

**DETERMINATION OF THE MARKET SURVEILLANCE AND COMPLIANCE PANEL
MSCP/2008/D12**

Market Surveillance and Compliance Panel (“MSCP”)

Mr Thean Lip Ping, Chair
Professor Lim Chin
Mr Lee Keh Sai
Mr TPB Menon

Date of Determination

10 October 2008

Party

Energy Market Company Pte Ltd (“EMC”)

Subject

Failure to process offer files on 25 June 2008

Applicable Rule(s) in the Singapore Electricity Market Rules

1. Section 5.6.1 of Chapter 6

“Where the EMC receives any offer, it shall:

- 5.6.1.1 stamp the offer with the time that it was received;
- 5.6.1.2 within five minutes, confirm receipt of the offer; and
- 5.6.1.3 within five minutes, validate the offer in accordance with section 5.7.1 and release information indicating that the offer has been:
 - a. accepted as valid; or
 - b. rejected, with reasons for the rejection.”

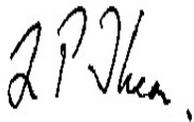
Facts and Circumstances

- 2. According to EMC, it was notified at 11:20 am on 25 June 2008 by a market participant that it did not receive an acknowledgement from the NEMS system for the batch of offer variations it sent to EMC. The same participant then re-submitted the same batch of offer variations but the offer variations again failed to be loaded. The offer variations were intended for periods starting from 4:00 pm on 25 June 2008.
- 3. Upon receipt of the notice from the market participant, EMC immediately investigated the matter and managed to resolve the problem at about 12:35 pm. Thereafter, the market participant submitted another batch of offer variations and it was successfully loaded into the system.
- 4. EMC said that the loading process for the offer variation batch failed because the Oracle internal objects which were marked “unusable” were unable to process the offer variation batch. When EMC carried out an urgent fix, the problem was resolved.

5. EMC said that the affected internal objects were marked “unusable” during an automatic backend maintenance operation which archived and split large objects in NEMS database. The affected internal objects were defined by the system as “Global” objects. Hence when maintenance operation was done on these objects, they were marked as “unusable” and caused the offer loading process to fail.
6. Oracle on-site support recommended all definitions for large objects which are part of the automatic backend maintenance job be defined as “Local” objects to avoid an impact on the “Global” definition of the Oracle objects.
7. As recommended by Oracle, EMC said it was working on the change request to change the objects definitions from “Global” to “Local” to avoid a repetition of the problem. EMC said it would roll out these changes to the NEMS Production system when testing was complete.
8. EMC also disabled the automatic maintenance operation on the affected objects to avoid further impact on the processing of the offer loading process.
9. In addition, EMC said that it had engaged Oracle to review all the system maintenance jobs and to detail the impact on the NEMS system databases. The review is expected to be complete by end August 2008.

Determination

10. On 6 August 2008, the MSCP issued a letter informing EMC that it considered that EMC had prima facie breached section 5.6.1 of Chapter 6 of the Singapore Electricity Market Rules (the ‘market rules’) and invited EMC to make written representations. EMC replied that it would not be making representations.
11. The MSCP determined on the basis of the facts referred to above that EMC breached section 5.6.1 of Chapter 6 of the market rules.
12. However, the breach was self-reported, inadvertent, rectified quickly and without material impact on the wholesale electricity markets.
13. Therefore, the MSCP determined that the appropriate action to be taken was to issue a letter of non-compliance to EMC and to direct EMC to pay costs, fixed at \$1,300.00.



Thean Lip Ping
Chair, Market Surveillance and Compliance Panel