

**DETERMINATION OF THE MARKET SURVEILLANCE AND COMPLIANCE PANEL
MSCP/2013/D1**

Market Surveillance and Compliance Panel ("MSCP")

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

Date of Determination

23 May 2013

Party

YTL PowerSeraya Pte Ltd ("PowerSeraya")

Subject

Failure of YTL PowerSeraya to comply with gate closure rules on 26 November 2012

FACTS AND CIRCUMSTANCES

1. On 26 November 2012, PowerSeraya submitted offer variations for its quick start Open Cycle Gas Turbine (OCGT) units, JUR GT1 and JUR GT2, for periods 20 and 21 after gate closure.
2. The offer variations involved lowering the offered prices of JUR GT1 and increasing that of JUR GT2.
3. PowerSeraya submitted a self-report and a letter on 9 January 2013 and 6 February 2013 respectively to explain its offer variations after gate closure on 26 November 2012.
4. From PowerSeraya's submission, the MSCP formed the preliminary view that PowerSeraya had prima facie breached section 10.4.1 of Chapter 6 of the Singapore Electricity Market Rules (the "market rules") as the reason provided for the offer variations for JUR GT1 and JUR GT2, which included price changes, was not compliant with the said section. On 5 March 2013, the MSCP invited PowerSeraya to submit written representations.
5. On 19 March 2013 PowerSeraya submitted its written representations.
6. The relevant parts of PowerSeraya's explanations and points presented may be summarised in these terms:

JUR GT2 was unable to be synchronised to the grid for period 18 because the emergency lifting solenoid valve limit switch was jammed. From the short-term schedule (period 19), PowerSeraya understood that only one OCGT (i.e JUR GT2) was scheduled to run. In its effort to support the system and at the same time cater for more time to deal with JUR GT2, it decided to allow JUR GT1 to be dispatched instead of JUR GT2 by making an offer price swap for energy between JUR GT1 and JUR GT2 for periods 20 and 21, which violated the gate closure rule. PowerSeraya said that there was no net change to the offers of the two OCGTs taken as a whole, and that the change did not impact the USEP. JUR GT2 was subsequently able to be synchronised to the grid in period 19.

7. PowerSeraya also said that it took the matter very seriously and constantly sought to minimise breaches of the market rules. It had progressively taken steps to minimize violation of the gate closure rules and had since enhanced its offering tool. With the enhancement, it expects to minimise the likelihood of future violations of gate closure.

APPLICABLE MARKET RULES

8. The relevant market rules are set out below.

10.4 Gate Closure

10.4.1 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 dysynchronisation; or
- b. for a generation registered facility, to reflect its revised capability during a forced outage; 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 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 the dispatch period, where:
 - (i) the shortfall situations were indicated in a system status advisory notice issued by the EMC in respect of an 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


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 offer for that dispatch
period.

ENFORCEMENT


9. Based on the evidence available, the MSCP determined that PowerSeraya had breached section 10.4.1 of Chapter 6 of the market rules in its offer variations for JUR GT1 and JUR GT2 for periods 20 and 21 on 26 November 2012. Accordingly, the MSCP wrote to PowerSeraya on 4 April 2013 informing PowerSeraya of the breach, and invited PowerSeraya to make written representations before the MSCP decides on the quantum of financial penalty and costs. PowerSeraya did not submit any written representation by the due date.
10. Taking into account all the relevant circumstances in this case, including the fact that PowerSeraya had breached the Market Rules on the following previous occasions, namely:
 1. Breach of Section 10.4.1 of Chapter 6 of the market rules for offer variations after gate closure on 23 August 2005 (MSCP/2006/D15);
 2. Breach of Section 10.4.1 of Chapter 6 of the market rules for offer variations after gate closure on 28 February 2009 (MSCP/2009/D5);
 3. Breach of Sections 9.6.1 of Chapter 5 and 5.1.5 and 5.1.6 of Chapter 6 of the market rules for failure to submit offer variations after multiple forced outages of combined-cycle plants on 13 December 2011 (MSCP/2012/D3);

the MSCP determines that a financial penalty be imposed on PowerSeraya for breaching section 10.4.1 of Chapter 6 of the market rules on 26 November 2012. The MSCP assesses the penalty in the sum of \$10,000, taking into account all the relevant circumstances. The MSCP hereby directs that PowerSeraya pays the sum of \$10,000 as financial penalty and costs of investigation fixed at \$1,500. The total sum of \$11,500 is to be paid forthwith.

Thean Lip Ping



Lim Chin



Lee Keh Sai



TPB Menon



Philip Chua

