FACTS AND CIRCUMSTANCES


2. On 4 March 2022, SHUL G1’s boiler tripped due to the loss of burners at 00:10 hours (P1). This caused a sudden dip in the steam header pressure. As SHUL G1 consumes a large amount of steam, another boiler was required to start up to stabilise the steam network.

3. With limited support on-site, the boiler start-up was prioritised by the process unit operation personnel instead of the revision of offer variations after gate closure.

4. After successfully starting up the other boiler to maintain the minimum steam generation at approximately 01:00 hours (P3), offer variations were submitted at 01:08 hours (P3) for periods 4 and 5 for SHUL G1 to reduce the generation.

5. According to section 10.4.1.1b of Chapter 6 of the Market Rules, offer variations after gate closure are only allowed for the three consecutive dispatch periods immediately following the forced outage. Given that the forced outage of SHUL G1 occurred at 00:10 hours (P1), offer variations made for period 4 are exempted. However, the offer variations submitted for period 5 on 4 March 2022 were not in compliance with section 10.4.1 of Chapter 6 of the Market Rules.
6. On 2 June 2022, the MSCP informed Shell of its prima facie breach of section 10.4.1 of Chapter 6 of the Market Rules for period 5 on 4 March 2022 and invited Shell to submit written representations by 16 June 2022. The MSCP also requested that Shell provide specific information on the actions it will be taking to prevent future occurrences of such breaches.

7. On 16 June 2022, Shell submitted its written representations to the MSCP with further information regarding the incident. Shell also provided information on a mitigation program to develop digital tools and enhance current guidelines to enable a wider group to assist with the offer variations after gate closure following a forced outage or failure to synchronize. Additionally, there is an ongoing half-yearly refresher cascade for Production Team Leaders (“PTL”) and Assistant PTLs to include hands-on work and new rules updates.

8. Shell indicated that a hearing was not required.

APPLICABLE MARKET RULES

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. for an import registered facility, to reflect its revised capability for the three consecutive dispatch periods immediately following a forced outage of the interties connecting the import registered facility to the transmission system; or

d. 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

e. 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

f. 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

g. 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 set out above, the MSCP determined that Shell had breached section 10.4.1 of Chapter 6 of the Market Rules for SHUL G1 for period 5 on 4 March 2022.

11. The incident was self-reported and did not have a significant impact on the National Electricity Market of Singapore.

12. The MSCP hereby imposes a financial penalty of $4,000 and directs Shell to pay costs fixed at $2,000. The MSCP also sternly reminds Shell to observe its obligations under the Market Rules at all times and be more vigilant in view of the time-sensitivity required under the Market Rules.

Professor Walter Woon
Chairman, Market Surveillance and Compliance Panel