

# CURRENT ISSUE TOPICS

CEO's Message  
DRCAP Update  
Visitors to EMC  
Celebrating Chinese New Year With MINDS ATDC  
New Entrant to the NEMS  
Market Update  
Changes to the MSCP  
Rule Change Update  
User Forums  
EMC Training Programme



## CEO'S MESSAGE

EMC welcomed the Year of the Monkey in our new office at Shenton Way. The move to SGX Centre 2 marks a key milestone for us.

Since the move, we have already hosted some market participants (MPs) and governance panel members during regular industry forums and meetings. We look forward to welcoming more MPs as we settle in.

In January, the Market Surveillance and Compliance Panel welcomed a new Chair and member, as its former Chair L P Thean completed his third term of chairmanship on 31 December 2015. On behalf of EMC, I would like to express my sincere appreciation to Mr Thean for his invaluable contributions to the National Electricity Market of Singapore (NEMS) since his appointment in 2008.

In the same month, the NEMS registered a new wholesale market trader. EMC also hosted a team from the University of the Philippines (UP) School of Economics to share our experience in operating Singapore's wholesale electricity market.

The Energy Market Authority approved a rule change in February that required generation facilities that need to be connected to the grid to undergo commissioning tests, to first register as Commissioning Generation Facilities before being registered as Generation Settlement Facilities. EMC also completed the first round of market trials for the system changes of the upcoming Demand Response scheme in February.

Looking at the market's performance, the monthly average Uniform Singapore Energy Price dropped from \$75/MWh in January to \$47/MWh in February. This was due to an increase in the supply cushion to more than 30 percent in February.

On the charity front, my colleagues and I enjoyed ourselves at the Chinese New Year celebration at the Ang Mo Kio Training and Development Centre of the Movement for the Intellectually Disabled of Singapore (MINDS ATDC). We have supported MINDS ATDC for more than 12 years now. We always look forward to events like this which allow us to interact with the Centre's clients and staff, and witness how our contributions make a difference to the clients' development and well-being.

I look forward to another successful year for the NEMS in partnership with all of you, our stakeholders.

**Toh Seong Wah**  
Chief Executive Officer

## DEMAND RESPONSE, COMPENSATION AND PENALTY PROJECT (DRCAP) – AN UPDATE

With the completion of Phase 1 of the Demand Response, Compensation and Penalty (DRCAP) project in November 2015, the EMC team has been focusing on Phase 2 which involves system changes for the Demand Response (DR) scheme.

The first round of market trials for the DR scheme was completed in mid-February. The second round of market trials as well as the training for the system changes are expected to be completed by the end of March. We strongly encourage all market participants to partake in the market trials and training so that we can further fine-tune the system, where necessary, before it is rolled out.

The Energy Market Authority approved the Market Rule changes for the DR scheme on 4 March, and the proposed modifications for the DR scheme will take effect on 28 April.

## VISITORS TO EMC



EMC staff with visitors from the University of the Philippines (UP) School of Economics

In January, EMC had the privilege of hosting six delegates from the University of the Philippines (UP) School of Economics. EMC briefed our visitors on the history, industry structure and key features of the National Electricity Market of Singapore (NEMS), as well as EMC's role and experience gained from operating the wholesale market of the NEMS.

EMC regularly hosts delegations from neighbouring countries that are keen to learn about Singapore's experience with electricity market liberalisation.

## CELEBRATING CHINESE NEW YEAR WITH MINDS ATDC



EMC volunteers at MINDS ATDC's community garden

On 4 February, EMC staff volunteers celebrated Chinese New Year (CNY) with the clients and staff of the Movement for the Intellectually Disabled of Singapore (MINDS) Ang Mo Kio Training and Development Centre (ATDC).

MINDS ATDC is one of EMC's adopted charities, with an on-going relationship of more than 12 years. The CNY celebration with MINDS ATDC was the first activity supported by EMC this year and was a good way for all clients and EMC staff volunteers to welcome the Year of the Monkey.

