

**DETERMINATION OF THE MARKET SURVEILLANCE AND COMPLIANCE PANEL
MSCP/2007/D16**

Market Surveillance and Compliance Panel (“MSCP”)

Mr Joseph Grimberg, Chair
Professor Lim Chin
Mr Lee Keh Sai
Mr TPB Menon

Date of Determination

31 August 2007

Party

Energy Market Company Pte Ltd (“EMC”)

Subject

Failure to release and publish short-term schedule for period 1 of 13 March 2007

Applicable Rule(s) in the Singapore Electricity Market Rules

1. Section 7.7.2A of Chapter 6

“Not later than 25 minutes prior to the commencement of the first dispatch period of the short-term schedule referred to in section 7.4A, the EMC shall, for each dispatch period included in the short-term schedule:

7.7.2A.1 release to the dispatch coordinator for each registered facility the projected schedules for energy, regulation and reserve, by reserve class, for that registered facility;

7.7.2A.2 publish the information described in section 7.7.3; and

7.7.2A.3 communicate to the PSO the projected schedules for energy, regulation and reserve, by reserve class, for each registered facility, together with the information described in section 7.7.3, in accordance with the system operation manual and any applicable market manual.”

2. Section 7.7.3 of Chapter 6

“In accordance with sections 7.7.1, 7.7.2 and 7.7.2A, the EMC shall publish the following information for each dispatch period and for each market outlook scenario, pre-dispatch schedule scenario and short-term schedule:

- 7.7.3.1 the projected total load;
- 7.7.3.2 the projected transmission losses;
- 7.7.3.3 total reserve requirements by reserve class;
- 7.7.3.4 total regulation requirements;
- 7.7.3.5 projected energy prices associated with each market network node at which a generation registered facility or generation settlement facility is located....;
- 7.7.3.6 the projected uniform Singapore energy price....;
- 7.7.3.7 projected reserve prices for each reserve class and reserve provider group....;
- 7.7.3.8 projected regulation prices....;
- 7.7.3.9 any predicted system energy shortfalls;
- 7.7.3.10 any predicted system reserve shortfalls, by reserve class;
- 7.7.3.11 any predicted system regulation shortfalls; and
- 7.7.3.12 a list of security constraints and generation fixing constraints applied.”

Facts and Circumstances

3. Energy Market Company (“EMC”) made a self-report on 22 March 2007 that the short-term schedule for period 1 of 13 March 2007 was sent late to the PSO and was not published by EMC according to the market rules.
4. According to EMC, on 12 March 2007 the short-term schedule for period 1 of 13 March 2007 was sent to the PSO at 11:36:07 pm. In accordance with the market rules, the short-term schedule for period 1 of 13 March 2007 should be sent to the PSO and the relevant information published at 11:35 pm on 12 March 2007.
5. EMC said that the delay was caused by the longer processing time for the short-term schedule approval process due to its Oracle database re-creating statistics after the migration of the NEMS systems to new servers during its “Server Replacement” project on 11 March 2007. This problem was not seen during the testing phase of its “Server Replacement” project.
6. EMC then changed the approval process of the short-term schedule to start earlier so as to allow more time for the approval process to complete when required. After the change, there was no problem with the subsequent schedules.
7. EMC also said that the problem was expected to resolve itself after all of the objects in the Oracle database had had their statistics gathered within a week of the migration of the NEMS systems. EMC would pro-actively monitor the database and application performance to make sure that this problem would not recur.
8. This incident was self-reported, inadvertent, rectified quickly and did not have a significant impact on the wholesale electricity markets.

Determination

9. On 29 May 2007, the MSCP issued a letter informing EMC that it considered that EMC had prima facie breached section 7.7.2A of Chapter 6 of the Singapore Electricity Market Rules (the ‘market rules’) and invited EMC to make written representations.

10. On 13 June 2007, EMC submitted written representations to the MSCP. In its written representations, EMC said that it had on 11 March 2007 commissioned a major technology refresh project to replace the NEMS servers, database and networks. It is a high value project the EMC embarked on, following extensive consultation and with support from the industry, to provide greater value to the market. The NEMS software has since been migrated to this new server platform. EMC said that as with any major IT project, there are inherent risks associated with it and the potential for some disruption to system availability with such major change is inevitable. EMC had managed to undertake the project with utmost professionalism to minimise such instances. It added that a recent audit on its Settlement Systems covering the new IT systems found no non-conformance.
11. The written representations also stated that EMC had expedited the resolution of the system outages as soon as it became aware of the events and there was minimal impact on market participants as a result of the breach. EMC said that it recognized the severity of the circumstances leading to every breach occurring and that steps were taken to ensure that there was no recurrence. EMC said it trusted the MSCP would take into consideration EMC's diligence in the matter and its commitment to ensuring the smooth and reliable operation of the NEMS system.
12. The MSCP determined on the basis of the facts referred to above that EMC breached section 7.7.2A of Chapter 6 of the market rules.
13. However, the breach was self-reported, rectified quickly and without significant impact on the wholesale electricity markets.
14. 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 \$1,000.00.



Lim Chin
for Chair, Market Surveillance and Compliance Panel