply with dispatch instructions from PSO for WTE STG1 on 26 January 2022 for periods 37 to 48 as TuasOne was unaware of EMC’s DRP exercise, as TuasOne was not subscribed to receive EMC’s notifications on the notice, occurrence, and duration of such exercise.

6. On 24 February 2022, MAU wrote to TuasOne to request additional information on TuasOne’s failure to comply with dispatch instructions from PSO and on the grounds of the appeal in accordance with section 9.6.3 of Chapter 5 of the Market Rules.

7. On 1 and 10 March 2022, TuasOne explained that it was technically possible for WTE STG1 to follow the dispatch instructions from PSO. However, TuasOne added that due to contractual obligations under the Waste to Energy Service Agreement (“WESA”) between TuasOne and National Environment Agency (“NEA”), it was necessary for WTE STG1 to continue operating at a certain load.

**APPLICABLE MARKET RULES**

8. Section 3.7.3 of Chapter 5 provides that

If a generation registered facility deviates, in the manner and to the extent described in section D.3.1 of Appendix 5D, from its real-time dispatch schedule or its short-term schedule (as the case may be) which is deemed to be or is otherwise issued as the dispatch instructions issued by the PSO, such generation registered facility shall be deemed to be a deviating generation registered facility unless the deviation occurred in respect of dispatch period(s) where the generation registered facility:

3.7.3.1 was at all relevant times operating under AGC;

3.7.3.2 had been issued dispatch instructions to deviate from it aforesaid real-time dispatch schedule or short-term schedule (as the case may be), and such dispatch instructions in respect of the generation registered facility were complied with;

3.7.3.3 was undergoing re-commissioning test(s) which had been approved by the PSO;

3.7.3.4 experienced a forced outage, which caused the generation registered facility to automatically disconnect from the transmission system;

3.7.3.5 had experienced a forced outage in the immediately preceding dispatch period, which caused the generation registered facility to automatically disconnect from the transmission system in that immediately preceding dispatch period;

3.7.3.6 was being start-up or shut-down in accordance with its aforesaid real-time dispatch schedule or short-term schedule (as the case may be); or

3.7.3.7 was performing a fuel changeover as required under the transmission code.

The automatic financial penalty scheme described in Appendix 5D shall apply to the market participant of such deviating generation registered facility.
9. Section 9.6.3 of Chapter 5 provides that

Compliance with a dispatch instruction for a registered facility is not required if such compliance would endanger the safety of any person, substantially damage equipment, or violate any applicable law. Subject to section 9.3.5, the dispatch coordinator for a registered facility that departs from dispatch instructions for any such reason shall so notify the PSO in accordance with section 9.6.2.

10. Section 9.6.2 of Chapter 5 provides that

A dispatch coordinator that expects its registered facility to operate in a manner that differs materially from the dispatch instructions issued to it shall so notify the PSO as soon as possible. The PSO shall publish in the system operation manual guidelines defining when a difference is material and how notice shall be provided for the purposes of sections 9.6.2 and 9.6.3.

11. Section D.5.1 of Appendix 5D of Chapter 5 provides that

The market participant of a deviating generation registered facility may appeal to the market surveillance and compliance panel for a refund of any financial penalties paid or required to be paid by it under the automatic financial penalty scheme detailed in this Appendix 5D if it can demonstrate to the satisfaction of the market surveillance and compliance panel that compliance with a dispatch instruction was not required pursuant to one or more of the conditions in section 9.6.3 of Chapter 5. Such appeal shall be made in writing in such form and manner as may be prescribed by the market surveillance and compliance panel and shall:

D5.1.1 contain the name and address of the market participant submitting the appeal;

D5.1.2 contain the particulars of the appeal;

D5.1.3 contain all information, facts and evidence supporting the appeal; and

D5.1.4 be accompanied by a copy of the final financial penalty statement setting out the financial penalty which is the subject of the appeal.

A market participant shall not submit, and the market surveillance and compliance panel may dismiss, an appeal to the market surveillance and compliance panel if more than twenty business days have elapsed since the date of the issuance of such final financial penalty statement.

12. Section D.5.3 of Appendix 5D of Chapter 5 provides that

For the avoidance of doubt, and notwithstanding section D.5.2, it shall remain the responsibility of the market participant which submitted an appeal under section D.5.1 to ensure that all information, facts and evidence supporting the market participant’s appeal are duly and promptly made available to the market surveillance and compliance panel in accordance with section D.5.1 (and if applicable section D.5.2), and the market surveillance and compliance panel shall not be required to conduct its own investigations to obtain any or further information, facts or evidence in support of such appeal. Nothing in this Appendix 5D shall prevent the market surveillance and compliance panel from exercising its investigative powers under the market rules in an appropriate case.
13. Section D.5.4 of Appendix 5D of Chapter 5 provides that

If the market surveillance and compliance panel determines that the market participant referred to in section D.5.1 was not required to comply with a dispatch instruction for any given dispatch period on the ground that at least one of the conditions in section 9.6.3 of Chapter 5 applies, the market surveillance and compliance panel shall:

D5.4.1 allow the market participant’s appeal in respect of that dispatch period submitted under section D.5.1; and

D5.4.2 direct the EMC to refund such market participant of the relevant financial penalty received by the EMC from such market participant for that dispatch period. Such financial penalty shall be refunded to the market participant without interest.

If the market surveillance and compliance panel determines that none of the conditions in section 9.6.3 of Chapter 5 applies to the non-compliance with a dispatch instruction by a market participant referred to in section D.5.1, the market surveillance and compliance panel shall dismiss the appeal submitted under section D.5.1. The market surveillance and compliance panel shall notify the EMC and such market participant of its determination under this section D.5.4 and give its reasons for such determination. The EMC shall publish such determination of the market surveillance and compliance panel and its reasons for such determination.

MSCP’S DETERMINATION

14. Based on the information, facts, and evidence provided by TuasOne, WTE STG1 would have been technically capable of following PSO’s instructions. Compliance with PSO’s dispatch instructions would have not caused any technical constraints or damage to WTE STG1. There was no danger to the safety of any person operating the WTE plant.

15. TuasOne indicated that due to contractual obligations under the WESA between TuasOne and NEA, it was required to continue the operations of WTE STG1. Avoiding a breach of a contract is not an excuse for non-compliance with PSO’s dispatch instructions.

16. Under the circumstances, section 9.6.3 of Chapter 5 of the Market Rules does not apply to excuse TuasOne’s non-compliance with the dispatch instructions from PSO for periods 37 to 48 on 26 January 2022.

17. The MSCP hereby dismisses the appeal submitted by TuasOne and directs it to pay costs fixed at $4,500.

Professor Walter Woon
Chairman, Market Surveillance and Compliance Panel