The celebration began with lunch for all clients and volunteers at the McDonald's restaurant in Ang Mo Kio Park. After lunch, Dylan Lim,



EMC volunteers at MINDS ATDC Chinese New Year celebration

Head of MINDS ATDC, gave the volunteers a tour of its community garden, one of the many meaningful projects undertaken by the Centre. The garden not only provides clients with an avenue to improve their motor skills, it also helps improve the environment around the Centre, thereby benefiting residents in the community as well.

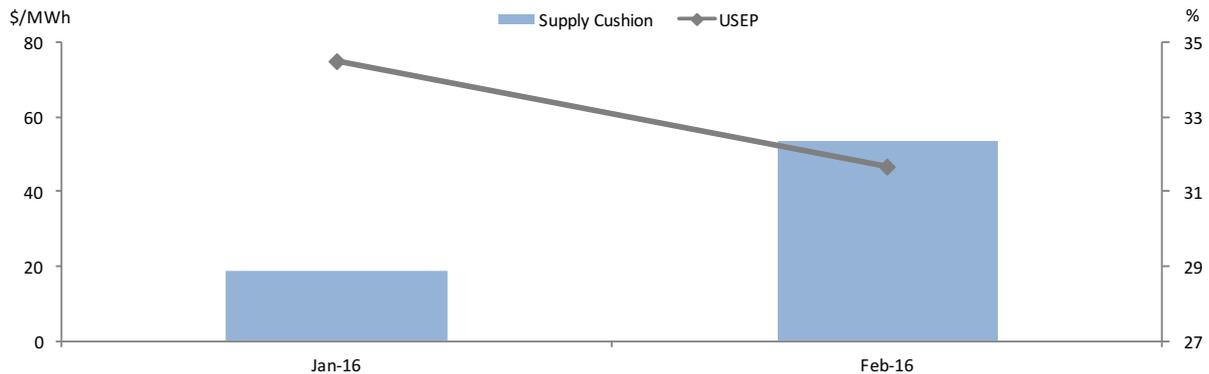
The day culminated with games, song and dance performances by the clients, staff and volunteers of MINDS ATDC. Overall, the CNY celebration provided an excellent opportunity for EMC staff to get to know the clients and work of the Centre better. We look forward to future activities with MINDS ATDC.

## NEW ENTRANT TO THE NEMS

The National Electricity Market of Singapore (NEMS) welcomed a new market participant at the start of the year – Solar C&I Holdings Pte Ltd, which joined the market as a wholesale market trader on 1 January 2016.

# MARKET UPDATE

## Overview of Uniform Singapore Energy Price (USEP) in January and February 2016



Data for February is up to 21 February

After closing below \$60/MWh in the last two months of 2015, the monthly average Uniform Singapore Energy Price (USEP) edged up to \$75/MWh in January. The supply cushion averaged 28.9 percent for the month. In February, when the supply cushion increased to 32.3 percent, the monthly average USEP fell to \$47/MWh.

## CHANGES TO THE MARKET SURVEILLANCE AND COMPLIANCE PANEL

On 1 January 2016, TPB Menon assumed the chairmanship of the Market Surveillance and Compliance Panel (MSCP). He took over the helm from Mr L P Thean, who completed his third term as MSCP Chair on 31 December 2015. Mr Thean has led the MSCP since 2008.

EMC would like to express its deepest appreciation to Mr Thean for the contributions he has made to the National Electricity Market of Singapore. In his eight years as Chair, he has led the Panel with exemplary leadership and wisdom. At the same time, we are honoured that Mr Menon accepted the chairmanship. As a founding member of the MSCP and esteemed member of the Singapore judiciary and legal profession, Mr Menon's wealth of experience has been invaluable to the work of the panel since 2003.

With Mr Menon's appointment as Chair, the EMC Board further appointed Professor Walter Woon as a member of the MSCP from 1 January 2016 to 31 December 2017.

Professor Woon, Senior Counsel, is a renowned lawyer in Singapore. Currently the Chairman and a Senior Consultant at RHTLaw Taylor Wessing, Professor Woon's main areas of interest are company law, criminal law and international law. He holds many other prominent appointments, including (but not limited to) the following:

- David Marshall Professor at the Law Faculty and Deputy Chairman of the Centre for International Law, National University of Singapore;
- Dean of the Singapore Institute of Legal Education;
- Chairman of the Society of International Law Singapore; and
- Executive Council Member of the Asian Society of International Law.

Professor Woon will be a valuable addition to the MSCP. The other panel members are Lee Keh Sai, Philip Chua and Professor Euston Quah.

## RULE CHANGE UPDATE

### Registration Issues Relating to Commissioning Generation Facilities

According to the Market Rules, any generation facility that is meant to be subject to dispatch by the Power System Operator (PSO) needs to be registered as (i) a Commissioning Generation Facility (CGF) with a name-plate rating of 10MW or more, or (ii) a CGF with a name-plate rating of 1MW or more but below 10MW.

Generation facilities that are less than 10MW but not intended to be subject to dispatch by the PSO are registered as Generation Settlement Facilities (GSFs). Some of these facilities need to connect to the grid to undergo commissioning tests. Hence, a rule change was made to require such generation facilities to first register as CGFs, before being registered as GSFs. In line with this, changes to the CGF registration form and consequently the generation facility registration form were also proposed to ensure that the forms are consistent with the Market Rules and other Market Manuals.

This rule change took effect on 4 February 2016.

# USER FORUMS

## Market Information Sharing Forum (MISF)

Cherie Chen from the Market Operations team hosted the 85<sup>th</sup> session of the bi-monthly MISF on 14 January. The following topics were shared with the attendees:

- Market Performance Round-Up for 2015;
- Key Highlights for 2015;
- System Enhancements and Projects;
- Follow-up notes for Automatic Financial Penalty Scheme (AFPS); and
- EMC's Office Move notice

We would like to thank all participants for their continuous support and strong interest in the MISF. The next MISF is scheduled for 10 March and will be presented by Johanna Toh from the Market Operations team. Market participants who are interested in presenting at future MISFs are encouraged to come forward.

## Market Systems User Group (MSUG)

The bi-monthly MSUG forum was held on 25 February. EMC IT updated attendees on the following topics:

- Overview of NEMS systems availability year-to-date for FY 15/16;
- Overview of NEMS systems service desk calls received between January 2015 and January 2016;
- Overview of Change Releases deployed between January 2015 and January 2016;
- Upcoming planned Disaster Recovery Exercise from April to May;
- EMC Helpdesk and settlement certificates renewal details;
- Major IT incidents that occurred in January 2016, and actions taken to resolve them;
- Status updates on IT Infrastructure projects:
  - » NEMS Server virtualisation;
  - » Data Centre consolidation;
  - » Novena Office Move; and
  - » Enterprise Monitoring System replacement
- Status updates on key on-going Application projects:
  - » Demand Response, Compensation and Penalty Project;
  - » Provision of Regulation by Batteries; and
  - » Oracle Access Manager Revamp

The next MSUG forum is tentatively scheduled for Thursday, 28 April.

## EMC TRAINING PROGRAMME NEXT COURSE ON 12 AND 13 MAY 2016

EMC will be holding the next run of its two-day course *Understanding Electricity Markets* on 12 and 13 May 2016. Our staff will be conducting six sessions covering the following topics:

- Understanding Electricity
- Why Reform and Regulation is Essential in the Electricity Industry
- The National Electricity Market of Singapore and its Unique Features
- Pricing Mechanism and Economic Dispatch
- Settlement
- How Consumers can Influence Electricity Markets

The course dates for 2016 are as follows:

- » 12-13 May
- » 18-19 August
- » 10-11 November

We advise you to book early to secure your place in the course date of your choice, and benefit from our early-bird discount.

Further details on the programme and on how to register are on our website, [www.emcsg.com](http://www.emcsg.com). For enquiries, please e-mail [trainingprogramme@emcsg.com](mailto:trainingprogramme@emcsg.com) or contact Jan Lee at +65 6779 3000.

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